

## SCHEDULES

### SCHEDULE 18

Section 222.

#### MISCELLANEOUS PROVISIONS

#### PART I

#### HOUSING MANAGEMENT

##### *Repeal of Part IV of the Housing Act 1988*

- 1 Part IV of the Housing Act 1988 (change of landlord: secure tenants) is hereby repealed.

##### *Payments to encourage local housing authority tenants to move to other accommodation*

- 2 (1) A local housing authority may make payments to or for the benefit of a tenant or licensee of a dwelling-house within its Housing Revenue Account with a view to assisting or encouraging that person to move to qualifying accommodation.
- (2) In sub-paragraph (1) “qualifying accommodation” means a dwelling-house made available to the person concerned as tenant or licensee by any of the following—
- (a) the local housing authority making the grant or any other local housing authority; or
  - (b) a registered social landlord.
- (3) The reference in sub-paragraph (1) to a dwelling-house being within the Housing Revenue Account of a local housing authority is to a dwelling-house to which section 74(1) of the Local Government and Housing Act 1989 for the time being applies.
- (4) In this paragraph—
- “dwelling-house” has the meaning given by section 112 of the Housing Act 1985; and
  - “tenant” does not include a tenant under a long tenancy as defined in section 115 of that Act.

##### *Consultation with respect to housing management*

- 3 (1) Part II of the Housing Act 1985 (provision of housing accommodation) is amended as follows.
- (2) After section 27B insert—

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*“Consultation with respect to housing management*

**27BA Consultation with respect to management**

- (1) The Secretary of State may make regulations for imposing requirements on a local housing authority to consult tenants, or to consider representations made to them by tenants, with respect to the exercise of their management functions (including proposals as to the exercise of those functions), in relation to any of the authority’s houses or other land held for a related purpose.
- (2) The regulations may include provision requiring a local housing authority to consult tenants, or consider representations made by tenants, with respect to—
  - (a) the terms of a written specification to be prepared by the authority of functions proposed to be exercised by the authority or another person;
  - (b) a proposal of the authority to exercise management functions themselves;
  - (c) any person whom the authority propose to invite to submit a bid to exercise any of their management functions;
  - (d) the standards of service for the time being achieved by the authority or (as the case may be) the person with whom they have entered into a management agreement;
  - (e) a proposal to enforce the standards of service required by a management agreement.
- (3) The requirements imposed on a local housing authority by the regulations may include provision with respect to—
  - (a) the tenants to be consulted or whose representations are to be considered;
  - (b) the means by which consultation is to be effected (including the arrangements to be made for tenants to consider the matters on which they have been consulted);
  - (c) the arrangements to be made for tenants to make representations to the authority;
  - (d) the action to be taken by the authority where representations are made.
- (4) The regulations may include provision requiring a local housing authority to consult representatives of tenants, or to consider representations made to them by such representatives, as well as (or instead of) the tenants themselves; and accordingly, references in subsections (1) to (3) above to tenants include references to such representatives.
- (5) The regulations may include provision for particular questions arising under them to be determined by a local housing authority on whom they impose requirements.
- (6) Nothing in subsections (2) to (5) above shall be taken as prejudicing the generality of subsection (1).

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- (7) Regulations under this section—
- (a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas,
  - (b) may contain such incidental, supplementary or transitional provisions as appear to the Secretary of State to be necessary or expedient, and
  - (c) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (8) Except as otherwise provided by the regulations, in the case of secure tenants, the provisions of the regulations shall apply in place of the provisions of section 105 (consultation on matters of housing management).
- (9) Except as otherwise provided by the regulations, in the case of introductory tenants, the provisions of the regulations shall apply in place of the provisions of section 137 of the Housing Act 1996 (consultation on matters of housing management).
- (10) References in this section to the management functions of a local housing authority in relation to houses or land shall be construed in the same way as references to any such functions in section 27.”
- (3) In section 20(1) (application of housing management provisions) for “section 27B” substitute “section 27BA”.
- (4) In section 27 (management agreements), after subsection (5) insert—
- “(5A) Nothing in section 6 of the Local Government Act 1988 (restrictions on authority carrying out functional work) shall apply in relation to any management functions which, in pursuance of a management agreement, are carried out by the manager as agent of the local housing authority.”
- (5) In section 27AB (management agreements with tenant management organisations), in subsection (7)(b)(i), for the words from “section 27A” to the end substitute “regulations under section 27BA (consultation with respect to management)”.

