

# Housing (Financial Provisions) (Scotland) Act 1972

## CHAPTER 46

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ELIZABETH II



# Housing (Financial Provisions) (Scotland) Act 1972

1972 CHAPTER 46

An Act to introduce a new system of housing subsidies for housing authorities; to provide for rent rebate and rent allowance schemes administered by housing authorities; to make provision as to the housing accounts of local authorities; to amend the law about rents of houses and in particular those subject to the Rent (Scotland) Act 1971 or provided by housing authorities; and to make other provision as to housing finance.

[27th July 1972]

**B**E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

## PART I

## HOUSING SUBSIDIES

*Introduction of new housing subsidies*

**1.**—(1) The subsidies set out in subsection (2) below shall be payable to local authorities in the circumstances, and subject to the conditions, set out in this Part of this Act. Introduction of new housing subsidies.

(2) The said subsidies are—

*Subsidies to be credited to the housing revenue account.*

1. The residual subsidy.
2. The housing expenditure subsidy.
3. The high cost subsidy.

*Subsidies to be credited to other accounts.*

4. The rent rebate subsidy.
5. The rent allowance subsidy.
6. The slum clearance subsidy.

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(3) The subsidies set out in this subsection shall be payable to development corporations and the Scottish Special Housing Association in the circumstances, and subject to the conditions, set out in this Part of this Act.

The said subsidies are—

1. The residual subsidy.
2. The housing expenditure subsidy.
3. The high cost subsidy.
4. The rent rebate subsidy.

(4) None of the subsidies set out in subsections (2) and (3) above shall be payable, whether to a local authority, a development corporation or the Scottish Special Housing Association, for the year 1971-72 or for any earlier year, except that, in the circumstances, and subject to the conditions, set out in this Part of this Act, the slum clearance subsidy shall be payable to a local authority in respect of expenditure incurred in the year 1971-72.

(5) The subsidies so receivable by housing authorities shall be paid by the Secretary of State out of money provided by Parliament.

*Housing subsidies payable to local authorities*

The residual  
subsidy.

2.—(1) This section has effect as to the circumstances in which residual subsidy is payable to a local authority.

(2) For the purpose of determining the amount of residual subsidy payable to a local authority for the year 1972-73 and subsequent years, a calculation shall be made of the residual entitlement of the local authority as defined in subsection (3) below.

(3) Subject to subsections (4) and (5) below, the residual entitlement of a local authority shall consist of—

- (a) the amount of exchequer contributions to which they are entitled in respect of property to which the housing revenue account relates for the year 1971-72 under the enactments described in Part I of Schedule 1 to this Act, as finally determined by the Secretary of State under paragraph 5 of Schedule 8 to this Act, and
- (b) the further amount of such exchequer contributions to which they would be entitled for the year 1971-72 if houses, in respect of which proposals for their provision were submitted to the Secretary of State in a form acceptable to him before 1st December 1971 for his approval but which were not completed in that year, had been completed in that year; and accordingly the provisions of Part I of the Act of 1968 relating

to the calculation of exchequer contributions payable thereunder shall apply for the purpose of calculating the amount referred to in this paragraph as if such houses had been so completed, and

- (c) the amount of any contribution which they are entitled to receive for the year 1971-72 from another local authority under section 9(4)(b) of the Housing and Town Development (Scotland) Act 1957 in pursuance of an overspill agreement.

(4) The residual entitlement shall not include any amount which was paid to the local authority under any enactment and on receipt of which they were required to make a payment of the same or a greater amount to any other person.

(5) The residual entitlement shall not include any amount referred to in subsection (3)(b) above in so far as it exceeds any amount carried to the credit of the housing revenue account under paragraph 1(4) of Schedule 7 to the Act of 1968 for the year 1971-72.

(6) The residual entitlement shall be expressed as a sum per house for the year 1971-72.

(7) Subject to subsections (8) and (10) below, the amount of residual subsidy payable to a local authority for the year 1972-73 shall be—

- (a) an amount per house which is £9 less than the residual entitlement as expressed in subsection (6) above, plus  
(b) where the residual entitlement is limited by subsection (5) above, an amount equal to the amount which is not included in the residual entitlement by virtue of that subsection.

(8) The amount referred to in subsection (7)(b) above shall be payable only if the local authority comply with the conditions set out in paragraph 1 of Schedule 10 to this Act.

(9) The amount of residual subsidy payable to a local authority for the year 1973-74 shall be an amount per house which is £10 less than the amount per house payable to them for the year 1972-73 under subsection (7)(a) above; and in each subsequent year the amount per house of residual subsidy payable to a local authority shall be £10 less than the amount per house payable for the immediately preceding year, and so on until the amount becomes zero.

(10) Where any houses of a local authority referred to in subsection (3)(b) above have not been completed by the end of the year 1974-75, then any residual subsidy which has been paid to

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the local authority on the basis that those houses had been completed shall, if the Secretary of State so requires, be repaid to him on such terms as he may determine.

(11) Any question as to the residual entitlement and as to the number of houses to which the housing revenue account relates shall be determined by the Secretary of State.

The housing expenditure subsidy and associated rate fund contribution.

3.—(1) This section has effect as to the circumstances in which—

- (a) housing expenditure subsidy is payable to a local authority, and
- (b) a contribution out of the general rate fund associated with the housing expenditure subsidy is to be made by the local authority.

(2) Subject to the provisions of this section, a local authority shall be entitled to housing expenditure subsidy if for the year 1972-73 or any subsequent year there is an increase in the local authority's expenditure per house which exceeds £6 or such other sum as the Secretary of State may by order from time to time determine.

(3) In this section "qualifying amount" means, in relation to the year 1972-73 and subsequent years, the excess mentioned in subsection (2) above multiplied by the number of houses to which the housing revenue account relates for that year.

(4) If there is a qualifying amount for any year (in this section called, in relation to the qualifying amount, "the base year") then for the base year and for each subsequent year—

- (a) housing expenditure subsidy shall be payable to the local authority of an amount equal to the percentage of the qualifying amount specified in relation to the base year in column 2 of the Table below, and
- (b) the local authority shall make an associated contribution out of the general rate fund of an amount equal to the percentage of the qualifying amount specified in relation to that base year in column 3 of the said Table,

and accordingly, housing expenditure subsidy, and the associated contribution out of the general rate fund for any year (later than 1972-73) may comprise elements by reference to qualifying amounts for two or more different base years.



TABLE

<i>Base year for which the local authority has a qualifying amount</i>	<i>Amount of housing expenditure subsidy by reference to base year to be the following percentage of the qualifying amount</i>	<i>Amount of associated contribution out of the general rate fund by reference to base year to be the following percentage of the qualifying amount</i>
1	2	3
1972-73 ... ..	90 per cent	10 per cent
1973-74 ... ..	85 per cent	15 per cent
1974-75 ... ..	80 per cent	20 per cent
1975-76 and subse- quent years ...	75 per cent	25 per cent

(5) Housing expenditure subsidy for which the base year is any of the years 1972-73 to 1977-78 shall not be payable for the year 1982-83 or any subsequent year, and housing expenditure subsidy for which the base year is 1978-79 or any subsequent year shall not be payable for more than five years (including the base year).

(6) Where by virtue of subsection (5) above housing expenditure subsidy based on any year is not to be payable, the associated contribution out of the general rate fund based on that year shall not be made.

(7) For the purposes of this section, there is an increase in a local authority's expenditure per house if—

- (a) the local authority's expenditure for the year divided by the number of the local authority's houses to which the housing revenue account relates for that year exceeds
- (b) such expenditure for the immediately preceding year divided by the number of the local authority's houses to which the housing revenue account relates for that year,

and the excess is the amount of the increase per house.

(8) Subject to subsections (9) and (10) below and paragraphs 2(6) and 3(5) of Schedule 10 to this Act, for the purposes of this section, references to a local authority's expenditure for any year are references to the total expenditure required to be debited to the local authority's housing revenue account for that year in so far as approved by the Secretary of State, but in the case of expenditure incurred as mentioned in subparagraphs (b), (c), (d) and (g) of paragraph 2 of Schedule 4 to this Act they are references to such amount of expenditure as the Secretary of State deems to be so incurred.

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(9) There shall not be included in the local authority's expenditure for a year—

- (a) (notwithstanding paragraph 2(a)(iv) of Schedule 7 to the Act of 1968) any expenditure in connection with houses approved under section 19 of that Act (unfit houses retained for temporary accommodation);
- (b) (notwithstanding paragraph 2(a)(iii) and (v) of Schedule 4 to this Act) any expenditure relating to the provision or improvement of dwellings in accordance with improvement proposals approved by the Secretary of State under section 2 of the Housing (Scotland) Act 1949 or under section 105 of the Housing (Scotland) Act 1950 or under section 13 of the Act of 1968, or expenditure incurred by the local authority under section 58 of the Act of 1969 (powers of local authority in respect of improvement of amenities of residential areas) on land to which the housing revenue account relates, in so far as such expenditure is met in that year by a contribution to the local authority under the said section 2, 105 or 13 or, as the case may be, under section 59 of the Act of 1969;
- (c) any amount repaid to the general rate fund under paragraph 1(5) of the said Schedule 4;
- (d) any amount referred to in paragraph 5 of that Schedule.

1949 c. 61.

1950 c. 34.

(10) (Notwithstanding paragraph 2(e) of Schedule 4 to this Act) any payment made by an exporting authority to a receiving authority in pursuance of an overspill agreement towards expenditure of the receiving authority which is included in the calculation of the receiving authority's entitlement to any subsidy under Part I of this Act, shall be included in the exporting authority's expenditure to the extent of 25 per cent. of that payment only.

(11) Section 14 of this Act shall apply to an order under subsection (2) above.

The high cost  
subsidy and  
associated  
rate fund  
contribution.

4.—(1) This section has effect as to the circumstances in which—

- (a) high cost subsidy is payable to a local authority, and
- (b) a contribution out of the general rate fund associated with the high cost subsidy is to be made by the local authority.

(2) Subject to the provisions of this section, a local authority shall be entitled to high cost subsidy for any year if—

- (a) the amount of income per house which would have been receivable by them for the year from standard rents if no high cost subsidy or associated contribution out of the general rate fund had been payable

for that year or any previous year (in this section referred to as “the local authority rent income”) exceeds the amount of income per house receivable by all the local authorities in Scotland for that year from standard rents (in this section referred to as “the Scottish rent income”) by more than £39; and

- (b) the amount of expenditure per house falling on the housing revenue account of the local authority for that year in so far as approved by the Secretary of State exceeds the amount of expenditure per house falling on the housing revenue accounts of all the local authorities in Scotland for that year (in this section referred to as “the Scottish average expenditure”) by more than £39.

(3) In this section “the qualifying amount” means the amount, if any (multiplied by the number of houses to which the housing revenue account relates for the year in question), required to be deducted from the local authority rent income to make that income equal to the Scottish rent income plus the sum referred to in subsection (2)(a) above or, as the case may be, that sum as varied by an order under subsection (7) below.

(4) If, under subsection (2) above, a local authority are entitled to high cost subsidy for any year, then—

- (a) high cost subsidy shall be payable to the local authority of an amount equal to 75 per cent. of the qualifying amount, and
- (b) the local authority shall make an associated contribution out of the general rate fund of an amount equal to 25 per cent. of the qualifying amount together with an amount equal to the amount which would have been carried to the credit of the housing revenue account under paragraph 1(5) of Schedule 4 to this Act for that year if no high cost subsidy had been payable to the authority for that year or any previous year.

(5) For the purposes of this section, the local authority rent income shall be determined under section 28 or 29 of this Act as if the expenditure specified in Schedule 4 to this Act had been such expenditure in so far as approved by the Secretary of State.

(6) For the purposes of this section, the Secretary of State may for any year by order determine the Scottish rent income and the Scottish average expenditure.

An order under this subsection may be varied or revoked by a subsequent order under this subsection and shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

(7) The Secretary of State may from time to time by order vary the sums referred to in subsection (2) above and section 14 of this Act shall apply to any such order.

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The rent  
rebate subsidy.

5.—(1) This section has effect as to the circumstances in which rent rebate subsidy is payable to a local authority.

(2) Subject to subsection (3) below, the amount of rent rebate subsidy payable to a local authority for any year shall be the percentage specified in column 2 of the following Table of the local authority's standard amount of rent rebates for the year as defined for the purposes of Part II of this Act.

TABLE

1	2
<i>Year for which subsidy is payable</i>	<i>Percentage of standard amount of rent rebates for the year to be met by rent rebate subsidy</i>
1972-73 ... ..	90 per cent.
1973-74 ... ..	85 per cent.
1974-75 ... ..	80 per cent.
1975-76 and subsequent years ... ..	75 per cent.

(3) For the purposes of this section, a local authority may add to their standard amount of rent rebates for the year 1972-73 such expenditure as the Secretary of State may approve as being incurred by the local authority in granting rent rebates under section 151(4) of the Act of 1966 between the beginning of that year and 30th September 1972.

The rent  
allowance  
subsidy.

6.—(1) This section has effect as to the circumstances in which rent allowance subsidy is payable to a local authority.

(2) Subject to subsection (4) below, the amount of rent allowance subsidy payable to a local authority for any year shall be the percentage specified in column 2 of the following Table of the following amounts added together—

- (a) the local authority's standard amount of rent allowances for the year as defined for the purposes of Part II of this Act, and
- (b) the amount of the local authority's costs of administering the allowance scheme for the year.

TABLE

1	2
<i>Year for which subsidy is payable</i>	<i>Percentage of amount in paragraphs (a) and (b) of this subsection for the year to be met by rent allowance subsidy</i>
1972-73 ... ..	90 per cent.
1973-74 ... ..	85 per cent.
1974-75 ... ..	80 per cent.
1975-76 and subsequent years ... ..	75 per cent.

(3) A local authority's costs of administering the allowance scheme for any year shall be arrived at by the local authority in accordance with such formula as the Secretary of State may from time to time determine.

Before making any such determination the Secretary of State shall consult with such associations of local authorities as appear to him to be concerned, and with any local authority with whom consultation appears to him to be desirable.

(4) For the purposes of this section, a local authority may add to their standard amount of rent allowances for the year 1972-73 such expenditure as the Secretary of State may approve as being incurred by the local authority in granting rent allowances under Part II of this Act between the date when this Act comes into force and 31st December 1972.

7.—(1) This section has effect as to the circumstances in which slum clearance subsidy is payable to a local authority.

The slum clearance subsidy.

(2) Subject to the provisions of this section, a local authority shall be entitled to slum clearance subsidy in respect of such expenditure incurred by them as may be approved by the Secretary of State which falls within any of the following categories—

- (a) any expenses in demolishing a building in pursuance of any provision of Part II or Part III of the Act of 1966 or Part I of the Act of 1969 less any such expenses which the local authority have recovered from the owner of the building under any such provision and any amount realised by the local authority in the sale of materials of the building ;
- (b) any expenses in the clearance of the site of any such building as is referred to in paragraph (a) above ;
- (c) any payment under section 18 of the Act of 1969 (payments to certain owner-occupiers and others in respect of houses not meeting tolerable standard which are purchased or demolished) other than any such payment in respect of an interest in a house which has been purchased by the local authority for the purpose of bringing that house or another house up to the tolerable standard ;
- (d) any payment under section 25 or 49 of the Act of 1966 or section 11 of the Act of 1969 (payments in respect of well-maintained houses) other than any such payment in respect of an interest in a house which has been purchased by the local authority for the purpose of bringing that house or another house up to the tolerable standard ;

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- (e) any expenditure incurred under section 52 of the Act of 1966 or section 15 of the Act of 1969 (provisions as to apparatus of public undertakers) ;
  - (f) such part of the compensation paid to an owner of trade or business premises purchased by the local authority under Part III of the Act of 1966 or Part I of the Act of 1969 as is applicable to disturbance or to such other matters not directly relating to the value of the land purchased as may be determined by the Secretary of State ;
  - (g) the cost of any works carried out by the local authority under section 20(8) of the Act of 1966 (local authority may acquire and repair a house or building liable to closing or demolition order) or section 40 of the Act of 1966 or section 8 of the Act of 1969 (power of local authority to retain houses subject to demolition for temporary occupation) ;
  - (h) any payment under section 160 of the Act of 1966 (payment of removal and other allowances to persons displaced) other than a payment under—
    - (i) subsection (1)(a)(i) of that section in respect of any person displaced from a house or building under Part VII of that Act, or
    - (ii) subsection (1)(a)(v), or (1)(b) where the recipient of the payment is also in receipt of compensation from the local authority in respect of property which he owned ;
  - (i) such other expenditure as the Secretary of State may direct.
- (3) A local authority shall not be entitled to slum clearance subsidy in respect of expenditure incurred by them—
- (a) before the beginning of the year 1971-72, or
  - (b) after the beginning of the year 1971-72 and before the beginning of the year 1975-76, if it is expenditure in relation to land, being land expenditure in respect of which an exchequer contribution has been paid under Part I of the Act of 1968 or land which would be included for the purposes of residual entitlement under section 2(3)(b) of this Act.
- (4) If, under the foregoing provisions of this section, a local authority are entitled to slum clearance subsidy, then slum clearance subsidy shall be payable to the local authority of an amount equal to 75 per cent. of the annual loan charges referable to the amount of expenditure incurred by them in a

year which falls within any of the categories set out in subsection (2) above, payable annually for the period of twenty years beginning with the year immediately following the year in which the expenditure was incurred.

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(5) For the purposes of subsection (4) above the annual loan charges referable to the amount of expenditure incurred by the local authority shall be the annual sum which, in the opinion of the Secretary of State, would fall to be provided by the local authority for the payment of interest on, and the repayment of, a loan of that amount repayable over a period of twenty years.

*Housing subsidies payable to development corporations and the Scottish Special Housing Association*

8.—(1) This section has effect as to the circumstances in which residual subsidy is payable to a development corporation and the Scottish Special Housing Association. The residual subsidy.

(2) For the purpose of determining the amount of residual subsidy payable to a development corporation for the year 1972-73 and subsequent years, a calculation shall be made of the residual entitlement of the development corporation as defined in subsection (3) below.

(3) The residual entitlement of a development corporation shall consist of—

- (a) the amount of exchequer contributions to which they are entitled for the year 1971-72 under the enactments described in Part II of Schedule 1 to this Act, as finally determined by the Secretary of State under paragraph 5 of Schedule 8 to this Act, and
- (b) the further amount of such exchequer contributions to which they would be entitled for the year 1971-72 if houses, in respect of which proposals for their provision were submitted to the Secretary of State in a form acceptable to him before 1st December 1971 for his approval but which were not completed in that year, had been completed in that year; and accordingly the provisions of Part I of the Act of 1968 relating to the calculation of exchequer contributions payable thereunder shall apply for the purpose of calculating the amount referred to in this paragraph as if such houses had been so completed, and
- (c) the amount of any contribution which they are entitled to receive for the year 1971-72 from a local authority under section 9(4)(b) of the Housing and Town Development (Scotland) Act 1957 in pursuance of an overspill agreement. 1957 c. 38.

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(4) The residual entitlement shall be expressed as a sum per house for the year 1971-72.

(5) Subject to subsection (6) below, the amount of residual subsidy payable to a development corporation for the year 1972-73 shall be an amount per house which is £18 less than the residual entitlement as expressed in subsection (4) above; and in each subsequent year the amount per house of residual subsidy payable to a development corporation shall be £20 less than the amount per house payable for the immediately preceding year, and so on until the amount becomes zero.

(6) Where any houses of a development corporation referred to in subsection (3)(b) above have not been completed by the end of the year 1974-75, then any residual subsidy which has been paid to the development corporation on the basis that those houses had been completed shall, if the Secretary of State so requires, be repaid to him on such terms as he may determine.

