

WALES ACT 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS (AND SCHEDULES)

Part 3: Miscellaneous

Section 24: Local housing authorities: limits on housing revenue account debt

204. *Section 24* amends Part 6 of the Local Government and Housing Act 1989 (the “1989 Act”).
205. This section enables HM Treasury to set a cap on the maximum level of housing debt that may be held, in aggregate, by Welsh local housing authorities (“LHAs”) and requires the Welsh Minister to determine how much housing debt may be held by each LHA within that cap. This creates a similar system in Wales to that which applies in England by virtue of sections 171 – 173 of the Localism Act 2011.
206. *Subsection (1)* introduces the amendments to the 1989 Act.
207. *Subsection (2)* inserts new sections 76A and 76B into the 1989 Act. It provides:
- that HM Treasury may make a determination of the maximum amount of housing debt that may be held, in aggregate, by Welsh LHAs;
 - that HM Treasury must send a copy of its determination to the Welsh Ministers and lay a copy of it before the House of Commons;
 - that the Welsh Ministers may from time to time make determinations in relation to each LHA of the amount of housing debt they are to be treated as holding and the maximum amount of housing debt they may hold;
 - that the aggregate amount the Welsh Ministers may determine cannot exceed HM Treasury’s determination;
 - that the Welsh Ministers must make determinations within 6 months of receiving one from HM Treasury;
 - a definition of housing debt as debt held by the LHA in relation to the LHA’s housing functions and other property within its Housing Revenue Account; and
 - that the Welsh Ministers have the power to obtain information from Welsh LHAs in order for them to make the determinations.
208. *Subsection (3)* introduces amendments to section 87 of the 1989 Act (which provides for how determinations are to be made and how they are to be communicated to LHAs).
209. *Subsection (4)* changes references in section 87 from “Secretary of State” to “appropriate person”. “Appropriate person” is defined in section 88 of the 1989 Act as the Secretary of State in England and the Welsh Ministers in Wales.

*These notes refer to the Wales Act 2014 (c.29)
which received Royal Assent on 17 December 2014*

210. *Subsection (5)* provides that subsection (1)(b) of section 87 (which provides that determinations can be made before, during or after the end of the year to which it relates) does not apply to determinations made by the Welsh Ministers under new section 76A.
211. *Subsection (6)* applies the defined term “appropriate person” to section 87(2).