## PART II

### HOUSING FINANCE

#### *Housing Revenue Account: directions as to certain matters*

- 4 (1) In Part VI of the Local Government and Housing Act 1989 (housing finance), after section 78 (directions as to proper accounting practices) insert—

#### **“78A Directions as to treatment of service charges, &c**

- (1) The Secretary of State may give directions as to what items or amounts are to be regarded as referable to property within a local housing authority’s Housing Revenue Account where one or more parts of a building have been disposed of but the common parts remain property within that account.

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- (2) Any such direction also has effect for the purposes of any Housing Repairs Account kept by the authority.
- (3) Directions under this section may give the authority a discretion as to whether items or amounts are accounted for in the Housing Revenue Account or any Housing Repairs Account or in another revenue account.
- (4) In this section “common parts” includes the structure and exterior of the building and common facilities provided, whether in the building or elsewhere, for persons who include the occupiers of one or more parts of the building.

### **78B Directions as to accounting for work subject to competitive tendering**

- (1) This section applies where work is carried out by a local housing authority which has successfully bid for the work on a competitive basis.
- (2) The Secretary of State may give directions—
  - (a) to secure that the amount debited to the Housing Revenue Account or any Housing Repairs Account of the authority in respect of the work reflects the amount of the authority’s successful bid for the work rather than expenditure actually incurred;
  - (b) allowing an authority to credit to its Housing Revenue Account any surpluses reasonably attributable to work undertaken on or in connection with property within that account.
- (3) Directions under subsection (2)(a) may make provision for determining the amount to be treated as the amount of the authority’s successful bid.

References in this Part to expenditure shall be construed as references to the amount falling to be debited in accordance with the directions.

- (4) Directions under subsection (2)(b) may make provision as to the ascertainment of the surpluses referred to and the circumstances in which a surplus is or is not to be taken to be attributable to property within an authority’s Housing Revenue Account.”
- (2) The above amendment has effect for the financial year beginning on 1st April 1997 and subsequent financial years.

### *Housing Revenue Account subsidy: final decision on amount*

- 5 (1) In Part VI of the Local Government and Housing Act 1989 (housing finance), after section 80 (calculation of Housing Revenue Account subsidy) insert—

### **“80A Final decision on amount of Housing Revenue Account subsidy**

- (1) The Secretary of State shall, as soon as he thinks fit after the end of the year, make a final decision as to the amount (if any) of Housing Revenue Account subsidy payable to a local housing authority for that year and notify the authority in writing of his decision.

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- (2) Once notified to the authority the decision is conclusive as to the amount (if any) payable by way of subsidy and shall not be questioned in any legal proceedings.
- (3) Where the amount of Housing Revenue Account subsidy paid to an authority is less than the amount finally decided, the authority is entitled to be paid the balance.
- (4) Where Housing Revenue Account subsidy has been paid to an authority in excess of the amount finally decided, the Secretary of State may recover the excess, with interest from such time and at such rates as he thinks fit.

Without prejudice to other methods of recovery, a sum recoverable under this subsection may be recovered by withholding or reducing subsidy.

- (5) Nothing in this section affects any power of the Secretary of State to vary a determination as to the amount of subsidy before the final decision is made.”
- (2) The above amendment applies in relation to the amount of subsidy payable—
  - (a) to authorities in England for the financial year beginning on 1st April 1996 and subsequent years; and
  - (b) to authorities in Wales for such financial years as the Secretary of State may specify by order made by statutory instrument.

*Abolition of exchequer contributions for agricultural housing*

- 6 (1) No contribution shall be made by the Secretary of State by virtue of Part II of Schedule 15 to the Housing Act 1985 (exchequer contributions for agricultural housing) in respect of any year after the year ending on 31st March 1996.
- (2) Part II of Schedule 15 to that Act is amended as follows.
- (3) For the heading substitute—

“Annual Grants for Agricultural Housing”
- (4) For paragraph 1 substitute—

*“Annual grants by local housing authorities*

- 1 (1) Annual grants shall, notwithstanding the abolition of exchequer contributions by paragraph 6(1) of Schedule 18 to the Housing Act 1996, continue to be payable by local housing authorities in respect of agricultural housing provided in pursuance of arrangements made under section 46 of the Housing (Financial Provisions) Act 1958.
- (2) Subject to the provisions of this Part of this Schedule, such annual grants are payable, in respect of any house as to which the Secretary of State originally undertook to make annual contributions under section 46 of the Housing (Financial Provisions) Act 1958, for the remainder of the 40 year period for which that undertaking was given.
- (3) The amount paid by way of annual grant to the owner of a house shall not be less than the amount of the last annual contribution paid by the Secretary of State in respect of the house.”