(7) Any question as to the residual entitlement and as to the number of development corporation houses shall be determined by the Secretary of State.

(8) Subsections (2) to (7) of this section shall apply to the Scottish Special Housing Association as they apply to a development corporation, except that—

- (a) in subsection (3)(a) for the reference to Part II of Schedule 1 to this Act there shall be substituted a reference to Parts III and IV of that Schedule,
- (b) subsection (3)(c) shall be omitted,
- (c) in subsection (7) for the reference to development corporation houses there shall be substituted a reference to Scottish Special Housing Association houses.

**The housing  
expenditure  
subsidy.**

**9.—**(1) This section has effect as to the circumstances in which housing expenditure subsidy is payable to a development corporation and the Scottish Special Housing Association.

(2) Subject to the provisions of this section, a development corporation shall be entitled to housing expenditure subsidy if for the year 1972-73 or any subsequent year there is an increase in the development corporation's expenditure per house which exceeds £6 or such other sum as the Secretary of State may by order from time to time determine.

(3) In this section "the qualifying amount" means, in relation to the year 1972-73 and subsequent years, the excess mentioned in subsection (2) above multiplied by the number of development corporation houses.



(4) If there is such a qualifying amount for any year (in this section called, in relation to the qualifying amount, "the base year") then for the base year and for each subsequent year housing expenditure subsidy shall be payable to the development corporation of an amount equal to the qualifying amount; and accordingly, housing expenditure subsidy for any year (later than 1972-73) may comprise elements by reference to qualifying amounts for two or more different base years.

(5) Housing expenditure subsidy for which the base year is any of the years 1972-73 to 1977-78 shall not be payable for the year 1982-83 or any subsequent year, and housing expenditure subsidy for which the base year is 1978-79 or any subsequent year shall not be payable for more than five years (including the base year).

(6) For the purposes of this section, there is an increase in a development corporation's expenditure per house if—

- (a) the development corporation's expenditure for the year as determined by the Secretary of State divided by the number of development corporation houses for that year exceeds
- (b) such expenditure for the immediately preceding year divided by the number of development corporation houses for that year,

and the excess is the amount of the increase per house.

(7) Section 14 of this Act shall apply to an order under subsection (2) above.

(8) Subsections (2) to (7) of this section shall apply to the Scottish Special Housing Association as they apply to a development corporation except that in subsection (6) for the reference to development corporation houses there shall be substituted a reference to Scottish Special Housing Association houses.

**10.**—(1) This section has effect as to the circumstances in which high cost subsidy is payable to a development corporation and the Scottish Special Housing Association. The high cost subsidy.

(2) Subject to the provisions of this section, a development corporation shall be entitled to high cost subsidy for any year if—

- (a) the amount of income per house which would have been receivable by them for the year from standard rents if no high cost subsidy had been payable for that year or any previous year (in this section referred to as "the development corporation rent income") exceeds the Scottish rent income for that year by more than such amount as the Secretary of State may from time to time determine; and

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(b) the amount of expenditure per house of the development corporation for that year as determined by the Secretary of State exceeds the Scottish average expenditure for that year by more than such amount as the Secretary of State may from time to time determine.

(3) In this section “ the qualifying amount ” means the amount, if any, (multiplied by the number of development corporation houses for the year in question), required to be deducted from the development corporation rent income to make that income equal to the Scottish rent income plus the amount determined by the Secretary of State under subsection (2)(a) above.

(4) If, under subsection (2) above, a development corporation are entitled to high cost subsidy, then high cost subsidy shall be payable to the development corporation of an amount equal to the qualifying amount.

(5) In this section, “ the Scottish rent income ” and “ the Scottish average expenditure ” have the same meanings respectively as they have in subsection (2)(a) and (b) of section 4 of this Act, and subsection (6) of that section shall apply for the purposes of this section as it applies for the purposes of that section.

(6) This section shall apply to the Scottish Special Housing Association as it applies to a development corporation except that—

(a) for any reference to development corporation houses and the development corporation rent income there shall be substituted respectively references to Scottish Special Housing Association houses and the Scottish Special Housing Association rent income ;

(b) in paragraphs (a) and (b) of subsection (2) for the words “ such amount as the Secretary of State may from time to time determine ” there shall be substituted the words “ more than £39 ” ;

(c) in subsection (3) for the words from “ amount determined ” to the end there shall be substituted the words “ sum referred to in subsection (2)(a) above or, as the case may be, that sum as varied by an order under subsection (5A) below ” ;

(d) after subsection (5) there shall be inserted the following subsection—

“ (5A) The Secretary of State may from time to time by order vary the sums referred to in subsection (2) above and section 14 of this Act shall apply to any such order.”

11.—(1) Subject to subsection (2) below, rent rebate subsidy shall be payable to a development corporation for any year of an amount equal to the standard amount of rent rebates of the development corporation for the year as defined for the purposes of Part II of this Act. PART I  
The rent  
rebate  
subsidy.

(2) For the purposes of this section, a development corporation may add to their standard amount of rent rebates for the year 1972-73 such expenditure as the Secretary of State may approve as being incurred by the development corporation in granting rent rebates between the beginning of that year and 30th September 1972.

(3) This section shall apply to the Scottish Special Housing Association as it applies to a development corporation.

12. Where the Secretary of State is satisfied that the total net annual expenditure (as calculated in accordance with rules made by the Secretary of State) necessarily incurred in the year 1972-73 or in any subsequent year by the Scottish Special Housing Association, acting otherwise than as agents,— Additional  
payment  
towards  
certain deficits  
of the  
Scottish  
Special  
Housing  
Association.

- (a) in providing new houses ; and
- (b) in improving housing accommodation, whether by the provision of dwellings by means of the conversion of houses or other buildings or by the improvement of dwellings ; and
- (c) in providing housing accommodation, being accommodation acquired by the Association from any such body as is mentioned in section 25(1)(e) of the Act of 1968 ; and
- (d) in improving the amenities of a predominantly residential area in accordance with arrangements made between the Association and a local authority ;

is greater than the sum of—

- (i) the subsidies paid to them under this Part of this Act for the year in question, and
- (ii) any exchequer contributions made to them for the year in question under section 16 of the Act of 1968, and
- (iii) any grant paid to the Association for the year in question under section 59(7)(b) of the Act of 1969,

the Secretary of State may, with the approval of the Treasury, make such further payment to the Association in respect of the excess as he may determine.

## PART I

*Supplemental*

Payment of  
subsidies and  
accounting  
provisions.

13.—(1) Any subsidy to be paid by the Secretary of State under this Part of this Act shall be payable at such times and in such manner as the Treasury may direct and subject to such conditions as to records, certificates, audit or otherwise, as the Secretary of State may, with the approval of the Treasury, impose.

(2) Without prejudice to the generality of subsection (1) above, the making of any such payment shall be subject to the making of a claim for the payment in such form, and containing such particulars, as the Secretary of State may from time to time determine.

(3) The aggregate amount of any one subsidy payable under this Part of this Act to a housing authority for any year shall be calculated to the nearest pound, by disregarding an odd amount of 50 new pence, or less, and by treating an odd amount exceeding 50 new pence as a whole pound.

Provisions  
as to certain  
orders.

14.—(1) This section has effect as respects orders to which this section is applied by any provision of this Part of this Act.

(2) An order under any such provision may be varied or revoked by a subsequent order made under that provision.

(3) An order made under any such provision—

(a) shall be made by the Secretary of State with the concurrence of the Treasury,

(b) shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

(4) Any such order may be made to apply to any description of local authorities or development corporations specified in the order or to a specified local authority or development corporation.

(5) Before making an order under any such provision the Secretary of State shall consult with such associations of local authorities as appear to him to be concerned and with any local authority with whom consultation appears to him to be desirable.

## PART II

## RENT REBATES AND RENT ALLOWANCES

Rent rebates.

15.—(1) It shall be the duty of every local authority to bring into operation not later than 1st October 1972 a scheme for granting to persons who occupy as their homes houses to which the local authority's housing revenue account relates and which are let to them by the local authority rebates from rent, calculated in accordance with the provisions of the scheme by reference to their needs and their resources.

(2) A scheme under this section is referred to in this Act as a “rebate scheme”.

(3) No rebate from the rent of a house shall be granted by virtue of this section to any person if a substantial proportion of the charges in respect of the house is attributable to the use of furniture.

(4) This section shall apply to a development corporation or the Scottish Special Housing Association as it applies to a local authority, except that in subsection (1) for the reference to houses to which the local authority’s housing revenue account relates there shall be substituted a reference to development corporation houses or, as the case may be, Scottish Special Housing Association houses.

**16.**—(1) It shall be the duty of every local authority to bring Rent into operation not later than 1st January 1973 a scheme for allowances. granting to private tenants who occupy as their homes houses in the authority’s district allowances, calculated in accordance with the provisions of the scheme by reference to their needs and their resources, towards the rent payable under their tenancies.

(2) A scheme under this section is referred to in this Act as an “allowance scheme”.

(3) In this Part of this Act “private tenant” means a person who is a protected tenant or a statutory tenant for the purposes of the Act of 1971 (including a person who is a tenant of accommodation which is deemed to be a dwelling-house let on a protected tenancy or subject to a statutory tenancy under section 119(1) of that Act).

(4) A person is also a private tenant if he occupies a house let to him by—

- (a) a joint board or joint committee as respectively defined by the Local Government (Scotland) Act 1947, or the common good of a burgh or any trust under the control of a local authority as defined in that Act, 1947 c. 43.
- (b) the Housing Corporation,
- (c) a housing association,
- (d) a housing trust within the meaning of section 5 of the Act of 1971 or any authorised society within the meaning of the Housing Act 1914, 1914 c. 31.

under a tenancy which would be a protected tenancy but for the said section 5.

(5) A person is also a private tenant if he occupies a house let to him by the Crown Estate Commissioners and his tenancy would be a protected tenancy but for section 4 of the Act of 1971.

## PART II

(6) A local authority shall treat as if he were a private tenant any person who occupies a house let by them other than a house to which the housing revenue account relates and who would be entitled to a rebate if he occupied a house to which the housing revenue account relates.

## The model schemes.

17.—(1) Subject to the provisions of this Act, every rebate scheme and every allowance scheme shall conform with the provisions of Schedule 2 and Schedule 3 to this Act.

(2) Regulations made by the Secretary of State with the consent of the Treasury may from time to time vary the provisions of Schedule 2 and Schedule 3 to this Act.

(3) Before making regulations under subsection (2) above the Secretary of State shall consult with such associations of local authorities as appear to him to be concerned and with any local authority with whom consultation appears to him to be desirable.

(4) Regulations under subsection (2) above shall be made by statutory instrument and shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(5) In this Act, the “model scheme” of an authority means a rebate scheme, or, as the case may be, an allowance scheme containing such provisions, and only such provisions, as the authority are for the time being required by this section to include in their scheme:

Provided that if and so long as the authority’s scheme contains any provision included in pursuance of paragraph 16 of Schedule 2 to this Act, the model scheme shall be assumed to include that provision.

(6) In this Act an authority’s “standard amount of rent rebates” for any period beginning on or after 1 October 1972, or “standard amount of rent allowances” for any period beginning on or after 1 January 1973, means—

(a) if the authority have been operating the model scheme for that period, the amount of rebates or, as the case may be, allowances which they have granted for that period otherwise than under subsection (1) or (2) of section 18 of this Act;

(b) if the authority have not been operating the model scheme for that period, the amount of rebates or, as the case may be, allowances, which they would have granted for that period otherwise than under subsection (1) or (2) of section 18 of this Act if they had been operating it.

(7) The said standard amount shall be calculated or estimated by reference to the rebates or allowances actually granted by following such methods and principles as the Secretary of State may direct, either generally or in any particular case.

**18.—(1)** A housing authority may grant to a person to whom their rebate scheme applies a rebate of a greater amount than they would otherwise grant if they consider that his personal or domestic circumstances are exceptional.

Extent to which authorities may depart from model schemes.

(2) A local authority may grant to a person to whom their allowance scheme applies an allowance of a greater amount than they would otherwise grant if they consider that his personal or domestic circumstances are exceptional.

(3) A housing authority may, subject to the consent of the Secretary of State, vary the provisions of Schedule 2 to this Act as they apply in relation to their rebate scheme, but no variation under this subsection shall be such that a person to whom the scheme applies receives less rebate than he would have received under the model scheme, and if a variation is made in a rebate scheme by a local authority, they shall make a variation in their allowance scheme which appears to them to correspond to it.

(4) A local authority may, subject to the consent of the Secretary of State, vary the provisions of Schedule 2 to this Act as they apply in relation to their allowance scheme, but no variation under this subsection shall be such that a person to whom the scheme applies receives a smaller allowance than he would have received under the model scheme, and if a variation is made in an allowance scheme the authority making it shall make a variation in their rebate scheme which appears to them to correspond to it.

(5) Without prejudice to the generality of subsections (3) and (4) above, an authority may, subject to the consent of the Secretary of State, vary the provisions of Schedule 2 to this Act so that in ascertaining the weekly income of the tenant and his spouse there is a total disregard of war disablement pension and special widow's pension.

(6) The powers conferred by this section shall not be exercised by any authority in such a way that, on the best estimate which they can make, they are likely as a result to grant a greater amount of rebates or allowances than 110 per cent. of the authority's standard amount of rent rebates or, as the case may be, their standard amount of rent allowances for any year or part of a year.

(7) The Secretary of State may give his consent under subsection (3) or (4) above either generally or in any particular case subject to such conditions as he may require.

## PART II

Duty of housing authorities to publicise schemes.

**19.**—(1) It shall be the duty of every housing authority to give such publicity to their rebate scheme as the Secretary of State may direct, either generally or in any particular case.

(2) It shall be the duty of every local authority to give such publicity to their allowance scheme as the Secretary of State may direct, either generally or in any particular case, and to furnish to a private tenant of a house in their district or to a landlord of such a tenant, free of charge, on an application made by the tenant or landlord, such information about their allowance scheme and in such form as the Secretary of State may direct.

Duty of landlord to inform tenant of particulars of allowance scheme.

**20.**—(1) It shall be the duty of a landlord of a house let to a private tenant—

(a) to apply to the local authority in whose district the house is situated for information about the allowance scheme made by them, and

(b) on receipt of that information, to furnish it to the tenant.

(2) The duty imposed on a landlord by subsection (1) above shall be performed in accordance with regulations made by statutory instrument by the Secretary of State, which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(3) Any landlord who refuses or wilfully neglects to perform a duty imposed on him by subsection (1) above shall be guilty of an offence and liable on summary conviction to a fine not exceeding £50.

(4) Where an offence under subsection (3) above which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any negligence on the part of, any director, manager, secretary or other officer of the body corporate, he as well as the body corporate shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Where the affairs of a body corporate are managed by its members this subsection shall apply in relation to the acts or defaults of a member in connection with his functions of management as if he were a director of the body corporate.

(5) Subsections (3) and (4) above do not apply to the Housing Corporation.

Certain items included in rent to be excluded in calculating allowance.

**21.**—(1) Where a private tenant's rent includes amounts payable—

(a) in respect of rates, or

(b) for the use of furniture or for services (not being such a service as would fall within a direction made by the



Secretary of State under section 32(1)(b) of this Act applying to the local authority's district in which the private tenant resides, if the service were provided under the terms of the tenancy of a house to which a local authority's housing revenue account relates), or

PART II

- (c) for the use of part of the premises comprised in a dwelling-house as a shop or office or for business, trade or professional purposes,

then none of those amounts shall be treated for the purposes of this Part of this Act as rent.

(2) Any question whether a private tenant's rent includes any sum payable in respect of or for any of the items referred to in paragraphs (a), (b) and (c) of subsection (1) above, or as to the amount so payable, shall, subject to paragraph 14 of Schedule 3 to this Act, be determined for the purposes of an allowance scheme by the authority who made the scheme.

(3) In this section "rates" means any charge payable in respect of a rate as defined in the Local Government (Scotland) Act 1947 c. 43. Act 1947.

**22.—**(1) In this Part of this Act, unless the context otherwise requires— Interpretation  
of Part II.

"allowance" means an allowance under an allowance scheme ;

"allowance period" means a period for which an allowance is or may be granted ;

"allowance scheme" has the meaning assigned to it by section 16 of this Act ;

"authority" means, in relation to a rebate scheme, a housing authority, and in relation to an allowance scheme, a local authority ;

"landlord" includes any person from time to time deriving title under the original landlord and also includes, in relation to any house, any person other than the tenant who is, or but for Part II of the Act of 1971 would be, entitled to possession of the house ;

"pensionable age" has the meaning assigned to it by section 114(1) of the National Insurance Act 1965 ; 1965 c. 51.

"private tenant" has the meaning assigned to it by section 16 of this Act ;

"rebate" means a rebate under a rebate scheme ;

"rebate period" means a period for which a rebate is or may be granted ;

"rebate scheme" has the meaning assigned to it by section 15 of this Act ;

## PART II

“rent” means, in relation to a private tenant, the rent payable under his tenancy less any rent receivable from sub-letting any part of the house and, in relation to a tenant of a housing authority, means standard rent less any rent receivable from sub-letting any part of the house ;

1966 c. 20.

“supplementary benefit” means benefit under Part II of the Ministry of Social Security Act 1966 except that it does not include benefit under section 6 (benefit to meet medical and similar requirements) or section 7 (benefit to meet exceptional requirements) of that Act ;

“tenant” means, in relation to a rebate scheme, a person who occupies a house as mentioned in section 15 of this Act and, in relation to an allowance scheme, a person who is a private tenant, or who is treated as a private tenant under section 16 of this Act, and includes a joint-tenant and a sub-tenant, and “tenancy” shall be construed accordingly.

(2) In construing any reference in this Part of this Act to the amount of rebates or allowances granted by an authority account shall be taken of sub-paragraphs (5) and (6) of paragraph 18 of Schedule 3 to this Act.

## PART III

## HOUSING ACCOUNTS OF LOCAL AUTHORITIES

The housing  
revenue  
account.

23.—(1) Subject to the provisions of this section and of Schedule 4 to this Act, every local authority shall for the year 1972-73 and subsequent years keep an account (to be called “the housing revenue account”) of the income and expenditure of the authority in respect of—

- (a) all houses and other buildings which have been provided after 12th February 1919 for the purpose of—
- 1925 c. 15. (i) Part III of the Housing (Scotland) Act 1925, or  
(ii) any enactment relating to the provision of housing accommodation for the working classes repealed by that Act, or
- 1950 c. 34. (iii) Part V of the Housing (Scotland) Act 1950, or  
(iv) Part VII of the Act of 1966 ;
- (b) all land which after the said date has been acquired or appropriated for the purposes of any of the enactments mentioned or referred to in paragraph (a) above including—
- (i) all land which is deemed to have been acquired under Part III of the said Act of 1925 by virtue of

section 15(4) of the Housing (Scotland) Act 1935, and PART III  
1935 c. 41.

(ii) any structures on such land which were made available to a local authority under section 1 of the Housing (Temporary Accommodation) Act 1944; 1944 c. 36.

(c) all dwellings in respect of which the Secretary of State has undertaken to make an exchequer contribution to the local authority under section 35 of the said Act of 1935;

(d) all dwellings provided or improved by the local authority in accordance with improvement proposals approved by the Secretary of State under—

(i) section 2 of the Housing (Scotland) Act 1949, or 1949 c. 61.

(ii) section 105 of the said Act of 1950, or

(iii) section 13 of the Act of 1968,

and all land acquired or appropriated by the authority for the purpose of carrying out such proposals;

(e) all houses in a housing treatment area which have been purchased by the local authority under section 5 of the Act of 1969 for the purpose of bringing them or another house up to the tolerable standard.