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(5) For paragraph 2(1) substitute—

*“Conditions of payment of annual grant*

- 2 (1) It is a condition of the payment of a grant in respect of a house in any year that throughout the year the house—
- (a) is reserved for members of the agricultural population, and
  - (b) if let, is let at a rent not exceeding the limit applicable in accordance with the following provisions of this paragraph,
- and that in the opinion of the local housing authority all reasonable steps have been taken to secure the maintenance of the house in a proper state of repair during the year.”

(6) In paragraph 3(1), for “contribution” substitute “grant”.

(7) For paragraph 4 substitute—

- “4 A grant shall not be made or shall be reduced, as the local housing authority think fit, if (before the grant is paid) the local housing authority are of the opinion that during the whole or the greater part of the period to which the payment of the grant is referable the house has not been available as a dwelling fit for habitation, unless the authority is satisfied that that could not with reasonable diligence have been achieved.”

(8) In paragraph 5 omit the words “the Secretary of State or”.

(9) After paragraph 5 insert—

*“Commutation of future annual grant*

- 6 (1) A local authority may make an offer in writing to the person who is for the time being the owner of a house as respects which annual grant is payable under this Part of this Schedule to pay a lump sum in lieu of—
- (a) the annual grant payable for the year in which the offer is accepted; and
  - (b) any further payments of annual grant that would (apart from this paragraph) be payable for the remainder of the period for which the original arrangements under section 46 of the Housing (Financial Provisions) Act 1958 were made.
- (2) An owner may accept an offer made under this paragraph by notice in writing to the local housing authority.
- (3) Subject to sub-paragraph (4) below, where such an offer is accepted the local housing authority shall pay to the owner a lump sum calculated in such manner as the authority may determine.
- (4) A lump sum shall not be paid as respects a house unless the local housing authority are satisfied that the conditions in this Part of this Schedule have been observed throughout the year preceding the date on which the lump sum would otherwise be paid.
- (5) On payment of a lump sum under this paragraph to the owner of a house—

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- (a) no further annual grants under this Part of this Schedule shall be payable in respect of the house; and
  - (b) the conditions described in this Part of this Schedule shall cease to apply to the house.”
- (10) Nothing in this paragraph affects the operation of Part II of Schedule 15 to the Housing Act 1985 in respect of any year ending before 1st April 1996.

### PART III

ORDERS IN RELATION TO PROPERTY IN FAMILY AND MATRIMONIAL PROCEEDINGS, &C.

#### *Housing Act 1980 (c. 51)*

- 7 In section 54(2) of the Housing Act 1980 (prohibition on assignment of protected shorthold tenancy or protected tenancy of dwelling-house), for “except in pursuance of an order under section 24 of the Matrimonial Causes Act 1973” substitute—

“except in pursuance of an order under—

- (a) section 24 of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings),
- (b) section 17(1) of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders after overseas divorce, &c.), or
- (c) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents).”

#### *Housing Act 1985 (c. 68)*

- 8 (1) Section 39 of the Housing Act 1985 (exempted disposals) is amended as follows.
- (2) In subsection (1), for paragraph (c) substitute—
- “(c) it is a disposal of the whole of the house in pursuance of any such order as is mentioned in subsection (3);”
- (3) After subsection (2) add—
- “(3) The orders referred to in subsection (1)(c) are orders under—
- (a) section 24 or 24A of the Matrimonial Causes Act 1973 (property adjustment orders or orders for the sale of property in connection with matrimonial proceedings),
  - (b) section 2 of the Inheritance (Provision for Family and Dependants) Act 1975 (orders as to financial provision to be made from estate),
  - (c) section 17 of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders or orders for the sale of property after overseas divorce, &c.), or
  - (d) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents).”
- 9 In section 88(2) of the Housing Act 1985 (cases where secure tenant is a successor) after “proceedings” insert “or section 17(1) of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders after overseas divorce, &c.)”.