(2) Where a house is for the time being vested in a local authority by reason of the default of any person in carrying out the terms of any arrangements under which assistance in respect of the provision, reconstruction or improvement of the house has been given under any enactment relating to housing, the house shall be deemed for the purposes of subsection (1) above to be a house which has been provided by the authority under Part VII of the Act of 1966.

(3) There shall not be included among the houses, buildings or land in respect of which the local authority are required by subsection (1) above to keep a housing revenue account—

(a) a building provided or converted for use as a hostel or as part of a hostel and approved by the Secretary of State for the purposes of section 27(1) of the Housing (Scotland) Act 1949 or section 89(1) of the Housing (Scotland) Act 1950 or section 21(1) of the Act of 1968 except in the case of a building which the Secretary of State is satisfied has ceased to be used as a hostel or part of a hostel;

(b) any house or land which the local authority have provided expressly for sale.

(4) A local authority may, with the consent of the Secretary of State, include in or exclude from the housing revenue

**PART III** account any individual house or other property or categories of houses or other properties.

(5) The Secretary of State may make a direction either generally or in relation to specified properties that any category of house or other property shall be included in or excluded from the housing revenue account of a local authority.

(6) The houses and other property to which a local authority's housing revenue account relates shall include any property brought within the account before the commencement of this Act—

- (a) with the consent of the Secretary of State given under section 60(1)(f) of the Act of 1968, or
- (b) by virtue of subsection (2) of the said section 60 (houses vesting in local authority on default of another person).

(7) The provisions of Schedule 4 to this Act shall have effect as respects the keeping of the housing revenue account.

The rent  
rebate account.

**24.**—(1) Every local authority shall for the year 1972-73 and subsequent years keep an account (to be called "the rent rebate account") and shall in each year—

- (a) carry to the credit of that account the amount of rent rebate subsidy payable to them under section 5 of this Act ;
- (b) debit to that account—
  - (i) the local authority's amount of rent rebates for the year, and
  - (ii) the local authority's costs of administering their rent rebates for the year.

(2) Where for any year a deficit is shown in the account, the local authority shall carry to the credit of the account in respect of that year an amount equal to the amount of the deficit.

The rent  
allowance  
account.

**25.**—(1) Every local authority shall for the year 1972-73 and subsequent years keep an account (to be called "the rent allowance account") and shall in each year—

- (a) carry to the credit of that account the amount of rent allowance subsidy payable to them under section 6 of this Act ;
- (b) debit to that account—
  - (i) the local authority's amount of rent allowances for the year, and
  - (ii) the local authority's costs of administering their rent allowances for the year.

(2) Where for any year a deficit is shown in the account, the local authority shall carry to the credit of the account in respect of that year an amount equal to the amount of the deficit.

PART III

26.—(1) Every local authority shall for the year 1972-73 and subsequent years keep an account (to be called “ the slum clearance revenue account ”)—

The slum clearance revenue account.

- (a) of the income and expenditure of the authority in respect of houses and other property acquired by them under, or appropriated, whether before or after this Act comes into force, for the purposes of Part II or Part III of the Act of 1966 or Part I of the Act of 1969, other than a house acquired under the said Part I for the purpose of bringing it or another house up to the tolerable standard ; and
- (b) of any expenditure of the authority referred to in section 7(2) of this Act in respect of houses and other property which is not included in paragraph (a) above together with any income related to that expenditure.

(2) The provisions of Schedule 5 to this Act shall have effect as respects the keeping of the slum clearance revenue account.

PART IV

DETERMINATION OF RENTS AND OTHER CHARGES

27.—(1) Subject to the provisions of this Part of this Act a local authority, in respect of the tenancy or occupation of—

General provisions as to charges in respect of local authority houses.

- (a) houses to which the housing revenue account relates, and
- (b) houses provided by them but to which the housing revenue account does not relate,

may make such reasonable charges as they may determine and shall from time to time review such charges and make such changes either of the charges generally or of particular charges as circumstances may require.

(2) In determining the standard rent of any house referred to in subsection (1)(a) above, a local authority shall, subject to section 33 of this Act, take no account of the personal circumstances of the tenant of the house.

28.—(1) Subject to the provisions of this section and the next following section, a local authority shall for any year charge standard rents in such a way that the income receivable from standard rents together with all the other income specified as to be credited to the housing revenue account under Schedule 4

Rents to be charged so as to balance housing revenue account.

## PART IV

to this Act, except any amount carried to the credit of the housing revenue account under paragraph 1(5) of that Schedule and which is receivable by the local authority equals the amount of expenditure specified as to be debited to that account under that Schedule and which is payable by them.

(2) A local authority shall increase or reduce standard rents in such a way that the provisions of subsection (1) above are complied with or, if they will so comply without making any alteration in standard rents, they shall make no such alteration:

Provided that, where, in order to comply with those provisions, the local authority would need to make an increase in standard rents by more than the maximum average rent increase they shall make only the maximum average rent increase.

(3) Any increase in standard rents after 1st October 1972 shall be made on the date occurring 12 months after the previous increase except—

- (a) where, for the year immediately preceding the year in which the increase is made, the authority have complied with the provisions of section 28(1), or have acted in accordance with section 29(2), of this Act, and
- (b) where no residual subsidy has been payable to the authority for the year in which the increase is made.

(4) In this section and in sections 29 and 31 of this Act, “maximum average rent increase” means an increase in standard rents sufficient to produce income receivable for the period of 12 months following the date of the increase which, divided by the number of houses for that period, is £26 greater than the income which would have been so receivable for the period where so divided if no alteration in standard rents had been made.

Provisions  
as to rents  
in 1972-73  
and 1973-74

29.—(1) Subject to subsection (2) below, a local authority shall charge standard rents in the year 1972-73 and 1973-74 in accordance with the following provisions of this subsection—

- (a) they shall make such increase or increases in standard rents on or before 1st October 1972 that the amount of income per house (for the year 1972-73) receivable by them from standard rents for the period from 1st October 1971 to the end of the year 1972-73 exceeds by not less than £24 the amount of income per house (for the year 1972-73) which would have been so receivable if no alteration in standard rents had been made on or after 1st October 1971;
- (b) the amount of income per house (for the year 1973-74) receivable by them from standard rents for the year 1973-74 shall exceed by not less than £50 the amount

of income per house which would be so receivable for that year if no alteration in standard rents had been made on or after 1st October 1971 ;

(c) in 1973-74 they shall increase standard rents by the maximum average rent increase.

(2) Where a local authority would comply with the provisions of section 28(1) of this Act in the year 1972-73 or 1973-74—

(a) by increasing standard rents in that year by a lesser amount than the amount by which they are needed to increase standard rents in that year under subsection (1) above, or

(b) by reducing standard rents in that year,

they shall make such alteration in standard rents in that year as is necessary in order to comply with those provisions, and where they would so comply without making any alteration in standard rents in that year, they shall make no such alteration.

30.—(1) Subject to subsection (2) below, a local authority shall not increase the income receivable from the standard rent of any house by more than £39 in any period of 12 months, except that any such increase made on or before 1st October 1972 shall not exceed, for the year 1972-73, £32 plus, where the amount of income for the year 1972-73 per house produced by the increase or increases in standard rents which the authority are required to make under section 29(1) of this Act exceeds £24, an amount equal to that excess. Increases in rent of individual houses of housing authorities.

(2) The restrictions on any increase imposed by subsection (1) above shall not apply where a lease is granted to a new tenant of the house or where an improvement has been made in the house.

(3) In subsection (2) above “improvement” includes structural alteration, extension or addition and the provision of additional fixtures or fittings, but does not include anything done by way of decoration or repair.

(4) This section shall apply to a development corporation or the Scottish Special Housing Association as it applies to a local authority except that in subsection (1) the words from “plus” to the end shall be omitted.

31.—(1) A development corporation or the Scottish Special Housing Association shall not increase standard rents by more than the maximum average rent increase, and shall not make that increase or any other increase in standard rents at less than 12 monthly intervals, except where in the year immediately preceding the year in which any such increase is made they did not make the maximum average rent increase. Average standard rents of development corporation and Scottish Special Housing Association houses.

## PART IV

(2) If high cost subsidy is payable to a development corporation or the Scottish Special Housing Association for any year, then the standard rents which they charge for that year shall not exceed an amount which, together with the high cost subsidy payable to them for that year, produces income which is equal to the development corporation rent income or, as the case may be, the Scottish Special Housing Association rent income as respectively defined in section 10 of this Act.

## Service charges.

**32.**—(1) A local authority shall be required to make a charge for the year 1972-73 and subsequent years in respect of the following items to which the housing revenue account relates—

- (a) any garage, car-port or other car parking facilities provided by them, whether before the year 1972-73 or not, in so far as not included within the terms of the tenancy of a house ;
- (b) any service provided by them under the terms of the tenancy of a house, except any such service as the Secretary of State may, after consultation with such associations of local authorities as appear to him to be concerned and with any local authority with whom consultation appears to him to be desirable, otherwise direct either generally or in a particular case.

(2) Where a local authority made a charge for the year 1971-72 in respect of anything to which the housing revenue account relates—

- (a) provided by them under section 139 or 141 of the Act of 1966 (other than anything referred to in subsection (1)(a) or (b) above), or
- (b) supplied by them under section 140 of the Act of 1966,

and such a thing continues to be made available or supplied by them after that year, they shall continue to impose such a charge.

(3) Any charge referred to in this section (in this Act called “a service charge”) shall be of such amount as the local authority consider reasonable in all the circumstances.

## Phasing out of supplementary charges.

**33.**—(1) No local authority shall make a supplementary charge on the tenant of a house to which the housing revenue account relates for the year 1976-77 and subsequent years.

(2) A local authority shall reduce and terminate any supplementary charge imposed by them before the year 1976-77, subject to the approval of the Secretary of State, in whatever manner they think fit.



(3) In this Act, "supplementary charge" means, in relation to the tenant of a house, a charge payable under his tenancy supplementary to standard rent which is related to the financial circumstances of the tenant or his household.

PART IV

PART V

CONTROLLED AND REGULATED TENANCIES

34.—(1) Subject to section 35 of this Act, where, on the date applicable to the dwelling-house under the following provisions of this section, a dwelling-house is let on a protected tenancy or subject to a statutory tenancy which, in either case, is a controlled tenancy, the protected or statutory tenancy shall on that date cease to be a controlled tenancy and shall become a regulated tenancy.

Conversion of controlled tenancies: general decontrol.

(2) Subject to the provisions of this section—

- (a) 1st January 1973 is the date applicable to a dwelling-house of a value of £50 or more,
- (b) 1st January 1974 is the date applicable to a dwelling-house of a value of less than £50 but not less than £25, and
- (c) 1st January 1975 is the date applicable to a dwelling-house of a value of less than £25.

(3) The Secretary of State may by order substitute as the date applicable to a dwelling-house of such value as may be specified in the order a date earlier or later than that which would be applicable to it under subsection (2) above.

(4) An order under this section—

- (a) may make different provision with respect to different registration areas,
- (b) may be varied or revoked by a subsequent order under this section, and
- (c) shall be made by statutory instrument.

(5) In subsection (2) above "value" means the rateable value on the date on which this Act comes into force and subsections (1) and (2) of section 6 of the Act of 1971 shall apply for the purpose of ascertaining the rateable value on that date as they apply for the purpose of ascertaining the rateable value of a dwelling-house for the purposes of that Act:

Provided that any question arising under the said section 6 as applied by this subsection as to the proper apportionment of any value may be determined by the landlord and the tenant by agreement in writing.

(6) If part of the premises comprised in a dwelling-house is used as a shop or office or for business, trade or professional

## PART V

purposes and is let on or subject to a controlled tenancy, then nothing in section 9 of the Act of 1971 shall prevent that tenancy becoming a regulated tenancy on the date applicable to the dwelling-house nor prevent any new tenancy granted to the tenant under that regulated tenancy or to any person who might succeed him as a statutory tenant from being a regulated tenancy.

Houses  
excluded  
from general  
decontrol.

**35.**—(1) Subject to subsection (2) below, section 34 of this Act shall not apply to a dwelling-house let on or subject to a controlled tenancy if, on the date applicable to the dwelling-house under that section—

- (a) a closing order under section 15 or 18 of the Act of 1966, or a demolition order under the said section 15, has been made and served in accordance with that section (and not determined) with respect to the dwelling-house, or
- (b) an order under paragraph 1(2) of Schedule 2 to the Land Compensation (Scotland) Act 1963 declaring that the dwelling-house does not meet the tolerable standard has been made and a notice stating the effect of the order has been served in accordance with paragraph 1(3) of that Schedule.

1963 c. 51.

(2) The said section 34 shall apply to a dwelling-house excluded by subsection (1) above if—

- (a) in the case of a dwelling-house excluded by virtue of paragraph (a) of that subsection, the closing order or the demolition order is quashed by the sheriff on appeal or determined by the local authority, or
- (b) in the case of a dwelling-house excluded by virtue of paragraph (b) of that subsection, the order in question is not confirmed or is reduced by a court,

and the date applicable to the dwelling-house for the purposes of the said section 34 shall be the date of occurrence of the event upon which that section applied to the dwelling-house by virtue of this subsection.

Conversion  
of controlled  
tenancies:  
general  
provisions.

**36.**—(1) In this Part of this Act “converted tenancy” means a tenancy which is or becomes a regulated tenancy by virtue of—

- (a) section 34 of this Act,
- (b) Part VI of the Act of 1971, or
- (c) paragraph 5 of Schedule 2 to the Act of 1971 (conversion on death of first successor),

and “the conversion” means the time when the tenancy became a regulated tenancy.

(2) Section 24(1) of the Act of 1971 (increase of rent for improvements) shall not apply to any improvement completed before the conversion, but if the rent recoverable for the last rental period beginning before the conversion was less than it would have been if the landlord had served a notice of increase under section 58 of that Act in respect of an increase of rent by virtue of paragraph 1(3)(a) or that paragraph as applied by paragraph 2(3) of Schedule 8 to that Act, the rent recoverable under section 21(1) of that Act, as modified by subsection (3) below, shall be increased by the amount of that difference:

Provided that that increase shall not take effect except in pursuance of a notice of increase served by the landlord on the tenant specifying the increase and the date, which may be any date after the service of the notice, from which it is to take effect.

Section 25 of the Act of 1971 shall apply to a notice of increase under this proviso as it applies to a notice of increase described in that section.

(3) In relation to any rental period beginning after the conversion, sections 21 to 23 of the Act of 1971 (rent limit and adjustments) shall have effect as if references therein to the last contractual period were references to the last rental period beginning before the conversion.

(4) Section 2(1)(a) of the Act of 1971 (exclusion of tenancies where rent is less than two thirds of the rateable value) shall not apply to a converted tenancy after the conversion.

(5) Section 42 of the Act of 1971 (determination of fair rent) shall apply in relation to the converted tenancy as if the references in subsection (3) of the said section 42 to the tenant under the regulated tenancy included references to the tenant under the tenancy before the conversion.

(6) The enactments mentioned in subsection (1) above shall not be taken as affecting any court proceedings which are pending under the Act of 1971 at the time of the conversion, and a decision on which may affect the recoverable rent for any period before that time, or the rent under the regulated tenancy after the conversion so far as that depends on the recoverable rent before conversion.

(7) Any right conferred on a tenant by section 63 of the Act of 1971 to recover any amount by deducting it from rent shall be exercisable by deducting it from rent for any rental period beginning after the conversion to the same extent as the right would have been exercisable if the conversion had not taken place.

**PART V**  
Phasing of  
rent increases.

**37.** Schedule 6 to this Act shall have effect for securing that, on first registration of a rent after the conversion of a controlled tenancy into a regulated tenancy by virtue of section 34 of this Act, an increase in rent may, in certain circumstances, be recovered only in stages.

*Registration of rent for regulated tenancies*

Early  
application for  
registration  
of rent.

**38.—**(1) Subject to the provisions of this section, any application for the registration of a rent under section 40 of the Act of 1971 may be made at a time when the dwelling-house is let on or subject to a controlled tenancy, if the application is made not earlier than six months before the date applicable to the dwelling-house under section 34 of this Act.

(2) Where an application is made by virtue of this section the regulated tenancy for which the rent is registered shall be assumed to be a tenancy on the same terms (other than terms relating to rent) as the terms applicable to the controlled tenancy.

(3) Where a rent is registered on an application made by virtue of this section—

(a) the date from which the registration takes effect under section 44(1) of the Act of 1971 shall not be earlier than the date applicable to the dwelling-house under section 34 of this Act, and

(b) in a case where the rent is registered before the said applicable date, any reference in this Act, or in the Act of 1971 or in any other enactment to the date of registration shall be deemed to be a reference to the date from which the registration takes effect.

Cancellation  
of registration  
of rent.

**39.** In the Act of 1971 after section 44 there shall be inserted the following section—

“ 44A—(1) Where a rent agreement is made in writing as respects a dwelling-house for which a rent is registered, an application may be made in accordance with this section for the cancellation of the registration.

(2) The application shall be made jointly by the landlord and the tenant under the agreement to the rent officer, and the application shall not be entertained before the expiry of three years from the relevant date as defined in section 40(4) of this Act.

(3) An application under this section must be in the prescribed form and contain the prescribed particulars, and must be accompanied by a copy of the rent agreement.

(4) The Secretary of State may make regulations under section 46 of this Act prescribing the procedure on an application under this section.

(5) If the rent officer is satisfied that the rent payable under the rent agreement does not exceed a fair rent for the dwelling-house, he shall, subject to subsection (6) below, cancel the registration, and he shall make an entry in the register of that fact and of the date from which the cancellation takes effect.

(6) Where under the terms of the rent agreement the sums payable by the tenant to the landlord include any sums varying according to the cost from time to time of any services provided by the landlord, the rent officer shall not cancel the registration unless he is satisfied that those terms are reasonable.

(7) The cancellation of the registration shall be without prejudice to a further registration of a rent at any time after cancellation.

(8) The rent officer shall notify the applicants of his decision to grant, or to refuse, any application under this section and, where he grants the application, of the date from which the cancellation takes effect.

(9) In this section "rent agreement" means—

- (a) an agreement increasing the rent payable under a protected tenancy which is a regulated tenancy, or
- (b) where a regulated tenancy is terminated, and a new regulated tenancy is granted at a rent exceeding the rent under the previous tenancy, the grant of the new tenancy."

40. Section 43 of the Act of 1971 (amount to be registered as rent) shall have effect as if after subsection (1) there were inserted the following subsections—

Certain amounts to be separately noted on the register.

"(1A) Subject to subsection (1B) below, there shall be noted on the register the amount, if any, of the registered rent which, in the opinion of the rent officer or rent assessment committee, is fairly attributable to the use of furniture or the provision of services or to the use of part of the premises comprised in a dwelling-house as a shop or office or for business, trade or professional purposes.

(1B) It shall not be necessary to note on the register under subsection (1A) above any amount which in the opinion of the rent officer or, as the case may be, the rent assessment committee is negligible."

*Regulated tenancies where no rent is registered*

41.—(1) Section 19(3) and section 20 of the Act of 1971 (which fix a rent limit for contractual periods of a regulated tenancy where no rent is registered) shall, subject to subsection (2) below, cease to have effect.

Repeal of rent limit for contractual periods.

**PART V**

(2) The repeal by this Act of the said sections 19(3) and 20 shall not apply to—

- (a) rent for a rental period beginning before 1st January 1973, or
- (b) rent under a regulated tenancy granted before 1st January 1973 if the rent under the tenancy, as varied by any agreement made before that date, exceeded the rent limit under the said section 19(3) (with any adjustment under the said section 20 or paragraph 3 of Part III of the Schedule to the Fire Precautions Act 1971).

1971 c. 40.

(3) Paragraph (b) of subsection (2) above shall cease to apply if the landlord and the tenant enter into an agreement complying with the requirements of section 42(3) of this Act which is a rent agreement with a tenant having security of tenure or which provides that the said paragraph is not to apply.

**Rent agreements.**

**42.—**(1) In this Part of this Act “a rent agreement with a tenant having security of tenure” means—

- (a) an agreement increasing the rent payable under a protected tenancy which is a regulated tenancy, or
- (b) the grant to the tenant under a regulated tenancy, or to any person who might succeed him as a statutory tenant, of another regulated tenancy of the dwelling-house at a rent exceeding the rent under the previous tenancy:

Provided that there shall be disregarded for the purposes of this definition any increase of rent if (where any rates in respect of the dwelling-house are borne by the landlord) the increase is no more than one corresponding to an increase in the rates borne by the landlord in respect of the dwelling-house.

(2) If a rent agreement with a tenant having security of tenure takes effect on or after 1st January 1973, and at a time when no rent is registered for the dwelling-house under Part IV of the Act of 1971, the requirements of subsection (3) below shall be observed as respects the agreement.

(3) The said requirements are that—

- (a) the agreement is in writing signed by the landlord and the tenant,
- (b) the agreement contains a statement, in characters not less conspicuous than those used in any other part of the agreement, that the tenant’s security of tenure under the Act of 1971 will not be affected if he refuses to enter into the agreement, and that entry into the agreement will not deprive the tenant or the landlord of the right to apply at any time to the rent officer for the registration of a fair rent under Part IV of the Act of 1971, or words to that effect, and

(c) the statement mentioned in paragraph (b) above is set out at the head of the agreement. PART V

43.—(1) Subject to subsections (2) and (3) below, this section applies where a rent agreement with a tenant having security of tenure of a dwelling-house is entered into, whether before or after a tenancy becomes a converted tenancy, which is expressed to take effect—

Rent agreements:  
special provisions  
following conversion.

(a) on or after 1st January 1973 and after the conversion, and

(b) at a time when no rent is registered for the dwelling-house under Part IV of the Act of 1971.

(2) This section shall not apply to any agreement where the tenant is neither the person who, at the time of the conversion, was the tenant, nor a person who might succeed the tenant at that time as a statutory tenant, and where this section has applied to any agreement, it shall not apply to any subsequent agreement relating to the dwelling-house which takes effect more than three years after the first such agreement took effect.

(3) Where a rent is registered for the dwelling-house and the registration is subsequently cancelled, this section shall not apply to the agreement submitted to the rent officer in connection with the cancellation nor to any agreement which takes effect after the cancellation.

(4) The provisions of this section are without prejudice to the requirements imposed by section 42 of this Act.

(5) The following requirements shall be observed with respect to any such agreement as is mentioned in subsection (1) above—

(a) the agreement shall contain the prescribed particulars,

(b) the agreement, when duly completed, shall be lodged by the landlord with the rent officer, and

(c) the landlord shall, not later than the date when the agreement is lodged with the rent officer, serve a copy of the agreement on the tenant.

(6) No such agreement shall take effect earlier than 28 days after it is lodged with the rent officer under subsection (5)(b) above, and it may only take effect on or after that date if the rent officer has not before that date notified both the landlord and the tenant in writing that he proposes to treat the agreement as an application for the registration of a rent for the dwelling-house under Part IV of the Act of 1971 made jointly by the landlord and the tenant.

(7) The rent officer may treat an agreement as such a joint application as is referred to in subsection (6) above before the conversion if an application for the registration of a rent could have been made by virtue of section 38 of this Act.

## PART V

(8) A rent officer may treat an agreement as such a joint application only if he is satisfied that the rent payable under the agreement exceeds a fair rent for the dwelling-house.

(9) Where an agreement is treated by the rent officer as such a joint application then, subject to subsection (10) below, Schedule 6 to the Act of 1971 (applications for registration of rents) shall apply as if the application had been made to him and as if any reference in that Schedule to the rent specified in the application included a reference to the rent expressed to be payable under the agreement.

(10) For the purposes of subsection (9) above, paragraph 3(1) of the said Schedule 6 shall have effect as if for the words "he may register that rent without further proceedings" there were substituted the words "he shall notify both the landlord and the tenant in writing that he is no longer treating the agreement as a joint application for the registration of a rent and that the agreement may take effect on or after the date of such notification if that date is later than 28 days after the agreement was lodged with him."

(11) The rent officer shall make available for public inspection, without charge, any agreement which has been lodged with him under this section unless the agreement is treated by him as a joint application for the registration of a rent and a rent is subsequently registered in pursuance of such application; and any agreement which is made available for public inspection under this subsection shall be so available for a period of three years from the date which is 28 days after it has been lodged with the rent officer.

(12) A copy of such an agreement certified by the rent officer or any person duly authorised by him shall be receivable in evidence, and shall be sufficient evidence of the agreement in any court and in any proceedings.

(13) A person requiring such a certified copy shall be entitled to obtain it on payment of the prescribed fee.

(14) No stamp duty shall be chargeable on any agreement to which this section applies which contains—

(a) the statement required by section 42(3)(b) of this Act as read with subsection (4) above, and

(b) the particulars prescribed pursuant to this section.

Rent agreements: special provisions where grant-aided improvements are carried out.

44.—(1) This section applies where a grant under Part II of the Act of 1968 has been approved in respect of works to be carried out in a dwelling-house let on or subject to a regulated tenancy.



(2) If a rent agreement with a tenant having security of tenure of the dwelling-house takes effect—

(a) on or after 1st January 1973, and in the period beginning with the time when the tenant's consent to the works was sought by the landlord and ending one year after the completion of the works, and

(b) at a time when no rent is registered for the dwelling-house under Part IV of the Act of 1971 and the increase of rent effected by the agreement is wholly or partly to take account of the carrying out of the works,

the requirements of subsection (4) below shall be observed as respects the agreement.

(3) The provisions of this section are without prejudice to the requirements imposed by section 42 above.

(4) The requirements mentioned in subsection (2) above are that the agreement—

(a) states that a grant has been approved, and

(b) explains that, if the grant became payable, and a rent was registered, the rent increase up to the registered rent would be phased as follows, that is—

(i) if the increase exceeded £1·50 per week, the rent would be increased by three annual increments, each of one-third of the total increase,

(ii) if it were less than £1·50 per week, the rent would be increased by annual increments of up to £0·50 per week up to the registered rent.

**45.**—(1) If, in the case of a variation of the terms of a regulated tenancy, there is a failure on the part of the landlord to observe any of the requirements of section 42, 43 or 44 of this Act, any excess of the rent payable under the terms as varied over the terms without the variation shall be irrecoverable from the tenant.

Failure to comply with provisions of rent agreements.

(2) If, in the case of the grant of a tenancy, there is a failure on the part of the landlord to observe any of the requirements of section 42, 43 or 44 of this Act, any excess of the rent payable under the tenancy so granted (for any contractual or any statutory period of the tenancy) over the previous limit shall be irrecoverable from the tenant.

(3) In subsection (2) above the “previous limit” shall be taken to be the amount which (taking account of any previous operation of this section) was recoverable by way of rent for the last rental period of the previous tenancy of the dwelling-house, or which would have been so recoverable if all notices

**PART V** of increase authorised by the Act of 1971, or by section 36(2) of this Act, had been served.

(4) A default in complying with subsection (5)(c) of section 43 of this Act shall not apply to rent for any rental period after the default is made good, and, if a rent agreement with a tenant having security of tenure is put into effect earlier than the date when it is provided under section 43 of this Act that it may take effect, such a default shall not affect the rent for any rental period beginning after that date.

(5) Section 31 of the Act of 1971 (enforcement provisions) shall apply as if any amount made irrecoverable by this section were irrecoverable by virtue of Part III of that Act.

#### *Miscellaneous*

Statutory  
tenants by  
succession.

46. In Schedule 1 to the Act of 1971 after paragraph 7 there shall be inserted the following paragraph:—

“7A—(1) Where after a succession the successor becomes the tenant of the dwelling-house by the grant to him of another tenancy, “the original tenant” and “the first successor” in this Schedule shall, in relation to that other tenancy, mean the persons who were respectively the original tenant and the first successor at the time of the succession, and accordingly—

- (a) if the successor was the first successor, and immediately before his death he was still the tenant (whether protected or statutory), paragraphs 6 and 7 above shall apply on his death,
  - (b) if the successor was not the first successor, no person shall become a statutory tenant on his death by virtue of this Schedule.
- (2) Sub-paragraph (1) above applies even if—
- (a) a successor enters into more than one other tenancy of the dwelling-house, and
  - (b) both the first successor, and the successor on his death, enter into other tenancies of the dwelling-house.
- (3) This paragraph shall apply—
- (a) as respects any succession which takes place on or after the date of the coming into force of section 46 of the Housing (Financial Provisions) (Scotland) Act 1972, and
  - (b) as respects a succession which took place before that date if the tenancy granted after the succession, or the first of those tenancies, was granted on or after that date.

(4) In this paragraph—

PART V

“succession” means the occasion on which a person becomes the statutory tenant of a dwelling-house by virtue of this Schedule and “successor” shall be construed accordingly;

“tenancy” means “regulated tenancy” and “tenancies” shall be construed accordingly.”

47. Section 35 of the Act of 1971 (regulations) shall have effect as if— Amendment of section 35 of Act of 1971.

(a) at the end of subsection (1) there were inserted the following paragraph—

“(c) prescribing matters as to which notice is to be given to a tenant of a dwelling-house let on or subject to a regulated tenancy by means of notices inserted in rent books and similar documents and the forms of such notices.”

and

(b) at the end there were added the following subsection—

“(3) If any rent book or similar document which does not conform to the prescribed requirements is used by or on behalf of any landlord, the landlord shall be liable to a fine not exceeding £50.”

48. Part VI of the Act of 1971 (rent of dwellings in good repair and provided with standard amenities) shall have effect subject to the modifications set out in Schedule 7 to this Act. Modifications of Part VI of the Act of 1971.

49.—(1) Schedule 6 to the Act of 1971 (application for registration of rents unsupported by certificate of fair rent) shall have effect as if — Amendment of Schedules 6 and 12 to Act of 1971.

(a) in paragraphs 1 and 2 for the words “seven days” there were substituted the words “14 days”;

(b) after paragraph 3 there were inserted the following paragraph—

“3A. Where the rent officer, in carrying out his functions under this Part of this Schedule, inspects a dwelling-house, he shall explain to the tenant or to his spouse, if either is present at the inspection, the procedure upon an application for the registration of a rent under this Part of this Schedule.”

(2) Schedule 12 to the Act of 1971 (applications for registration of rents supported by certificate of fair rent) shall have effect as if in paragraph 7 for the words “7 days” there were substituted the words “14 days”.

**PART V**

Interpretation  
of Part V.

**50.** In this Part of this Act—

“controlled tenancy” has the same meaning as in section 133(1) of the Act of 1971 ;

“conversion” and “converted tenancy” have the meanings respectively assigned to them by section 36(1) of this Act ;

“prescribed” means prescribed by regulations made by the Secretary of State, and section 35 of the Act of 1971 shall apply to such regulations as it applies to regulations made for the purposes of Part III of that Act ;

“protected tenancy” has the same meaning as in section 133(1) of the Act of 1971 ;

“a rent agreement with a tenant having security of tenure” has the meaning assigned to it by section 42(1) of this Act ;

“statutory tenant” and “statutory tenancy” have the same meanings as in section 133(1) of the Act of 1971 ;

and other expressions shall be construed as in Part III and Part IV of the Act of 1971.

**PART VI****HOUSING ASSOCIATIONS***Subsidies*

Introduction  
of new  
subsidies  
for housing  
associations.

**51.**—(1) The following subsidies shall be payable to housing associations in the circumstances, and subject to the conditions, set out in this Part of this Act, namely—

- (a) the basic residual subsidy ;
- (b) the special residual subsidy ;
- (c) the new building subsidy ;
- (d) the improvement subsidy.

(2) None of the subsidies may be paid for the year 1971-72, or for an earlier year.

(3) The subsidies shall be paid by the Secretary of State out of money provided by Parliament.

(4) Section 13 of this Act shall apply in relation to the payment of subsidies under this Part of this Act as it applies in relation to the payment of subsidies under Part I of this Act to a housing authority.

The basic  
residual  
subsidy.

**52.**—(1) This section has effect as to the circumstances in which basic residual subsidy is payable to housing associations and also, subject to section 54 of this Act, as to the amount of basic residual subsidy so payable.

(2) A housing association shall be entitled to basic residual subsidy for the year 1972-73 if the association's subsidies for the year 1971-72 exceed the withdrawal factor, and the amount of the basic residual subsidy for that year shall be equal to the excess.

(3) A housing association which is entitled to basic residual subsidy for the year 1972-73 shall also be entitled to the subsidy for any subsequent year for which the amount of basic residual subsidy payable to the association for the immediately preceding year exceeds the withdrawal factor, and the amount of the basic residual subsidy shall for each such year be equal to the amount obtained by deducting the withdrawal factor from the amount of the basic residual subsidy payable to the association for the immediately preceding year.

(4) In this section the "association's subsidies for the year 1971-72" means the aggregate of such sums received or to be received by the association as the Secretary of State determines and notifies the association as representing payments made or to be made to the association for the year 1971-72 under or by reference to any of the enactments described in Parts V and VI of Schedule 1 to this Act.

(5) The withdrawal factor for the purposes of this section shall be determined, in relation to each housing association, by the Secretary of State.

(6) For the purposes of subsection (5) above, the Secretary of State shall determine the number of houses as at the end of the year 1971-72 in respect of which the association's subsidies for the year 1971-72 are payable.

(7) For the year 1972-73 the withdrawal factor is the sum produced by multiplying £5 by the number of houses determined under subsection (6) above.

(8) For each year subsequent to the year 1972-73, the withdrawal factor is the sum produced by multiplying £20 by the number of houses determined under subsection (6) above.

53.—(1) This section has effect as to the circumstances in which special residual subsidy is payable to a housing association and also, subject to section 54 of this Act, as to the amount of special residual subsidy so payable. The special residual subsidy.

(2) A housing association shall be entitled to special residual subsidy for relevant works approved for subsidy before the coming into force of this Act and completed during the year 1972-73, 1973-74 or 1974-75.

## PART VI

(3) In this section—

“ approved for subsidy ” means approved by the Secretary of State for the purposes of sections 1 to 12 of the Act of 1968 ;

“ relevant works ” means the erection of a house.

(4) If an association complete any relevant works during any of the three years 1972-73, 1973-74 and 1974-75, being works approved for subsidy before the coming into force of this Act, they shall be entitled for that year to special residual subsidy of such an amount as in the opinion of the Secretary of State represents the financial assistance which would have been given for that year in respect of those works under sections 1 to 12 of the Act of 1968, if those sections had been in force throughout the year.

(5) For the purpose of calculating the amount of special residual subsidy for the year 1972-73, 1973-74 or 1974-75, the Secretary of State may adopt, after consultation with such bodies representative of housing associations as appear to him to be appropriate, a rate of interest for that year which is to be treated as if it had been specified for that year by an order made under section 2(2) of the Act of 1968 (which relates to the calculation of aggregate cost subsidies).

(6) An association entitled under subsection (4) above to an amount of special residual subsidy for the year 1972-73 shall, in addition, be entitled—

(a) for the year 1973-74 to the said amount of subsidy less the reduction factor for houses completed during the year 1972-73, and

(b) for the year 1974-75 to the amount of subsidy payable to the association under paragraph (a) above less the reduction factor for houses completed during the year 1972-73.

(7) An association entitled under subsection (4) above to an amount of special residual subsidy for the year 1973-74 shall, in addition, be entitled for the year 1974-75 to the said amount of subsidy less the reduction factor for houses completed during the year 1973-74.

(8) For the year 1975-76 and subsequent years the amount of an association's special residual subsidy shall be the amount, if any, produced by deducting the reduction factor for houses completed during the three years 1972-73, 1973-74 and 1974-75 from the amount of their special residual subsidy for the immediately preceding year.

(9) In this section “ the reduction factor ” for houses completed during any specified year or years means the sum produced by

multiplying £20 by the total number of houses the erection of which was approved for subsidy before the coming into force of this Act and which are completed by the association during the year or years.

**54.**—(1) If a housing association, by furnishing to the Secretary of State such information as to their financial position as he may require, satisfy him that for the year 1972-73 or for any year subsequent to that year their income from their houses will be inadequate, having regard to their normal sources of income, to meet such expenditure (including loan charges) as in his opinion it would be reasonable for them to incur for that year in the exercise of their housing functions, he may direct that section 52 or section 53 of this Act shall have effect in relation to that association for that year as if for any references to £5 or £20 there were substituted references to such smaller amounts as may be specified in the direction ; and the amounts which may be so substituted shall include zero.

Residual  
subsidies—  
supplementary.

(2) The Secretary of State may reduce, suspend, or discontinue the payment of basic residual subsidy or special residual subsidy to a housing association if they lease or otherwise dispose of any of their houses in respect of which they are entitled to such a payment.

(3) If any of the houses of a housing association are leased to or become vested in another housing association or trustees for another housing association, or are leased to or become vested in the Housing Corporation, the Secretary of State may pay to that association or the Corporation the whole or any part of any basic residual subsidy or special residual subsidy which he would otherwise have paid to the former association for any year beginning with the year in which the houses are so leased or come to be so vested.

(4) For the purposes of this section houses are leased if and only if they are leased for a term exceeding seven years, or for a term not exceeding seven years granted by a lease which confers on the lessee an option for renewal for a term which, together with the original term, exceeds seven years.

**55.**—(1) This section has effect, subject to section 56 of this Act, as to the circumstances in which new building subsidy is payable to a housing association and the amount of new building subsidy so payable.

The new  
building  
subsidy.

(2) A housing association shall be entitled to new building subsidy as provided by the following provisions of this section and section 56 below, in respect of a building scheme approved by the Secretary of State for the purposes of this section if they incur an initial deficit on it.

## PART VI

(3) In this section and section 56 of this Act “building scheme” means a scheme approved by the Secretary of State for the erection by a housing association of a house or group of houses for the purpose of letting or for any purpose which in the opinion of the Secretary of State is comparable, and also includes the provision of other buildings or land connected with the requirements of the occupiers of the house or houses comprised in the scheme.

(4) Subject to subsection (11) below, and to subsections (2) and (3) of section 56 of this Act, new building subsidy shall be paid to a housing association for ten years, namely the year of completion of the last or only house comprised in a building scheme (in this section referred to as the “year of completion”) and the nine years immediately following, and the amount of subsidy for a year shall be the percentage of the initial deficit shown for that year in the Table in subsection (6) below.

(5) For the purposes of this section—

(a) a housing association incur an initial deficit on a building scheme if their income from the scheme for the year immediately following the year of completion is less than their approved expenditure on the scheme for that year ;

(b) the income from a building scheme for the year immediately following the year of completion is the income which would be obtained for that year from all the buildings and land comprised in the scheme, assuming, subject to subsection (8) below, that every house so comprised were let for the whole of that year at a rent equal to the amount which would be registered as a fair rent for the house under this Part of this Act ;

(c) the approved expenditure on a building scheme for the year immediately following the year of completion is the association’s expenditure on loan charges in respect of the expenditure on the scheme and on the maintenance and management of the buildings and land comprised in the scheme.