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- 10        In section 89 of the Housing Act 1985 (succession to periodic tenancy), for subsection (3) substitute—
- “(3) Where there is no person qualified to succeed the tenant, the tenancy ceases to be a secure tenancy—
- (a) when it is vested or otherwise disposed of in the course of the administration of the tenant’s estate, unless the vesting or other disposal is in pursuance of an order made under—
- (i) section 24 of the Matrimonial Causes Act 1973 (property adjustment orders made in connection with matrimonial proceedings),
- (ii) section 17(1) of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders after overseas divorce, &c.), or
- (iii) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents); or
- (b) when it is known that when the tenancy is so vested or disposed of it will not be in pursuance of such an order.”
- 11        In section 90(3) of the Housing Act 1985 (devolution of secure tenancy), for paragraph (a) and the word “or” at the end of the paragraph substitute—
- “(a) the vesting or other disposal is in pursuance of an order made under—
- (i) section 24 of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings),
- (ii) section 17(1) of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders after overseas divorce, &c.), or
- (iii) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents), or”
- 12        In section 91(3) of the Housing Act 1985 (cases where assignment of secure tenancy permitted), for paragraph (b) substitute—
- “(b) an assignment in pursuance of an order made under—
- (i) section 24 of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings),
- (ii) section 17(1) of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders after overseas divorce, &c.), or
- (iii) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents);”
- 13        In section 99B(2) of the Housing Act 1985 (persons qualifying for compensation for improvements) for paragraph (e) substitute—
- “(e) a person to whom the tenancy was assigned by the improving tenant in pursuance of an order made under—
- (i) section 24 of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings),

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- (ii) section 17(1) of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders after overseas divorce, &c.), or
    - (iii) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents);”
- 14 In section 101(3) of the Housing Act 1985 (rent not increased on account of tenant’s improvements: qualifying persons) for paragraph (c) substitute—
  - “(c) a person to whom the tenancy was assigned by the tenant in pursuance of an order made under—
    - (i) section 24 of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings),
    - (ii) section 17(1) of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders after overseas divorce, &c.), or
    - (iii) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents);”
- 15 (1) Section 160 of the Housing Act 1985 (exempted disposals in relation to right to buy) is amended as follows.
  - (2) In subsection (1), for paragraph (c) substitute—
    - “(c) it is a disposal of the whole of the dwelling-house in pursuance of any such order as is mentioned in subsection (3);”
  - (3) After subsection (2) add—
    - “(3) The orders referred to in subsection (1)(c) are orders under—
      - (a) section 24 or 24A of the Matrimonial Causes Act 1973 (property adjustment orders or orders for the sale of property in connection with matrimonial proceedings),
      - (b) section 2 of the Inheritance (Provision for Family and Dependants) Act 1975 (orders as to financial provision to be made from estate),
      - (c) section 17 of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders or orders for the sale of property after overseas divorce, &c.), or
      - (d) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents).”
- 16 In section 171B(4)(b) of the Housing Act 1985 (extent of preserved right to buy: qualifying successors of tenant), after sub-paragraph (ii) insert—
  - “or
    - (iii) a property adjustment order under section 17(1) of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders after overseas divorce, &c.), or
    - (iv) an order under paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents);”
- 17 In paragraph 1(2) of Schedule 6A to the Housing Act 1985 (obligation to redeem landlord’s share: excluded disposals), for paragraph (c) substitute—
  - “(c) it is a disposal in pursuance of an order under—

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- (i) section 24 or 24A of the Matrimonial Causes Act 1973 (property adjustment orders or orders for the sale of property in connection with matrimonial proceedings),
- (ii) section 2 of the Inheritance (Provision for Family and Dependants) Act 1975 (orders as to financial provision to be made from estate),
- (iii) section 17 of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders or orders for the sale of property after overseas divorce, &c.), or
- (iv) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents).”