(6) The following is the Table referred to in subsection (4) above :—

<i>Year for which subsidy is payable</i>		<b>TABLE</b>					<i>Percentage of initial deficit to be met by subsidy</i>
Year of completion		...	...	...	...	100	
Second	...	...	...	...	...	100	
Third	...	...	...	...	...	100	
Fourth	...	...	...	...	...	60	



<i>Year for which subsidy is payable</i>						<i>Percentage of initial deficit to be made by subsidy</i>
Fifth	...	...	...	...	...	60
Sixth	...	...	...	...	...	60
Seventh	...	...	...	...	...	30
Eighth	...	...	...	...	...	30
Ninth	...	...	...	...	...	30
Tenth	...	...	...	...	...	10

(7) Income from and approved expenditure on a building scheme shall be estimated in such manner and on such evidence as the Secretary of State may from time to time direct in the case of associations in general or any individual association or description of associations.

(8) The Secretary of State may direct under subsection (7) above that paragraph (b) of subsection (5) above shall have effect with the substitution for the assumption specified in that paragraph of such other assumption as may be specified in the direction.

(9) In any case where a housing association are entitled to new building subsidy but are precluded by their rules or constitution from charging a rent for their houses, the reference in paragraph (b) of subsection (5) above to the amount which would be registered as a fair rent shall be construed, in relation to the association's houses, as a reference to the amount which, in the opinion of the Secretary of State, would be registered as a fair rent if those houses were available for letting at a rent.

(10) In any case to which subsection (9) above applies the Secretary of State may assume, without prejudice to subsections (7) and (8) above, that the houses would be let on such terms and in such circumstances as he considers appropriate.

(11) The Secretary of State shall consult with such bodies representative of housing associations as he considers appropriate—

- (a) before giving a general direction as to the method of estimating approved expenditure ;
- (b) before determining, in any case to which subsection (9) applies, the assumptions as to letting which are to be made under subsection (10) above.

(12) If a housing association, by furnishing to the Secretary of State such information as to their financial position as he may require, satisfy him, in relation to a building scheme, that for any year except—

- (a) the year of completion, or

## PART VI

(b) the second or third year for which new building subsidy is payable,

payment of an amount of subsidy equal to the percentage of the initial deficit shown in the Table will be inadequate, having regard to their normal sources of income, to enable them to meet such expenditure (including loan charges) as in his opinion it would be reasonable for them to incur for that year in the exercise of their housing functions, he may direct that for that year the percentage of the initial deficit to be met by subsidy shall be greater than that shown in the Table but not greater than 90 per cent. or than the percentage met by subsidy for the immediately preceding year, if that was less than 90 per cent.

New building  
subsidy—  
supplementary.

56.—(1) The Secretary of State may make his approval of a building scheme subject to compliance by the association who apply for that approval with such conditions as he may specify.

(2) The Secretary of State may make reduced payments of new building subsidy to a housing association in respect of a building scheme, or suspend or discontinue such payments—

(a) if he made his approval of the building scheme subject to compliance with any conditions and is satisfied that any of those conditions has not been complied with; or

(b) if he is satisfied that a house comprised in the scheme—

(i) has been converted, demolished or destroyed;

or

(ii) is not fit to be used or is not being used for the purpose for which it was intended; or

(iii) has been sold or leased; or

(iv) has ceased for any reason whatsoever to be vested in the association or trustees for the association.

(3) If any of the houses comprised in a building scheme are leased to or become vested in a housing association or trustees for a housing association other than the association who received approval for the scheme, or are leased to or become vested in the Housing Corporation, the Secretary of State may pay to them the whole or any part of any new building subsidy which he would otherwise have paid for any year beginning with the year in which they are so leased or come to be so vested to the association which received approval for the scheme.

(4) For the purposes of this section houses are leased if and only if they are leased for a term exceeding seven years, or for a term not exceeding seven years granted by a lease which confers on the lessee an option for renewal for a term which, together with the original term, exceeds seven years.

**57.**—(1) This section has effect as to the circumstances in which improvement subsidy is payable to a housing association and the amount of improvement subsidy so payable.

PART VI  
The improvement  
subsidy.

(2) A housing association shall be entitled to improvement subsidy as provided by the following provisions of this section in respect of an improvement scheme approved by the Secretary of State for the purposes of this section if they incur an initial deficit on it.

(3) In this section “improvement scheme” means a scheme approved by the Secretary of State for the provision of a house or group of houses by a housing association by means of the conversion of houses or other buildings, or for the improvement of a house or group of houses by a housing association, for the purpose of letting or for any purpose which in the opinion of the Secretary of State is comparable.

(4) Subsections (4) to (12) of section 55, and section 56, of this Act shall apply to improvement subsidy as they apply to new building subsidy except that—

- (a) for any reference to a building scheme there shall be substituted a reference to an improvement scheme;
- (b) in subsection (4) of section 55 after the words “section 56 of this Act”, there shall be inserted the words “as applied by section 57 of this Act”;
- (c) in paragraph (b) of section 55(5) for the words “buildings and land” there shall be substituted the word “houses”;
- (d) in paragraph (c) of section 55(5), at the beginning there shall be inserted the words “subject to subsection (5) of section 57 of this Act”, for the words “buildings and land” there shall be substituted the word “houses” and at the end there shall be added the words “and includes any expenditure incurred by the association in acquiring interests in land for the purpose of giving effect to the scheme”.

(5) Where an exchequer contribution is payable under section 16 or 17 of the Act of 1968, or an improvement grant or a standard grant has been made to a housing association under section 27 or 40 of the Act of 1968 respectively, towards the cost of works of conversion for the provision of a house, or of improvement of a house, comprised in an improvement scheme, then the cost of such works shall not be included in the approved expenditure on the improvement scheme for the purposes of this section.

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(6) Where improvement subsidy is payable to a housing association in respect of a house comprised in an improvement scheme, then no exchequer contribution shall be payable under section 16 or 17 of the Act of 1968, and a local authority shall not approve an application by the housing association for an improvement grant or a standard grant under section 27 or 40 of the Act of 1968 respectively, towards the cost of works of conversion for the provision of such a house or of improvement of such a house.

*Housing and subsidy agreements*Housing  
agreements.

**58.**—(1) Any term of a housing agreement relating to rent payable in respect of a house to which the agreement relates or contributions towards the cost of maintaining such a house shall cease to have effect on 1st January 1973.

(2) In this section “housing agreement” means any of the following, namely—

- (a) an agreement made between the Secretary of State and a housing association under section 1(1)(d) of the Housing (Scotland) Act 1962 (special arrangements for provision of housing) before this Act comes into force;
- (b) an agreement for a loan or a grant to a housing association under section 152 of the Act of 1966 (loans and grants to housing associations by local authorities);
- (c) an agreement made between a local authority and a housing association under section 153 of that Act (arrangements for provision of housing);
- (d) an agreement made between the Secretary of State and a housing association under section 154 of that Act (arrangements for improvement of housing);
- (e) an agreement made between a housing association and a local authority under section 155 of that Act (arrangements for improvement of housing);
- (f) a scheme under section 157 of that Act (unification of conditions affecting housing associations' houses);
- (g) an agreement made between the Secretary of State and a housing association under section 1(2)(d) of the Act of 1968 (special arrangements for provision of housing) before this Act comes into force;
- (h) an agreement made between the Secretary of State and a housing association under section 23 of the Act of 1968 (advances by Secretary of State for provision of housing accommodation for letting);
- (i) an agreement for a loan to a housing association by the Housing Corporation under section 2 of the Housing Act 1964.

1962 c. 28.

1964 c. 56.

(3) Any such term as is mentioned in subsection (1) above included in a housing agreement made under section 152, 153 or 155 of the Act of 1966 after the coming into force of this Act shall be void.

(4) Subject to subsection (1) above and subsection (5) below, a housing agreement made before the coming into force of this Act shall continue to have effect after this Act comes into force.

(5) Upon the application of a party to a housing agreement the Secretary of State may, if he thinks fit, direct—

- (a) that the agreement shall have effect with such variations, determined by him or agreed by the parties, as may be specified in the direction ; or
- (b) that the agreement shall be terminated ;

but no variation shall be directed which would have the effect of including in an agreement any term such as is mentioned in subsection (1) above.

**59.**—(1) Where an agreement in pursuance of which payments are to be made under or by reference to any of the enactments described in Parts IV and VI of Schedule 1 to this Act (hereafter referred to as a “subsidy agreement”) has been made between a local authority and a housing association, the prohibition on the making of payments under or by reference to such an enactment contained in paragraph 1 of Schedule 8 to this Act shall be construed, subject to subsection (2) below, as extending only to the payment of amounts which the authority are obliged to pay by the relevant enactment ; and accordingly, where such an agreement provides for the payment of greater amounts, the authority shall continue to pay to the housing association sums equal to the difference between the amounts for the payment of which the agreement provides and the amount which they are obliged to pay by that enactment. Subsidy agreements.

(2) Upon the application of a party to a subsidy agreement, the Secretary of State may, if he thinks fit, direct—

- (a) that the agreement shall have effect with such variations, determined by him or agreed by the parties, as may be specified in the direction ; or
- (b) that the agreement shall be terminated ;

but no variation shall be directed which would have the effect of including in an agreement any term such as is mentioned in section 58(1) above.

## PART VI

*Rent limit for dwelling-houses let by housing associations and the Housing Corporation*

Tenancies to which sections 60 to 66 apply.

**60.** This section and sections 61 to 66 of this Act apply to a tenancy where—

- (a) the interest of the landlord under that tenancy belongs to a housing association or to the Housing Corporation, and
- (b) the tenancy would be a protected tenancy but for section 5 of the Act of 1971,

and in this section and the said sections 61 to 66 “tenancy” means, unless the context otherwise requires, a tenancy to which those sections apply.

Rents to be registrable under Part IV of the Act of 1971.

**61.**—(1) There shall be a separate part of the register under Part IV of the Act of 1971 in which rents may be registered for dwelling-houses which are let, or are, or are to be, available for letting, under a tenancy to which sections 60 to 66 of this Act apply.

(2) Sections 39 to 42, section 43 (except subsection (3) thereof) and section 46 of, and Schedules 6 and 7 to, the Act of 1971 shall, in relation to that part of the register, have effect as if for any reference in those provisions to a regulated tenancy there were substituted a reference to a tenancy to which the said sections 60 to 66 apply.

(3) Subject to section 64 of this Act, registration in the said part of the register shall take effect on the date of registration: Provided that registration before 1st January 1973 shall be provisional only until that date, and the date of registration shall be 1st January 1973.

(4) From the date of registration any previous registration of a rent for the dwelling-house shall cease to have effect.

(5) A rent registered in any part of the register for a dwelling-house, which becomes or ceases to be a dwelling-house under a tenancy to which sections 60 to 66 of this Act apply, shall be as effective as if it were registered in any other part of the register.

(6) Subject to subsection (5) above, references in the said sections 60 to 66 to registration are, unless the context otherwise requires, references to registration pursuant to this section.

The rent limit.

**62.**—(1) Where the rent payable under a tenancy would exceed the rent limit determined in accordance with sections 60 to 66 of this Act, the amount of the excess shall be irrecoverable from the tenant.

(2) Where a rent for the dwelling-house is registered, then, subject to sections 63 and 64 of this Act and Part IV of the Schedule to the Fire Precautions Act 1971, the rent limit is the rent so registered: PART VI  
1971 c. 40.

Provided that where any rates in respect of the dwelling-house are borne by the landlord the amount of those rates for any rental period, ascertained in accordance with Schedule 4 to the Act of 1971, shall be added to the limit imposed by this subsection, and then, subject to subsection (4) below, any reference in sections 60 to 66 of this Act to the rent registered for the dwelling-house shall be taken as a reference to the registered rent plus the amount of rates borne by the landlord.

(3) Where no rent for the dwelling-house is registered, then, subject to subsection (4) below and Part IV of the Schedule to the Fire Precautions Act 1971, the rent limit shall be determined as follows—

- (a) if the lease or agreement creating the tenancy was made before 1st January 1973, the rent limit is the rent recoverable under the tenancy, as varied by any agreement made before that date (but not as varied by any later agreement),
- (b) if paragraph (a) above does not apply, and, not more than three years before the tenancy began, the dwelling-house was subject to another tenancy (whether before 1973 or later) the rent limit is the rent recoverable under that other tenancy (or, if there was more than one, the last of them) for the last rental period thereof,
- (c) if paragraph (a) and paragraph (b) above do not apply, the rent limit shall be the rent payable under the terms of the lease or agreement creating the tenancy (and not the rent so payable under those terms as varied by any subsequent agreement).

(4) Where for any period there is a difference between the amount (if any) of the rates borne by the landlord in respect of the dwelling-house and the amount (if any) so borne in the rental period on which the rent limit is based, the rent limit under subsection (3) above or paragraph (a) or (b) of section 63(2), or section 64(4), of this Act shall be increased or decreased by the amount of the difference:

Provided that an increase of rent made solely to reflect an increase in the amount of rates borne by the landlord shall be disregarded for the purposes of section 63(3) or (4) of this Act.

(5) Section 31 of the Act of 1971 (enforcement provisions) shall apply as if any amount made irrecoverable by virtue of this section were irrecoverable by virtue of Part III of that Act.

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(6) A tenancy commencing (whether before or after this Act comes into force) while there is in operation a condition relating to rent imposed under any of the enactments mentioned in section 40(5) of the Act of 1971 shall be disregarded for the purposes of subsection (3)(b) above in determining the rent limit under any subsequent tenancy of the dwelling-house.

(7) Section 33 of the Act of 1971 (duty of landlord to supply statement of rent under previous tenancy) shall apply where the rent is subject to the rent limit under subsection (3)(b) above as it applies where rent under a regulated tenancy is subject to the contractual rent limit mentioned in that section.

(8) This section shall not apply to rent for any rental period beginning before 1st January 1973.

Phasing of  
progression to  
registered  
rent.

**63.**—(1) This section applies where a rent is registered for a dwelling-house (whether it is the first or any subsequent registration) which exceeds the rent limit for the dwelling-house immediately before the date of registration, unless at the date of registration there is no tenant and no person to whom the tenancy has been granted.

(2) The rent limit shall progress from the rent limit immediately before the date of registration to the registered rent in stages, and, subject to section 62(4) of this Act and paragraph 3 of Part IV of the Schedule to the Fire Precautions Act 1971—

- (a) for any rental period beginning in the first stage, the rent limit shall be the rent limit immediately before the date of registration plus £0.75 per week, or the registered rent, whichever is the less,
- (b) for any rental period beginning in the second or any subsequent stage, the rent limit shall be the rent payable for the first rental period of the last previous stage plus £0.75 per week, or the registered rent, whichever is the less.

(3) The first stage shall last for 52 weeks from the date of registration, or from the beginning of the first rental period for which the rent is first increased (by any amount) on or after that date, whichever is the later.

(4) Any subsequent stage shall last for 52 weeks from the end of the last previous stage, or from the beginning of the first rental period for which the rent is first increased (by any amount) after the end of the last previous stage, whichever is the later.

(5) If a tenancy of the dwelling-house is granted at any time when the rent limit is less than the registered rent, and the tenant is neither the person who, at the time when the previous



tenancy (or the last previous tenancy) ended, was the tenant under that tenancy nor a member of that tenant's family who resided with him, the registered rent shall become the rent limit from the beginning of the new tenancy, and the stages by which the rent limit was to progress up to the registered rent shall terminate.

(6) The registration of a lower or higher rent during the progression from the rent limit in force before the prior registration shall not alter the stages by which the rent limit is to progress, and if a higher rent is registered in the 52 weeks beginning with the first rental period for which the rent is increased up to the rent registered on the prior registration, the first stage in the progression from that rent up to the later registered rent shall not begin until the end of that period of 52 weeks.

64.—(1) Where the rent limit for a dwelling-house immediately before the date of registration of a rent for that dwelling-house exceeded the rent so registered, the registration shall be provisional only until it takes effect in accordance with this section. Previous rent limit exceeding registered rent: special rent limit.

(2) If—

- (a) no application is made under this section to the Secretary of State before the expiration of a period of 28 days beginning with the date of registration, or
- (b) an application duly made to the Secretary of State under this section is refused,

the registration shall cease to be provisional, and shall take effect as from the date of registration.

(3) Notwithstanding section 67(2) of this Act, the reference in subsection (2)(a) above to the date of registration shall be construed, in a case where a rent determined by a rent assessment committee is registered in substitution for a rent determined by the rent officer, as a reference to the date on which the rent determined by the rent assessment committee was registered.

(4) The Secretary of State may, on an application made to him within the said period of 28 days, grant the application and direct that the rent limit for the dwelling-house shall, subject to Part IV of the Schedule to the Fire Precautions Act 1971, be such amount as is specified in the direction, being an amount not more than the said previous rent limit, but more than the rent which is provisionally registered. 1971 c. 40.

The Secretary of State may include in a direction under this subsection such conditions as he thinks fit, and if any condition is not complied with the direction shall cease to have effect.

(5) The period for which the direction has effect shall begin with the date of the provisional registration, and the date when, subject to subsections (6) and (7) below, that period is to end shall be specified in the direction, being a date not more than

**PART VI** three years and six months from the date of the provisional registration.

(6) The direction shall cease to have effect—

- (a) if on a subsequent application for registration a different rent is registered for the dwelling-house and that rent is equal to or exceeds the rent specified in the direction, or
- (b) the rent assessment committee determine a rent in substitution for the rent registered by the rent officer, and that rent is equal to or exceeds the rent specified in the direction, or
- (c) the applicant ceases to be the landlord of the dwelling-house.

(7) Subject to subsection (6) above, if on the date specified as the end of the period under subsection (5) above a subsequent application for registration is pending, the direction shall continue in force until that application has been disposed of by the rent officer.

(8) When the period for which a direction has effect ends, and the provisional registration is not superseded by a new registration under paragraph (a) or paragraph (b) of subsection (6) above, the registration shall cease to be provisional and, except for the purposes of section 40 of the Act of 1971 (right to apply for registration of a new rent after 3 years), shall take effect at the time when the period ends.

(9) Where a registration is by virtue of this section a provisional registration, the reference in section 40(4)(b) of the Act of 1971 to the date on which the registration of rent took effect shall be construed as a reference to the date of the provisional registration.

(10) The rent officer shall notify the tenant of any case where a registration is by virtue of this section a provisional registration.

(11) This section applies whether the registration mentioned in subsection (1) above is the first or any subsequent registration and, in the case of a subsequent registration, whether or not the rent limit immediately before the date of registration was that fixed by a direction under this section.

(12) A confirmation of a rent by the rent officer shall be treated for the purposes of this section as a registration of a rent which supersedes the registration, whether or not it is a provisional registration, prior to the confirmation.

**Special rent limit: procedure on application.**

**65.—**(1) An application under the last preceding section shall be in such form as the Secretary of State may direct either generally or in any particular case, and the applicant shall give notice of the application to the rent officer and shall take all reasonable steps to give notice of the application to the tenant

of each dwelling-house which would be affected by a direction given on the application.

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(2) The Secretary of State in entertaining the application—

(a) shall take into consideration the information about the finances of the applicant given to him on the application, and any further information given by the applicant at his request, and

(b) shall not give a direction unless he is satisfied that the direction is necessary having regard to the applicant's normal sources of income and to the expenditure (including loan charges) which in his opinion it is reasonable for the applicant to incur in the exercise of housing functions.

(3) The Secretary of State shall give notice in writing of his decision on the application to the applicant and to the rent officer and, where the decision is to grant the application, the notice shall include particulars of the direction given on the application.

(4) The rent officer shall note in the register—

(a) any application notified to him by the applicant, and

(b) any direction given and the period for which it is effective, and

(c) any decision of the Secretary of State not to grant an application.

(5) The applicant shall take all reasonable steps to notify the tenant of each dwelling-house affected of any case where the Secretary of State decides to grant or not to grant an application and, where the decision is to grant the application, the notice shall include particulars of the direction given on the application.

66. Subsections (1) to (4) of section 62 of the Act of 1969 (increase of rents of houses belonging to certain authorities without notice of removal) shall apply to a housing association or the Housing Corporation as they apply to any authority to which that section applies, except that in subsection (4) for the reference to the date of the commencement of that Act there shall be substituted a reference to the date of the coming into force of this Act. Increase of rent without notice to quit.

67.—(1) Section 34 of the Act of 1971 (adjustment for Supplemental differences in lengths of rental periods) shall apply for the purposes of sections 60 to 66 of this Act as it applies for the purposes of Part III of that Act. to sections 60 to 66.

(2) Where a rent determined by a rent assessment committee is registered in substitution for a rent determined by the rent officer, the date of registration shall be deemed for the purposes of sections 60 to 66 of this Act to be the date on which the rent determined by the rent officer was registered:

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Provided that a landlord shall not, by virtue of this subsection, be entitled to recover any rent for a rental period beginning before the date when the rent determined by the rent assessment committee was registered.

(3) The sheriff shall have jurisdiction, either in the course of any proceedings relating to a dwelling-house or on an application made for the purpose by the landlord or the tenant, to determine any question as to the rent limit under the said sections 60 to 66, or as to any matter which is or may become material for determining any such question; and section 123(1) of the Act of 1971 shall apply to any application to the sheriff under this subsection as it applies to any application under any of the provisions mentioned in section 123(3) of that Act.

*Interpretation*

Interpretation  
of Part VI.

**68.—**(1) In this Part of this Act, unless the context otherwise requires—

“housing functions” means constructing, improving or managing or facilitating or encouraging the construction or improvement of houses by conversion and the acquisition of houses, and includes functions which are supplementary or incidental to any of those functions.

“loan charges” includes any loan charges made by a housing association (including charges for debt management) whether in respect of borrowing from any capital fund kept by the housing association, or in respect of borrowing between accounts kept by the housing association for different functions, or otherwise.

(2) In this Part of this Act, expressions which are used in this Part of this Act which are also used in Parts III and IV of the Act of 1971 shall, unless the context otherwise requires, have the same meaning as in those Parts.

## PART VII

## MISCELLANEOUS AND GENERAL

*Miscellaneous*

All payments  
under  
overspill  
agreements to  
be voluntary.  
1957 c. 38.

**69.—**(1) No payment shall be made by an exporting authority to a receiving authority under subsection (4)(b) of section 9 of the Housing and Town Development (Scotland) Act 1957 for the year 1972-73 or any subsequent year in pursuance of an overspill agreement; but such an agreement whether made before or after this Act comes into force, may provide with the consent of the Secretary of State, for such payment from the exporting authority to the receiving authority as may be specified in the agreement.

(2) In consequence of subsection (1) above the said section 9 shall have effect for the year 1972-73 and subsequent years as if—

- (a) subsection (4)(b) were omitted ; and
- (b) for subsection (5) there were substituted the following subsection—

“ (5) An overspill agreement (whether entered into before or after this Act comes into force) may provide, with the consent of the Secretary of State, for the making by the exporting authority to the receiving authority of such payment as may be specified in the agreement.”.

(3) Nothing in this section shall affect the continuance of any payment being made in pursuance of subsection (5) of the said section 9 immediately before this Act comes into force.

(4) A receiving authority may abrogate an overspill agreement entered into before this Act comes into force if the Secretary of State is satisfied, on an application made to him by the receiving authority, that, if they were to implement the agreement, an unduly large burden would fall on the authority's housing revenue account.

70. Schedule 8 to this Act shall have effect as to—

- (a) the termination, for the year 1972-73 and subsequent years, of payments under the enactments described in Schedule 1 to this Act, and
- (b) the termination or modification of certain other provisions about assistance for housing authorities or other persons providing housing accommodation.

Termination of certain existing exchequer contributions and related provisions.

71.—(1) A local authority for the purposes of Part VII of the Act of 1966 shall, in the performance of the functions of management of houses conferred on them by section 149(1) of that Act, have power, subject to subsections (2) and (3) below, in every case where a tenant of a house to which the housing revenue account relates moves to another house, whether or not that other house is also owned by the local authority—

Financial assistance towards tenants' removal expenses.

- (a) to pay any expenses of the removal ;
- (b) where the tenant is purchasing the house, to pay any expenses incurred by him in connection with the purchase other than the purchase price.

(2) Paragraph (b) of subsection (1) above shall only apply in a case where a tenant of a house to which the housing revenue account relates moves to another house of the local authority if that house has never been let.

(3) A local authority may make their payment of expenses in connection with the purchase of a house subject to such conditions as they think fit.

## PART VII

(4) Nothing in this section shall affect the operation of section 160 of the Act of 1966 (which gives a local authority power in certain circumstances to pay reasonable allowances to persons displaced from buildings).

Default by local authority. **72.** Section 195 of the Act of 1966 (default powers of Secretary of State in relation to rents) shall have effect as if—

(a) In subsection (1) for the words from “there has” to “this Act” there were substituted the words “a local authority—

(a) have failed effectively to discharge any of their functions under Part II, III or IV of the Housing (Financial Provisions) (Scotland) Act 1972 ; or

(b) have failed so to discharge any function conferred on them by that Act or any other enactment as to secure the effective discharge of any of their functions under those Parts of that Act ;

(b) after subsection (4) there were inserted the following subsections—

“ (4A) Without prejudice to subsection (4) above, where a local authority have failed to comply with any requirement of—

(a) a default order within the time specified therein, being a default order in which the Secretary of State has declared the local authority to be in default in respect of a failure such as is mentioned in subsection (1) of this section, but has not directed them to comply with a rents scheme, or

(b) a rents scheme to which they have been directed under this section (whether in a default order or in a supplementary order), the Secretary of State may make an order rendering exercisable by him such functions of the local authority under Part II, III or IV of the Housing (Financial Provisions) (Scotland) Act 1972 as are specified in the order and such other functions of the local authority as the Secretary of State considers necessary or expedient for the performance of those functions and as are so specified, and he may direct that the authority shall not during such time as the order is in force perform any function conferred by the order on him.

(4B) Section 194 of this Act shall apply for the purposes of subsection (4A) above as it applies for the purposes of section 193 of this Act.

(4C) It shall be the duty of a local authority, any of whose functions the Secretary of State is exercising by virtue of an order under subsection (4A) above, and any officer or servant of such an authority, to take all reasonable steps to facilitate the performance of those functions by the Secretary of State."

(c) after subsection (5) there were inserted the following subsection—

“(5A) The Secretary of State may—

(a) in a default order in which he has not directed a local authority to comply with a rents scheme made under this section, or

(b) in a default order or supplementary order in which he has so directed the local authority, or

(c) in an order under subsection (4A) above, require the local authority or, as the case may be, empower himself to treat during such period as may be specified in the order any provision of the Housing (Financial Provisions) (Scotland) Act 1972 so specified—

(i) as having effect with such exceptions, adaptations and modifications as may be so specified,

(ii) as not having effect.”

73. Section 58 of the Act of 1968 shall have effect as if—

(a) in subsection (1) at the end there were added the words “; and he may, in the circumstances mentioned in paragraph (aa) or (c) of subsection (3) of this section reduce the amount of any subsidy payable under Part I of the Housing (Financial Provisions) (Scotland) Act 1972 or suspend or discontinue the payment of such subsidy or part thereof.”; Power of Secretary of State to reduce, suspend or discontinue housing subsidies.

(b) in subsection (3) after paragraph (a) there were inserted the following paragraph—

“(aa) that the subsidy falls to be paid to a local authority and the Secretary of State is satisfied that the authority have failed to discharge any of their functions under Part II, III or IV of the Housing (Financial Provisions) (Scotland) Act 1972;”;

(c) in subsection (3)(c) after the word “made” there were inserted the words “or the subsidy falls to be paid”.

**PART VII**  
Application of receipts from disposal of certain land.  
1947 c. 43.

**74.** Notwithstanding section 168 of the Local Government (Scotland) Act 1947, any money received by a local authority from the disposal of land, being land in respect of which income and expenditure is accounted for in the housing revenue account or the slum clearance revenue account, shall be applied, except where the Secretary of State otherwise approves, for a purpose for which the land which was the subject of the transaction was held.

Adjustment of accounts on appropriation of land.

**75.—**(1) Where after the coming into force of this section land is appropriated by a local authority for the purposes of Part II or Part VII of the Act of 1966 or Part I of the Act of 1969, or on the discontinuance of use for that purpose, such adjustment shall be made in the accounts of the local authority as the Secretary of State may direct.

(2) Any direction under this section may be either a general direction or a direction for any particular case.

1959 c. 70.

(3) Where this section applies, section 25 of the Town and Country Planning (Scotland) Act 1959 (which also relates to the adjustment of accounts on appropriation of land) shall not apply.

Tenancies at a rent unalterable over a long period.

**76.—**(1) This section applies to a tenancy of any of the houses to which a local authority's housing revenue account relates (including a tenancy granted before the coming into force of this Act) other than—

- (a) a house for the time being subject to a weekly or other periodical tenancy,
- (b) a house for the time being subject to a tenancy granted, by the authority or any predecessor in title, before 1st August 1971,
- (c) a house which, whether before the coming into force of this Act or later, was acquired by the authority from a person other than another local authority, which when acquired was regarded by the authority as only likely to be available for use as a house for a period not exceeding ten years and which is for the time being subject to a tenancy which was granted before it was so acquired, or
- (d) a house for the time being excluded from this section by a direction of the Secretary of State subject to such conditions, if any, and for such period, as may be specified in the direction, being a general direction, or a direction given on the application of an authority for a particular case,

if, apart from this section, the authority would not have the rights conferred by subsection (2) of this section.



**PART VII**

(2) It shall be an implied term of the tenancy that the authority may increase the rent payable under the tenancy with effect from the beginning of any rental period by a notice given to the tenant not less than four weeks before the beginning of the rental period (or any earlier day on which the payment of rent in respect of that period falls to be made).

Where in accordance with this section a term is to be so implied for the benefit of the landlord, it shall also be an implied term of the tenancy that the tenant may terminate the tenancy with effect from the beginning of any rental period by a notice given not later than two weeks before the beginning of that rental period.

(3) Where an authority give a notice of increase under subsection (2) above for the beginning of a rental period and the tenancy continues into that period, the notice shall nevertheless not have effect if the tenancy is terminated by notice given by the tenant in accordance with the provisions express or implied of the tenancy, and—

(a) the notice to terminate the tenancy is given before the end of the period of two weeks following the date on which the notice of increase is given, or such longer period as may be allowed by the notice of increase, and

(b) the date on which the tenancy is made to terminate is not later than the earliest day on which the tenancy could be terminated by a notice given by the tenant on the last day of that period.

(4) An authority's notice of increase under subsection (2) above shall not be valid unless it tells the tenant of his right to terminate the tenancy and of the steps to be taken by him if he wishes to do so, and it also gives him the dates by which, if the increase is not to be effective, the notice to terminate the tenancy must be received by the authority and the tenancy be made to terminate.

(5) If any rental period exceeds six weeks, this section shall apply as if references to the beginning of the rental period included references to the beginning of the second or any subsequent week in the rental period.

**77.**—(1) Section 1(1) of the Act of 1971 (protected tenancies) shall have effect as if for paragraph (a) there were substituted the following paragraph—

Amendment of sections 1 and 86 of Act of 1971.

“(a) the rateable value of the dwelling-house on the appropriate day exceeded or, as the case may be, exceeds £200 ; or”.

(2) Section 86(1) (dwelling-houses to which Part VII of that Act applies) shall have effect as if for the words from “ which

PART VII has " to the end there were substituted the words " the rateable value of which on the appropriate day did not or, as the case may be, does not exceed £200 ".

### *General*

- Interpretation.** 78.—(1) In this Act, unless the context otherwise requires—
- 1966 c. 49. " the Act of 1966 " means the Housing (Scotland) Act 1966 ;
- 1968 c. 31. " the Act of 1968 " means the Housing (Financial Provisions) (Scotland) Act 1968 ;
- 1969 c. 34. " the Act of 1969 " means the Housing (Scotland) Act 1969 ;
- 1971 c. 28. " the Act of 1971 " means the Rent (Scotland) Act 1971 ;
- 1968 c. 16. " development corporation " has the same meaning as in section 2 of the New Towns (Scotland) Act 1968 ;
- " development corporation house " means a house owned by a development corporation and available to them for the purpose of providing rented accommodation and " the number of development corporation houses " for any period means the number of such houses on the relevant date, except that for the purposes of section 8 of this Act for the year 1971-72 it means such number as the Secretary of State deems to be development corporation houses for that year ;
- 1944 c. 36. " house " has the same meaning as in the Act of 1966, except that it includes any structure made available under section 1 of the Housing (Temporary Accommodation) Act 1944 ;
- 1965 c. 12. " housing association " has the same meaning as in the Act of 1966, except that, subject to sections 58 and 59 of this Act, it does not include the Scottish Special Housing Association or a development corporation or any association which is, or is deemed to be, duly registered under the Industrial and Provident Societies Act 1965 and whose rules restrict membership to persons who are tenants or prospective tenants of the association, and preclude the granting or assigning of tenancies to persons other than members ;
- " housing authority " means a local authority, a development corporation or the Scottish Special Housing Association ;
- " land " includes any estate or interest in land ;
- " local authority " has the meaning assigned to it by section 1 of the Act of 1966 ;
- 1957 c. 38. " overspill agreement ", has the same meaning as in section 9(1) of the Housing and Town Development (Scotland) Act 1957 ;

- “ the relevant date ” in relation to any period means the date occurring six months after the beginning of that period ;
- “ rental period ” means a period in respect of which a payment of rent falls to be made ;
- “ Scottish Special Housing Association house ” means a house owned by the Scottish Special Housing Association and available to them for the purpose of providing rented accommodation and “ the number of Scottish Special Housing Association houses ” for any period means the number of such houses on the relevant date ;
- “ a service charge ” means any charge referred to in section 32 of this Act ;
- “ standard rent ” means, in relation to a local authority, the rent payable in respect of a house to which the housing revenue account relates before account is taken of any rent rebate, service charge or supplementary charge and, in relation to a development corporation or the Scottish Special Housing Associations, means the rent payable in respect of a development corporation house or a Scottish Special Housing Association house before account is taken of any rent rebate or any sums payable for services or furniture ; and the income receivable from the standard rent of a house for any period means the income which would be received for that period if the house were let throughout that period and the rent were paid in full ;
- “ supplementary charge ” has the meaning assigned to it by section 33(3) of this Act ;
- “ tenant ” includes a joint-tenant and a sub-tenant ;
- “ year ” means, in relation to a local authority, a financial year within the meaning of section 174 of the Local Government (Scotland) Act 1947 and, in relation to a development corporation, the Scottish Special Housing Association or a housing association, means a year ending on 31st March ;
- “ the year 1972-73 ” means the year beginning in 1972 and ending in 1973, and so on.

(2) In this Act any reference to an amount per house or an amount of income per house or an amount of expenditure per house shall be construed as a reference, in the case of a local authority, to an aggregate amount for a period divided by the number of houses to which the local authority's housing revenue account relates for that period and, in the case of a development corporation or the Scottish Special Housing Association, as a reference to an aggregate amount for a period divided by the number of development corporation houses or the Scottish Special Housing Association houses for that period.

## PART VII

(3) In this Act any reference to houses to which the housing revenue account relates shall be construed as a reference to houses completed and available to a local authority for the purpose of providing rented accommodation and in respect of which income and expenditure is to be accounted for in that account in accordance with section 23 of this Act, and any reference to the number of such houses for any period shall be construed as a reference to the number of houses on the relevant date.

(4) References in this Act to any enactment shall be construed, except where the context otherwise requires, as references to that enactment as amended, and as including references thereto as applied, by any other enactment, including any enactment contained in this Act.

Minor and consequential amendments, transitional provisions and repeals.

**79.**—(1) The enactments specified in Schedule 9 to this Act shall have effect subject to the amendments set out in that Schedule, being minor amendments and amendments consequential on the foregoing provisions of this Act.

(2) The transitional provisions contained in Schedule 10 to this Act shall have effect.

(3) The enactments specified in Schedule 11 to this Act are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule, and subject to the provisions of Schedules 8 and 10 to this Act.

Financial provisions.

**80.**—(1) There shall be paid out of money provided by Parliament—

(a) any expenses of the Secretary of State under this Act, and

(b) any increase in the sums payable out of money provided by Parliament under any Act other than this Act which is attributable to any provision of this Act.

(2) There shall be paid into the Consolidated Fund—

(a) any payments to be made to, or to be recoverable by, the Secretary of State under this Act, and

(b) any increase in the sums so payable under any Act other than this Act which is attributable to any provision of this Act.

Citation, commencement and extent.

**81.**—(1) This Act may be cited as the Housing (Financial Provisions) (Scotland) Act 1972.

(2) The Housing (Scotland) Acts 1966 to 1971 and this Act (except Part V) may be cited together as the Housing (Scotland) Acts 1966 to 1972, and the Rent (Scotland) Act 1971 and Part V of this Act may be cited together as the Rent (Scotland) Acts 1971 and 1972.

(3) Except as otherwise expressly provided, this Act shall come into force at the expiration of a period of one month beginning with the date on which it is passed:

PART VII

Provided that the Secretary of State may by order made by statutory instrument bring any provision of this Act into force, except any provision which expressly provides otherwise, before the expiration of the said period of one month.

(4) Any reference in any provision of this Act to the coming into force of this Act shall be construed as a reference to the date on which that provision comes into force.

(5) This Act shall extend to Scotland only.

## SCHEDULES

## SCHEDULE 1

## ENACTMENTS RELATING TO EXISTING CONTRIBUTION SYSTEM

## PART I

*Payments to Local Authorities*

<i>Chapter</i>	<i>Act</i>	<i>Section</i>
1919 c. 60.	The Housing, Town Planning, etc. (Scotland) Act 1919.	Section 5 so far as the payments thereunder relate to houses to which the housing revenue account relates.
1923 c. 24.	The Housing, etc. Act 1923.	Section 1.
1924 c. 35.	The Housing (Financial Provisions) Act 1924.	Section 2 as originally enacted and as amended by section 1 of the Housing (Financial Provisions) (Scotland) Act 1933 and so far as the payments thereunder relate to houses to which the housing revenue account relates.
1930 c. 40.	The Housing (Scotland) Act 1930.	Section 23 as originally enacted and as amended by section 32 of the Housing (Scotland) Act 1935.
1931 c. 39.	The Housing (Rural Authorities) Act 1931.	Section 1.
1935 c. 41.	The Housing (Scotland) Act 1935.	Section 30.
1938 c. 38.	The Housing (Agricultural Population) (Scotland) Act 1938.	Section 1.
1938 c. 3.	The Housing (Financial Provisions) (Scotland) Act 1938.	Section 1.
1950 c. 34.	The Housing (Scotland) Act 1950.	Section 84 as originally enacted and as amended by sections 1 and 2 of the Housing (Scotland) Act 1952. Section 85 as originally enacted and as amended by section 5 of the Housing (Scotland) Act 1952. Sections 86, 88 and 91.
1957 c. 38.	The Housing and Town Development (Scotland) Act 1957.	Sections 2, 3 and 4.
1962 c. 28.	The Housing (Scotland) Act 1962.	Sections 1 to 7.
1968 c. 31.	The Housing (Financial Provisions) (Scotland) Act 1968.	Sections 2, 4 to 10, 22(1)(a) and 58(4) so far as the payments made under section 58(4) were originally made under any of the other enactments referred to in this Part of this Schedule.