*Landlord and Tenant Act 1987 (c. 31)*

18 In section 4(2) of the Landlord and Tenant Act 1987 (right of first refusal: excluded disposals), for paragraph (c) substitute—

- (c) a disposal in pursuance of an order made under—
  - (i) section 24 of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings),
  - (ii) section 24A of the Matrimonial Causes Act 1973 (orders for the sale of property in connection with matrimonial proceedings) where the order includes provision requiring the property concerned to be offered for sale to a person or class of persons specified in the order,
  - (iii) section 2 of the Inheritance (Provision for Family and Dependants) Act 1975 (orders as to financial provision to be made from estate),
  - (iv) section 17(1) of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders after overseas divorce, &c.),
  - (v) section 17(2) of the Matrimonial and Family Proceedings Act 1984 (orders for the sale of property after overseas divorce, &c.) where the order includes provision requiring the property concerned to be offered for sale to a person or class of persons specified in the order, or
  - (vi) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents);

*Housing Act 1988 (c. 50)*

19 (1) Paragraph 4 of Schedule 11 to the Housing Act 1988 (repayment of discount on disposal: exempted disposals) is amended as follows.

(2) In sub-paragraph (1), for paragraph (c) substitute—

- “(c) it is a disposal of the whole of the house in pursuance of any such order as is mentioned in sub-paragraph (4) below;”

(3) After sub-paragraph (3) add—

“(4) The orders referred to in sub-paragraph (1)(c) above are orders under—

- (a) section 24 or 24A of the Matrimonial Causes Act 1973 (property adjustment orders or orders for the sale of property in connection with matrimonial proceedings),

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- (b) section 2 of the Inheritance (Provision for Family and Dependants) Act 1975 (orders as to financial provision to be made from estate),
- (c) section 17 of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders or orders for the sale of property after overseas divorce, &c.), or
- (d) paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents).”

## PART IV

### OTHER HOUSING PROVISIONS

#### *Abolition of consent requirements for exercise of certain housing powers*

- 20 Section 16 of the Housing Act 1985 (consent requirements for exercise of certain housing powers) shall cease to have effect.

#### *Amendments of section 133 of the Housing Act 1988*

- 21 (1) Section 133 of the Housing Act 1988 (consent required for certain subsequent disposals) is amended as follows.

- (2) After subsection (1) insert—

“(1A) This section does not apply if the original disposal was made before the date on which this section comes into force.”

The amendment made by this sub-paragraph shall be deemed always to have had effect.

- (3) After subsection (2) insert—

“(2A) Consent required for the purposes of this section may be given either generally to all persons who may require such consent or to any particular person or description of person who may require such consent.”

- (4) After subsection (5) insert—

“(5A) A person seeking any consent required by virtue of this section is not required to consult a tenant of the land or house proposed to be disposed of if—

- (a) consent is sought for the disposal of the land or house to that tenant or to persons including that tenant; or
- (b) consent is sought subject to the condition that the land or house is vacant at the time of the disposal;

and, accordingly, subsection (5) does not apply in either case.”

#### *Abolition of requirements for Treasury consent*

- 22 (1) Any requirement in the following enactments for the consent or approval of the Treasury shall cease to have effect—
- (a) in the Rent Act 1977—

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- section 63(2) (schemes for appointment of rent officers), and
    - Schedule 10 (rent assessment committees);
  - (b) Schedule 26 to the Local Government, Planning and Land Act 1980 (urban development corporations);
  - (c) in the Housing Act 1985—
    - section 156(4) (liability to repay discount: approved lending institutions), and
    - section 429A (financial assistance for persons concerned with housing management);
  - (d) in the Housing Associations Act 1985—
    - section 85(2) (meaning of “recognised body”), and
    - paragraphs 5 and 6 of Schedule 6 (remuneration, allowances and pensions);
  - (e) Schedule 7 to the Housing Act 1988 (constitution of housing action trusts);
  - (f) Schedule 17 to the Leasehold Reform, Housing and Urban Development Act 1993 (constitution of the Urban Regeneration Agency).
- (2) In Schedule 10 to the Rent Act 1977 (rent assessment committees), in paragraph 9(c), for “the Minister for the Civil Service” substitute “the Secretary of State”.
- (3) The amendments in this paragraph do not extend to Scotland.

*Disposal of dwelling-houses subject to secure tenancies: consultation requirements*

- 23 In section 106A of the Housing Act 1985 (consultation before disposal to private sector landlord) at the end insert—
- “(3) That Schedule, and this section, do not apply in relation to any disposal of an interest in land by a local authority if—
- (a) the interest has been acquired by the authority (whether compulsorily or otherwise) following the making of an order for compulsory purchase under any enactment, other than section 290 (acquisition of land for clearance),
  - (b) the order provides that the interest is being acquired for the purpose of disposal to a registered social landlord, and
  - (c) such a disposal is made within one year of the acquisition.
- (4) In this section “registered social landlord” has the same meaning as in Part I of the Housing Act 1996.”