PART II

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*Payments to Development Corporations*

<i>Chapter</i>	<i>Act</i>	<i>Section</i>
1950 c. 34.	The Housing (Scotland) Act 1950.	Section 87(3).
1957 c. 38.	The Housing and Town Development (Scotland) Act 1957.	Sections 2(2)(f), 3 and 4.
1962 c. 28.	The Housing (Scotland) Act 1962.	Sections 1, 2(1)(c) and 2(2)(b). Sections 4 to 7.
1968 c. 31.	The Housing (Financial Provisions) (Scotland) Act 1968.	Sections 2, 4, 6, 7, 9, 10 and 58(4) so far as the payments made under section 58(4) were originally made under any of the other enactments referred to in this Part of this Schedule.

PART III

*Payments from Secretary of State to the Scottish Special Housing Association*

<i>Chapter</i>	<i>Act</i>	<i>Section</i>
1938 c. 3.	The Housing (Financial Provisions) (Scotland) Act 1938.	Section 2.
1950 c. 34.	The Housing (Scotland) Act 1950.	Section 93.
1957 c. 38.	The Housing and Town Development (Scotland) Act 1957.	Section 23.
1962 c. 28.	The Housing (Scotland) Act 1962.	Sections 1, 2(1)(d). Sections 5, 6, 7.
1968 c. 31.	The Housing (Financial Provisions) (Scotland) Act 1968.	Sections 2, 4, 6, 7, 10, 26 and 58(4) so far as the payments made under section 58(4) were originally made under any of the other enactments referred to in this Part of this Schedule.

PART IV

*Local authority grants to the Scottish Special Housing Association linked with payments by Secretary of State*

<i>Chapter</i>	<i>Act</i>	<i>Section</i>
1935 c. 41.	The Housing (Scotland) Act 1935.	Section 26.

PART V

*Payments from Secretary of State to Housing Associations*

<i>Chapter</i>	<i>Act</i>	<i>Section</i>
1919 c. 60.	The Housing, Town Planning etc. (Scotland) Act 1919.	Section 16.
1938 c. 3.	The Housing (Financial Provisions) (Scotland) Act 1938.	Section 2.
1962 c. 28.	The Housing (Scotland) Act 1962.	Sections 1 and 2.

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## PART VI

*Local Authority Grants to Housing Associations linked with Payments by Secretary of State*

<i>Chapter</i>	<i>Act</i>	<i>Section</i>
1924 c. 35.	The Housing (Financial Provisions) Act 1924.	Section 2 so far as the payments thereunder relate to houses provided by housing associations.
1935 c. 41.	The Housing (Scotland) Act 1935.	Section 26.
1950 c. 34.	The Housing (Scotland) Act 1950.	Section 87(1).
1957 c. 38.	The Housing and Town Development (Scotland) Act 1957.	Sections 2, 3 and 4.
1962 c. 28.	The Housing (Scotland) Act 1962.	Sections 2, 4, 5, 6 and 7.
1968 c. 31.	The Housing (Financial Provisions) (Scotland) Act 1968.	Sections 2, 4, 6, 7, 9 and 10.

## Section 17.

## SCHEDULE 2

## COMPUTATION OF REBATES AND ALLOWANCES

## PART I

## GENERAL

*Introductory*

1.—(1) The rebate or allowance to which a tenant is entitled under a scheme shall be a weekly amount calculated in accordance with this Schedule by reference to—

- (a) an amount to be allowed for the needs of the tenant and of any spouse of the tenant or dependent child of the tenant or his spouse (“the needs allowance”);
- (b) the income of the tenant and of any such spouse;
- (c) the amount of the rent;
- (d) a minimum weekly rent;
- (e) a minimum and maximum rebate or allowance;
- (f) amounts to be deducted for non-dependants.

(2) The amounts listed in sub-paragraph (1) above (other than the amount of the rent) shall be ascertained in accordance with this Schedule.

(3) A scheme shall not apply to rent payable in respect of any part of a rental period before the date on which the scheme is made or, if it is expressed to come into force after that date, before the date on which it is expressed to come into force.



(4) No person shall be entitled to benefit under more than one scheme.

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2. In this Schedule—

“dependent child” means a person who resides in the house occupied by the tenant and whose requirements are provided for, in whole or in part, by the tenant or his spouse and who is either under the age of sixteen or of or over that age but receiving full-time instruction at any university, college or other educational establishment ;

“full-time instruction at an educational establishment” includes a reference to a person undergoing training for any trade, profession or vocation in such circumstances that he is required to devote the whole of his time to the training for a period of not less than two years ;

“married couple” includes a man and a woman who lives with him as his wife, but does not include a man and wife who are living apart, and “wife” and, subject to paragraph 9(2)(j) below, “spouse” shall be construed accordingly ;

“non-dependant” means, in relation to a tenant, any person who resides in the house occupied by the tenant, other than the tenant himself, except a spouse of the tenant and a dependent child of the tenant or his spouse.

3.—(1) Where any sum which is payable or calculated otherwise than as a weekly amount falls to be taken into account for the purposes of this Schedule, it shall be converted into the weekly amount which represents it, and that amount shall be treated as the relevant amount for those purposes ; and accordingly in this Schedule references to “weekly rent” and “weekly income” are references to the amount which represents the rent or the income as so converted.

(2) Where an authority for administrative convenience arrange for the year’s rent to be paid irregularly, or so that no rent is payable for or collected in certain periods, or so that rent for different periods in the year is of different amounts, the provisions of this Schedule shall be applied, and all calculations shall be made, by reference to the rent which would have been paid if the arrangements had not been made.

4.—(1) An authority may treat as a sole tenant for the purposes of this Schedule one of two or more joint tenants, and in that case, subject to sub-paragraph (2) below, every joint tenant who resides in the tenant’s house and is not so treated shall be treated as a non-dependant for those purposes.

(2) Neither the spouse nor a dependent child of a tenant shall be treated as a non-dependant by virtue of sub-paragraph (1) above.

5.—(1) If some person who resides in the house occupied by the tenant appears to an authority to have a higher income than the tenant and the authority have grounds for considering that in the special circumstances of the case it would be reasonable to make their calculations under this Schedule by reference to the income of that other person and not of the tenant, they may treat that other

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person as the tenant and make such payments of rebate or allowance (if any) as ought to be made on that basis.

(2) Where an authority exercise the power conferred on them by sub-paragraph (1) above, the tenant shall be treated as a non-dependant for the purposes of this Schedule, but neither the spouse nor a dependent child of the person who is treated as the tenant shall be treated as a non-dependant for those purposes.

6. In the following provisions of this Schedule "tenant" includes a person treated as a tenant under paragraph 4 or 5 above or paragraph 1 of Schedule 3 below.

7. Any question whether a person is a sub-tenant of the tenant or a non-dependant shall be determined, for the purposes of any scheme, by the authority who made the scheme.

*Needs allowance*

8.—(1) Subject to sub-paragraph (2) below, the needs allowance for each week is—

- (a) for an individual person who has no dependent children .....£10·50;
- (b) for a married couple.....£14·75;
- (c) for an individual person who has a dependent child or children .....£14·75;
- (d) for each dependent child of a tenant or his spouse.....£2·75;

(2) The needs allowance for each week is—

- (a) for an individual person who has no dependent children and who is a chronically sick or disabled person .....£11·75;
- (b) for a married couple, one of whom is a chronically sick or disabled person .....£16·00;
- (c) for an individual person who is a chronically sick or disabled person and who has a dependent child or children .....£16·00;
- (d) for a married couple, both of whom are chronically sick or disabled persons .....£16·75.

(3) In sub-paragraph (2) above, any reference to a chronically sick or disabled person is a reference to a person in need under section 12 of the Social Work (Scotland) Act 1968 as read with section 1 of the Chronically Sick and Disabled Persons (Scotland) Act 1972.

1968 c. 49.  
1972 c. 51.

*Income of tenant and spouse*

9.—(1) The weekly income of the tenant and any spouse of the tenant shall be ascertained for the purposes of this Schedule by taking the amount which the authority have assessed under Schedule 3 below as likely to be their income during the rebate period or, as the case may be, the allowance period and disregarding any item mentioned in sub-paragraph (2) below which is included in that income.

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- (2) The items to be disregarded are—
- (a) any amount paid to the tenant by a sub-tenant to whom he has sub-let part of his house in respect of rent payable by the sub-tenant by reason of his occupation of the house ;
  - (b) any payment made to the tenant or his spouse by a dependent child of his or of his spouse or by a non-dependant ;
  - (c) in the case of a married couple £2.50 of the earnings of a woman who is either the tenant or the tenant's wife ;
  - (d) any sums payable under section 49 of the Education (Scotland) Act 1962 (financial assistance for education) ;
  - (e) any attendance allowance ;
  - (f) any sums payable to any person as holder of the Victoria Cross or of the George Cross ;
  - (g) any benefit under the Ministry of Social Security Act 1966 ; 1966 c. 20.
  - (h) £2.00 of any of the following, namely—
    - (i) a war disablement pension ;
    - (ii) industrial disablement benefit ;
    - (iii) an old cases allowance ;
    - (iv) any payment which the Secretary of State accepts as being analogous to a payment mentioned in sub-paragraphs (i) to (iii) above ;
  - (i) £2.00 of so much of—
    - (i) a widow's pension under section 19(3) of the National Insurance (Industrial Injuries) Act 1965 payable by virtue of paragraphs (a) to (e) thereof ; 1965 c. 52.
    - (ii) a special widow's pension (not including any allowance in respect of children) ;
    - (iii) any payment which the Secretary of State accepts as being analogous to a payment mentioned in sub-paragraph (i) or (ii) above,as exceeds the rate specified in Schedule 3 to the National Insurance Act 1965 for a widow's pension under that Act ; 1965 c. 51.
  - (j) £2.00 of any voluntary payment other than a payment made by a person who is not a non-dependant for the maintenance of his spouse (including a spouse with whom he is not living) or his former spouse or his children.
- (3) The total disregard under paragraphs (h) to (j) of sub-paragraph (2) above shall in no case exceed £2.00, and where a number of voluntary payments (other than payments for maintenance such as are mentioned in paragraph (j) above) are received, they shall be treated as if they were one payment for the purposes of that paragraph.
- (4) In sub-paragraph (2) above—
- “attendance allowance” and “war disablement pension” have the meanings assigned to them by any regulations for the time being in force under the Family Income Supplements Act 1970 c. 55.

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1965 c. 52.

“**industrial disablement benefit**” means any weekly payment of disablement benefit under the National Insurance (Industrial Injuries) Act 1965 ;

1967 c. 34.

“**old cases allowance**” means a weekly payment made under a scheme having effect by virtue of the Industrial Injuries and Diseases (Old Cases) Act 1967 ;

“**special widow’s pension**” means—

1916 c. 65.  
1917 c. 51.  
1939 c. 82.  
1939 c. 83.  
1947 c. 19.  
1951 c. 8.  
1969 c. 65.  
1914 c. 30.  
1914 c. 18.  
1915 c. 24.

(a) any widow’s pension or allowance granted under powers conferred by or under the Ministry of Pensions Act 1916, the Air Force (Constitution) Act 1917, the Personal Injuries (Emergency Provisions) Act 1939, the Pensions (Navy, Army, Air Force and Mercantile Marine) Act 1939, the Polish Resettlement Act 1947, the Home Guard Act 1951 or the Ulster Defence Regiment Act 1969 ;

(b) a pension or allowance for a widow granted under any scheme made under the Injuries in War (Compensation) Act 1914, the Injuries in War Compensation Act 1914 (Session 2), or the Injuries in War (Compensation) Act 1915 or under any War Risk Compensation Scheme for the Mercantile Marine.

(5) The Secretary of State may accept a payment as being analogous to a payment mentioned in sub-paragraph (2) above—

(a) by directing authorities in general to regard payments of that description as analogous for the purposes of this Schedule ;  
or

(b) by notifying an authority that he accepts such a payment as analogous for those purposes.

*Amount of rebate or allowance*

10.—(1) In this Schedule “**minimum weekly rent**” means, subject to sub-paragraphs (2) and (3) below, £1·00 or 40 per cent. of the weekly rent, whichever is the greater.

(2) In any case where the weekly income of the tenant and his spouse is less than the needs allowance, “**minimum weekly rent**” means the amount calculated in accordance with sub-paragraph (1) above less an amount equal to 25 per cent. of the difference between the needs allowance and the weekly income.

(3) In any case where the reduction under sub-paragraph (2) above would be equal to or greater than £1·00 or 40 per cent. of the weekly rent, whichever is the greater, the minimum weekly rent shall be zero.

11.—(1) The amount of rebate or allowance to be granted shall be an amount calculated in accordance with this paragraph but less any sum in respect of non-dependants as mentioned in paragraph 12 below, and subject in any event to paragraphs 13, 14 and 16 below.

(2) If the weekly income of the tenant and his spouse is equal to or less than the needs allowance, the rebate or allowance shall be equal to the amount, if any, by which the weekly rent exceeds the **minimum weekly rent**.

(3) In any case where the weekly income exceeds the needs allowance, the rebate or allowance shall be calculated in accordance with sub-paragraphs (4) and (5) below.

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(4) There shall be added—

- (a) an amount equal to the minimum weekly rent ;
- (b) an amount equal to 17 per cent. of the difference between the weekly income and the needs allowance.

(5) If the sum produced under sub-paragraph (4) is less than the weekly rent, the rebate or allowance shall be equal to the difference between the weekly rent and that sum.

12.—(1) The deductions from a rebate or allowance in respect of non-dependants are for each week—

- (a) for each person aged 18 years or more, but under 21 years and neither undergoing full-time instruction at an educational establishment nor in receipt of supplementary benefit ... .. £1.00 ;
- (b) for each person aged 21 years or more, but under pensionable age and neither undergoing full-time instruction at an educational establishment nor in receipt of supplementary benefit except in the case mentioned in paragraph (e) below ... .. £1.50 ;
- (c) for each person in receipt of supplementary benefit ... .. £0.70 ;
- (d) for each person of pensionable age not in receipt of supplementary benefit, except in the case mentioned in paragraph (e) below ... .. £0.70 ;
- (e) for a married couple where the husband is of pensionable age and not in receipt of supplementary benefit ... .. £0.70.

(2) If any person is in receipt of supplementary benefit for himself and also for his spouse, they shall be treated as one person for the purposes of this paragraph.

*Minimum and maximum rebate and allowance*

13. If the amount of a rebate or allowance as calculated in accordance with this Schedule would be less than 20p, an authority may or may not grant the rebate or allowance, as they think fit.

14. If the amount of a rebate or allowance as so calculated would exceed £6.50 the excess shall not be granted.

*Treatment of fractional amounts*

15. The amount of any rebate or allowance shall be calculated to the nearest new penny by disregarding an odd amount of half a new penny or less, and by treating an odd amount exceeding half a new penny as a whole new penny.

*Additional rebate*

16.—(1) A local authority may grant to any person an additional rebate of such an amount and for such period and subject to such conditions as the Secretary of State may by general or particular direction provide beginning with the first rental period after their rebate scheme comes into operation if—

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- (a) the whole or part of that person's rent under the tenancy was met for the immediately preceding rental period by a rebate granted by virtue of arrangements for such rebates made under section 151(4) of the Act of 1966 ; and
- (b) the condition mentioned in sub-paragraph (2) below is satisfied in his case.

(2) The condition which must be satisfied in the case of any person before he is granted an additional rebate by virtue of sub-paragraph (1) above is either—

- (a) that the rent remaining to be met by the tenant after taking account of the amount of any rebate was less during the rental period mentioned in sub-paragraph (1)(a) above than during the first rental period after a rebate scheme in accordance with the provisions of the model scheme came into operation, or—
- (b) that the rebate granted for the rental period immediately preceding that in which the relevant scheme under this Act came into operation consisted of or included an amount granted under a provision which in the opinion of the Secretary of State was comparable to this paragraph.

(3) Sub-paragraphs (1) and (2) above shall apply to a development corporation and the Scottish Special Housing Association as they apply to a local authority except that in sub-paragraph (1)(a) the words from "granted by" to "1966" shall be omitted.

*Provisions applying only to computation of allowances*

17.—(1) For the purposes of the computation of allowances, the foregoing provisions of this Schedule shall be modified in accordance with sub-paragraph (2) below.

(2) It shall be the duty of every authority, for the purpose of computing the amount of an allowance—

- (a) if they consider that the tenant is in occupation of a house larger than he reasonably requires, or
- (b) if they consider that, by virtue of the location of the tenant's house, its rent is exceptionally high by comparison with the rent payable under comparable private tenancies of similar houses in the authority's district,

to consider whether they ought in all the circumstances to treat the rent as reduced by an appropriate amount, and if in their opinion they ought to treat it as reduced, to grant an allowance only in respect of the rent as so reduced.

## PART II

### PERSONS RECEIVING SUPPLEMENTARY BENEFIT

18. The provisions of this Part of this Schedule have effect as respects the amount of rebate or allowance to be granted to a person for a week which is the ninth or any later week in any period for which he, or any person whose income is to be aggregated with

his under paragraph 9 of this Schedule, is in receipt of supplementary benefit. SCH. 2

19.—(1) The said amount shall be the amount if any by which the weekly rent exceeds £1·00 or 40 per cent. of the weekly rent, whichever is the greater, but less any sum in respect of non-dependants as mentioned in paragraph 12 of this Schedule, and subject to paragraphs 13, 14, 15 and 17 of this Schedule.

(2) Paragraph 11 of this Schedule shall not apply where this paragraph applies.

20.—(1) The last preceding paragraph shall not apply where, assuming it did apply, the amount of supplementary benefit payable for the week would fall to be reduced under paragraph 5 of Schedule 2 to the Ministry of Social Security Act 1966 (adjustment of benefit to normal earnings), but Part I of this Schedule shall then apply subject to the following provisions of this paragraph. 1966 c. 20.

(2) The weekly income of the tenant and any spouse of the tenant shall be ascertained for the purposes of this Schedule by taking for the rebate period or allowance period the amount of the gross weekly income which the person in receipt of supplementary benefit would have if he were engaged in full time work in his normal occupation, and the amount of any gross income of the spouse, and disregarding to the extent mentioned in paragraph 9(3) of this Schedule any item mentioned in paragraph 9(2) of this Schedule which is included in that income.

(3) The amounts mentioned in sub-paragraph (2) above shall be those amounts as estimated or determined by the Supplementary Benefits Commission.

(4) The preceding provisions of this paragraph shall be in substitution for paragraph 9(1) of this Schedule.

21.—(1) In this Schedule “period of supplementary benefit” means a continuous period for which the person in question is in receipt of supplementary benefit, but the Secretary of State may give directions as to the circumstances in which two periods of supplementary benefit with a break between are to be regarded as one continuous period.

(2) This Part of this Schedule applies whether or not the period of supplementary benefit began before the coming into operation of the scheme.

### SCHEDULE 3

Section 17.

#### REBATES AND ALLOWANCES: PROCEDURE

##### PART I

##### GENERAL

##### *Introductory*

1.—(1) Subject to the provisions of this Schedule, an authority may pay a rebate or allowance at any time and in any manner that they think fit.

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(2) Where in the case of a rental period exceeding one month a local authority—

- (a) receive an application for a rebate or allowance ; or
- (b) determine under paragraph 5 or 6 below that the rebate period or allowance period shall terminate ; or
- (c) determine under paragraph 5 or 6 below that the rebate or allowance shall be altered ; or
- (d) receive an application for a further rebate or allowance under paragraph 10 below,

the provisions of this Schedule shall have effect as if any reference to a rental period were a reference to a period of one month and as if the rental period had always been one month since the commencement of the rental period.