*Powers of local housing authorities to acquire land for housing purposes*

- 24 (1) In section 17(2) of the Housing Act 1985 (acquisition of land for housing purposes) at end insert “or facilities which serve a beneficial purpose in connection with the requirements of persons for whom housing accommodation is provided”.
- (2) In section 74(3)(b) of the Local Government and Housing Act 1989 (land excluded from Housing Revenue Account) at end insert “or facilities which serve a beneficial purpose in connection with the requirements of persons for whom housing accommodation is provided”.

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*Housing action trusts*

- 25 (1) In section 63 of the Housing Act 1988 (objects etc of housing action trusts)—
- (a) in subsection (1)(d) after “conditions” insert “of those living”; and
  - (b) after subsection (2) insert—
    - “(2A) For the avoidance of doubt it is hereby declared that it is immaterial for the purposes of this section whether action taken by a housing action trust for achieving its objects or exercising the powers conferred on it by subsection (2) above also—
    - (a) benefits persons who do not live in the designated area; or
    - (b) improves the social conditions or general environment of an area outside the designated area.”
- (2) In section 64 of that Act (proposals for area of housing action trust) in subsections (1) and (5) after “in” insert “relation to”.

*Preserved right to buy*

- 26 (1) In section 171B of the Housing Act 1985 (qualifying persons in relation to preserved right to buy)—
- (a) in subsection (4)(a), at the end insert “or in whom that assured tenancy vested under section 17 of the Housing Act 1988 (statutory succession to assured tenancy)”; and
  - (b) in subsection (5)(b), for “subsection (4)(a) or (b)” substitute “subsection (4)”.
- (2) The amendment made by sub-paragraph (1)(a) does not apply in relation to qualifying disposals (within the meaning of Part V of the Housing Act 1985) made before, or made under a contract entered into before, the day on which this paragraph comes into force.

*Local authority assistance in connection with mortgages*

- 27 (1) Section 442 of the Housing Act 1985 (agreements by local authority to indemnify mortgagees) is amended as follows.
- (2) In subsection (1)—
- (a) for the words from the beginning to “house” (in the second place it appears) substitute “A local authority may enter into an agreement with a person or body making an advance on the security of a house (or a building to be converted into a house)”; and
  - (b) for “society or body” (in both places) substitute “mortgagee”.
- (3) After subsection (1) insert—
- “(1A) The local authority may only enter into the agreement if the advance is for one or more of the purposes specified in subsection (1) of section 435; and subsections (2) to (4) of that section apply in relation to power to enter into such an agreement as they apply to the power to make an advance under that section.”
- (4) In subsection (2) for “building society or recognised body” substitute “mortgagee”;
- (5) Subsections (4) and (5) shall cease to have effect.

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- 28 In section 443 of the Housing Act 1985 (local authority contributions to mortgage costs)—
- (a) in subsection (1), for “a building society or recognised body” substitute “any person or body”; and
  - (b) subsections (2) and (3) shall cease to have effect.
- 29 (1) For section 444 of the Housing Act 1985 (meaning of “recognised body” and “relevant advance”) substitute—

**“444 Relevant advances for the purposes of section 443**

The expression “relevant advance” in section 443 (contributions to mortgage costs) means an advance made to a person whose interest in the house (or building to be converted into a house) on the security of which the advance is made is, or was, acquired by virtue of a conveyance of the freehold, or a grant or assignment of a long lease, by a housing authority.”

- (2) Any reference in an agreement made under section 442 of the Housing Act 1985 before the date on which this paragraph comes into force which defines the expression “recognised body” by reference to section 444 of that Act shall (notwithstanding the amendment made by sub-paragraph (1) of this paragraph) continue to have the same meaning as it had immediately before that date.
- 30 In paragraph 21(d) of Schedule 13 to the Local Government (Wales) Act 1994 (Residuary Body a local authority for purposes of section 442 of Housing Act 1985)
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- (a) omit the words from “(so” to “subsection (1)(b))”, and
  - (b) after “local authority” insert “agreement to indemnify mortgagee and”.