(3) Where an authority for administrative convenience arrange for the year's rent to be paid irregularly, or so that no rent is payable for or collected in certain periods, or so that rent for different periods in the year is of different amounts, the provisions of this Schedule shall be applied, and all calculations shall be made, by reference to the rent which would have been paid if the arrangements had not been made.

(4) Where—

- (a) a house to which a local authority's housing revenue account relates or a development corporation house or a Scottish Special Housing Association house is let to one of two spouses, or one of two spouses is a private tenant, and
- (b) the house is not occupied by the tenant, and
- (c) the other spouse is in occupation of the house and has paid the rent in respect of any rental period,

the authority may, if in their opinion it is reasonable to do so, treat the spouse who has paid the rent as the tenant for the purposes of this Schedule and grant a rebate, or, as the case may be, an allowance accordingly.

(5) In the following provisions of this Schedule "tenant" includes, subject to paragraph 16(6) below, a person treated as a tenant under this paragraph or paragraph 4 or 5 of Schedule 2 above.

(6) In this paragraph "spouse" has the same meaning as in paragraph 2 of Schedule 2 to this Act except that it includes a spouse living apart, but otherwise in this Schedule "spouse" has the same meaning as in the said paragraph 2.

*Applications for rebates and allowances*

2.—(1) When an authority receive an application for a rebate or allowance whether before or after their rebate scheme or allowance scheme comes into operation, it shall be their duty, subject to sub-paragraph (2) below, to determine whether the applicant is entitled to a rebate or an allowance and, if so, the amount to which he is so entitled ; and they shall request him in writing to furnish



such information and such evidence as they may reasonably require for that purpose as to the following matters namely—

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- (a) the persons who reside in the house occupied by him ;
- (b) the rent and other charges in respect of any sub-letting of the house ;
- (c) his other income and, if he has a spouse, the income of his spouse,

and shall include with the request a notice to the applicant of the duty under paragraph 5 of this Schedule to report to the authority changes of circumstances such as are mentioned in that paragraph.

(2) An authority shall be under no duty to grant a rebate or an allowance unless they are satisfied that the applicant has furnished all such information and evidence as they require for the purpose of determining whether he is entitled to a rebate or an allowance.

(3) An application may be withdrawn at any time, and if an application is withdrawn the authority shall upon the withdrawal cease to be under any duty to make a determination on it, or to take any further step in relation to it.

#### *Assessment of income*

3.—(1) If an authority are satisfied on an application for a rebate or an allowance that the applicant is eligible for consideration for a rebate or an allowance, it shall be their duty to assess the amount which is likely to be the income of the applicant and of any spouse of his during the rebate period or, as the case may be, the allowance period.

(2) In so far as a person's income consists of earnings from a gainful occupation, the amount which is likely to be the income shall be calculated or estimated by reference to the average of his earnings from that occupation over a period ending with his last pay-day before the application and being a period—

- (a) of five weeks, if he is paid weekly,
- (b) of two months, if he is paid monthly,

so, however, that in any case the authority may have regard to the average of a person's earnings from a gainful occupation over such other period or periods as appear to them to be appropriate in order properly to assess the amount which is likely to be his income during the rebate period or the allowance period, as the case may be.

(3) In so far as a person's earnings from any gainful occupation comprise salary, wages or fees related to a fixed period, the gross amount of his salary, wages or fees shall be taken into account ; and in so far as a person's earnings from any gainful occupation do not comprise salary, wages or fees related to a fixed period, the net profit derived from that occupation shall be taken into account.

(4) In so far as a person's income does not consist of earnings from a gainful occupation, its weekly amount shall be calculated or estimated, subject to sub-paragraph (5) below, on such basis as appears to the authority to be appropriate in the circumstances of the particular case.

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(5) The Secretary of State may give directions to authorities in general as to the manner in which they are to calculate the income of persons who belong to classes of persons to whom payments are made by virtue of any enactment which in his opinion are not taxable and are of amounts calculated on the basis that they are not taxable.

(6) In this paragraph—

“net profit” means profit after deduction of expenses but without deduction of income tax or of contributions payable by him under the National Insurance Act 1965 except contributions paid otherwise than as an insured person; and

“pay-day” means an occasion on which earnings are paid.

1965 c. 51.

(7) Where any amount which is payable or calculated otherwise than as a weekly amount falls to be taken into account for the purposes of this paragraph, it shall be converted into the weekly amount which represents it, and that amount shall be treated as the relevant amount for those purposes.

*Rebate period and allowance period*

4.—(1) Where a rebate or an allowance is first granted, the rebate period or allowance period shall commence at the commencement of the rental period in which the application for a rebate or an allowance was received.

(2) A rebate period and an allowance period shall end, subject to paragraphs 5 and 6 below—

(a) if the tenant is of pensionable age, not later than twelve months after the date on which he was notified that his application for a rebate or an allowance was granted; and

(b) in any other case, not later than six months after that date.

5.—(1) If at any time between the making of an application for a rebate or an allowance and any determination made on that application there is a change of circumstances such that the applicant may be reasonably expected to know that it may reduce the amount to which he is entitled, it shall be the duty of the applicant to notify the authority of that change.

(2) If after a rebate or an allowance has been granted to a tenant and before the end of the rebate period or allowance period there is a change of circumstances such that the tenant may be reasonably expected to know that it may affect his entitlement or reduce the amount to which he is entitled, it shall be the duty of the tenant to notify the authority of that change.

(3) If during a rebate period or an allowance period an authority receive a notification of a change of circumstances under subparagraph (2) above, or consider, without receiving such a notification, that there has been such a change in the tenant's circumstances as will affect the tenant's entitlement or reduce the amount to which he is entitled, the authority shall determine, according to the circumstances, either that the period shall terminate on a date earlier than it would otherwise terminate or that the amount of rebate or allowance shall be altered in respect of such rental period or periods as they consider appropriate.

6.—(1) If during a rebate period or an allowance period an authority receive from a tenant a notification of a change of circumstances relating to him which might entitle him to a higher rebate or allowance, the authority, if they are of the opinion, after obtaining and considering such information and evidence as they require, that the tenant is entitled to a higher rebate or allowance, shall determine, according to the circumstances, either that the period shall terminate on a date earlier than that on which it would otherwise terminate, or that the amount of rebate or allowance shall be increased in respect of any rental period or periods commencing after the date on which the circumstances changed.

(2) If an authority determine under sub-paragraph (1) above that a rebate period or allowance period ought to terminate, they shall invite the tenant to submit a further application for a rebate, or, as the case may be, an allowance.

7. If there is such an alteration in the terms of a rebate scheme or allowance scheme or in the rent as to affect the amount of rebate or allowance to which a tenant is entitled, the authority shall make such alterations as may be appropriate in the amount of his rebate or allowance.

8. It shall not be the duty of an authority to alter a rebate or allowance under paragraph 5, 6 or 7 above if the alteration would be equal to or less than 20 new pence.

9. Without prejudice to any other right to recover the amount of any rebate or allowance which has been wrongly granted, where any person has received a rebate or allowance to which he was not entitled, it may be recovered from him by deduction from sums which would otherwise be granted to him by way of rebate or allowance.

*Application for further rebate or allowance*

10.—(1) A tenant to whom a rebate or allowance has been granted may apply to the authority for a further rebate or allowance commencing with the first rental period after the end of the current rebate period or allowance period.

(2) An application under sub-paragraph (1) above need not be entertained if it is made more than one month before the end of the current period.

(3) If the application is made not later than one month after the end of that period, the new rebate period or allowance period shall commence with the first rental period to commence after the end of the former rebate or allowance period.

(4) If the application is made at any later date, the new period shall commence with the first rental period after the date of the application:

Provided that the authority may, if in their opinion the circumstances are exceptional, allow the new period to commence with the first rental period to commence after the end of the former rebate or allowance period.

(5) Subject to this paragraph, the provisions of this Schedule shall apply on an application for a further rebate or allowance as they apply on a first application.

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*Transitional*

## 11. Where—

- (a) the whole or part of a person's rent under a tenancy was met by a rebate for the rental period immediately preceding that in which the rebate scheme under this Act of the authority who granted him that rebate comes into operation ; and
- (b) the terms on which the rebate was granted for that rental period are identical with those on which rebates are to be granted under the rebate scheme under this Act, or conform with directions made by the Secretary of State,

the authority may treat him, for all the purposes of this Schedule or Schedule 2 to this Act, as if he were a person to whom they had granted under this Act a rebate for the first rental period after the rebate scheme under this Act came into operation.

*Provisions applying only to allowances*

12.—(1) An authority may require from any person who has applied for or who is in receipt of an allowance evidence—

- (a) of his interest in the house in respect of which his application was made or the allowance is paid ;
- (b) of the rent paid for the house in respect of the rental period in which his application was made or any other rental period in the allowance period.

(2) An authority may terminate an allowance period or pay the allowance to the tenant's landlord for any rental period within the allowance period if they are satisfied that the tenant is not paying rent regularly to his landlord or if the tenant is unable to show the amount of rent paid in respect of any rental period within the allowance period.

(3) In paying an allowance, an authority—

- (a) shall comply with such general or particular directions as the Secretary of State may from time to time give as to the frequency of payment ;
- (b) shall have regard, subject to sub-paragraph (2) above, to the reasonable needs and convenience of the tenant.

13. The authority may withhold an allowance where the landlord of a private tenant is residing with the tenant, or where the landlord is a member of the family of a private tenant and it appears to the authority that the tenancy was created to take advantage of any allowance scheme.

14. In ascertaining the amount of an allowance the authority shall have regard, where the rent is registered, to any amount noted on the register in pursuance of section 43(1A) of the Act of 1971.

15.—(1) In ascertaining the amount of an allowance the authority shall disregard—

- (a) where the rent is payable under a controlled tenancy, any rent paid in excess of the rent limit under Part V of the Act of 1971,

- (b) where the rent is payable under a regulated tenancy and a rent is registered for the dwelling-house, any rent paid in excess of the rent limit under Part III of the Act of 1971 or in excess of the amount which is for the time being recoverable under Schedule 13 to the Act of 1971 or under Schedule 6 to this Act,
- (c) where the rent is payable under such a tenancy as is described in paragraph (b) above, but no rent is registered for the dwelling-house, or where the rent is payable under such a tenancy as is described in paragraph (d) below and the rent limit is determined under section 62(3) of this Act, and the authority are not satisfied that the rent paid is equal to or less than the fair rent, as estimated by the authority, any rent paid in excess of that estimated fair rent,
- (d) where the rent is payable under a tenancy to which sections 60 to 66 of this Act apply and the rent limit is not determined under section 62(3) of this Act, any rent paid in excess of the rent limit under those sections,
- (e) where there is in operation, with respect to the dwelling-house, any such condition relating to rent as is described in section 40(5) of the Act of 1971 (conditions attached to financial assistance for housing), any rent paid in excess of any limit of rent imposed by the conditions,
- (f) where the rent is not payable under a regulated or controlled tenancy or a tenancy to which sections 60 to 66 of this Act apply and the authority are not satisfied that the rent is equal to or less than the fair rent as estimated by the authority which would be determined if the tenancy were subject to rent regulation, any rent paid in excess of that estimated rent.

(2) Nothing in sub-paragraph (1) above shall affect the operation of paragraph 17 of Schedule 2 to this Act.

(3) Where after paying any rent a tenant becomes entitled, under section 31 of the Act of 1971 or otherwise, to recover part of that rent as being in excess of any such limit as is described in sub-paragraph (1) above, the authority shall ascertain what the amount of the allowance would have been if the tenant had not paid the rent he is entitled to recover; and the excess of the allowance actually granted over that amount shall be treated for the purposes of paragraph 9 of this Schedule as an allowance which has been wrongly granted.

(4) Expressions used in this paragraph and in the Act of 1971 have the same meaning in this paragraph as in that Act.

#### *General duty of authority as to determinations*

16.—(1) It shall be the duty of an authority to notify a tenant in writing of every determination which they make under their rebate scheme or allowance scheme in relation to him.

(2) A tenant may make representations to an authority concerning a determination which they make in relation to him, and if an authority receive such a representation from a tenant within one

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month of their notification to him of such a determination they shall consider the representation and may alter or confirm the determination according to the circumstances, and if they alter or confirm it they shall notify the tenant in writing of their reasons for doing so.

(3) Every notification of a determination shall include a notice to the tenant explaining the provisions of sub-paragraph (2) above.

(4) When an authority determine to treat as the tenant, in pursuance of paragraph 5 of Schedule 2 above, a person who is not the tenant within the meaning of section 22 of this Act, it shall be their duty to notify of that determination both the person who will fall to be treated as the tenant as a result of the determination and the person who would have been considered eligible for a rebate or an allowance but for the determination.

(5) When an authority determine to treat as the tenant, in pursuance of paragraph 4 of Schedule 2 above or paragraph 1 of this Schedule, a person who is not the tenant or, as the case may be, not the sole tenant, within the meaning of section 22 of this Act, it shall be their duty to notify of that determination the person who will fall to be treated as the tenant as a result of it and to take such (if any) steps as they consider reasonable to notify of the determination the person or persons who would have been considered eligible for a rebate or an allowance but for the determination.

(6) The references to the tenant in sub-paragraphs (2) and (3) above shall accordingly be construed as including every person to whom sub-paragraph (4) or (5) above applies.

(7) Where an authority notify a tenant of a determination to grant him a rebate or an allowance their notification shall state the amount of the rebate or allowance granted, the rebate period or allowance period and the circumstances in which the amount or the period may be altered, and draw his attention to the duty imposed on him by paragraph 5(2) above.

## PART II

## PERSONS IN RECEIPT OF SUPPLEMENTARY BENEFIT

17.—(1) The Secretary of State may give directions, either generally or in any particular case, as to the application of Part II of this Act (including the last preceding Schedule and this Schedule) to persons who may be entitled to receive supplementary benefit or are or have been in receipt of such benefit, and to persons whose income or resources have been or may be aggregated for the purposes of this Act, or of the Ministry of Social Security Act 1966, with those of persons who may be entitled to receive supplementary benefit or are or have been in receipt of such benefit.

1966 c. 20.

(2) Directions under this paragraph may in particular make provision as to—

- (a) the beginning or ending of any rebate or allowance period ;
- (b) the procedures to be adopted in cases where a person is or may be entitled both to a rent rebate or a rent allowance and to supplementary benefit, and the method of disposing of any application for rent rebate or rent allowance which is pending when a person becomes entitled to supplementary benefit ; and

(c) the method of dealing with cases where it is difficult to ascertain whether a person has been in receipt of supplementary benefit for more than eight weeks.

(3) Any direction under this paragraph shall have effect notwithstanding anything in Part I of this Schedule.

18.—(1) An authority shall not, under this Schedule, require the tenant, as respects any period for which he is in receipt of supplementary benefit, to give any information to the authority, other than such information as may for the time being be specified for the purposes of this paragraph by any direction given by the Secretary of State, either generally or in any particular case.

(2) An authority shall afford to the Secretary of State such information in their possession as he may require to give effect to the Ministry of Social Security Act 1966 as amended by this Act, and the Secretary of State and the Supplementary Benefits Commission shall afford to every authority such information concerning claims for, and payments of, supplementary benefit as the authority may require to give effect to Schedule 2 to this Act and this Schedule. 196 c. 20.

(3) Without prejudice to the generality of sub-paragraph (2) above, where the authority are to ascertain the amounts specified in paragraph 20(2) of Schedule 2 to this Act for a person who is in receipt of supplementary benefit, whether in the first eight weeks or later (or for a person whose income is to be aggregated with that of a person in receipt of supplementary benefit) it shall be the duty of the Commission to notify the authority of those amounts as estimated or determined by the Commission and to supply the authority with such particulars of the resources of the tenant and any spouse as will enable the authority to ascertain the weekly income of the tenant and any spouse.

(4) An authority and the Secretary of State may from time to time enter into any arrangements for purposes of administrative convenience which, without affecting the total relief available to any tenant—

(a) authorise the authority to grant a rebate or allowance greater than, or less than, the amount required by or under the authority's scheme, or to grant, or refrain from granting, a rebate or allowance where the provisions of the scheme provide otherwise, and

(b) require the authority to pay to the Secretary of State such amount, estimated in a manner determined by the arrangements, as reflects any liability to give relief to the tenant transferred by the arrangements from the authority to the Secretary of State,

and where any arrangements within paragraph (a) above were made in the period from the beginning of the year 1972-73 until the coming into force of this Act, the authority shall have power to pay to the Secretary of State such amount in respect of any liability to give relief to the tenant transferred by the arrangements to the Secretary of State as may be determined by them on a formula agreed with the Secretary of State.

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(5) Without prejudice to paragraph 17 above, the Secretary of State may give directions to authorities in general or any individual authority or description of authority requiring them in such cases and circumstances as may be specified in the direction to grant a rebate or allowance greater than, or less than, the amount required by or under their scheme, or to grant, or refrain from granting, a rebate or allowance where the provisions of the scheme provide otherwise, and to pay to the Secretary of State such amount, to be estimated in such manner as may be so specified, as reflects any liability to give relief to the authority's tenants which is transferred in accordance with the directions from the authority to the Secretary of State.

(6) Any reference in this Act to the amount of rebates or allowances granted by an authority for a year or other period shall include an amount which in the opinion of the Secretary of State represents the rebates or allowances which would have been granted but for any arrangements under sub-paragraph (4) or directions under sub-paragraph (5) above, estimated in such manner as the Secretary of State may direct; and a corresponding adjustment shall be made in arriving at the amount to be treated for any purpose of this Act as an authority's standard amount of rent rebates or rent allowances.

Section] 23.

## SCHEDULE 4

## THE HOUSING REVENUE ACCOUNT

*Credits*

1.—(1) For each year a local authority shall carry to the credit of the housing revenue account amounts equal to—

- (a) the income receivable by the local authority from standard rents;
- (b) any income receivable by the local authority for that year in respect of service charges, supplementary charges, feuduties and any other charges in respect of houses and other property to which the account relates;
- (c) the following subsidies, if any, payable to the local authority for that year, that is—
  - (i) the residual subsidy, excluding any subsidy payable under section 2(7)(b) of this Act,
  - (ii) the housing expenditure subsidy,
  - (iii) the high cost subsidy;
- (d) any contribution out of the general rate fund associated with either of the subsidies referred to in sub-paragraph (c)(ii) and (iii) above which is made by the local authority for that year;
- (e) any contribution payable to the local authority for that year in respect of houses or other property to which the account relates under any of the following enactments (which relate to contributions out of money provided by Parliament towards costs of improvement and conversions), that is
  - (i) section 2 of the Housing (Scotland) Act 1949,
  - (ii) section 105 of the Housing (Scotland) Act 1950,
  - (iii) section 13 of the Act of 1968;



- (f) any contribution payable to the local authority for that year under section 59 of the Act of 1969 towards expenditure incurred by them on property to which the account relates under section 58 of that Act (powers of local authority in respect of improvement of amenities of residential areas);
- (g) any payments received by the local authority from another local authority in pursuance of any overspill agreement, being payments such as are mentioned in paragraph 2(e) of this Schedule;
- (h) any contributions received by the local authority under section 101(1) of the Housing Act 1964, in so far as amounts equal to the expenditure towards which those contributions are made fall to be debited to the account;
- (i) income, and receipts in the nature of income, being income or receipts arising for that year from the investment or other use of money carried to the account;
- (j) any other income of any description, except a contribution out of the general rate fund, receivable by the local authority for that year, being income relating to expenditure falling to be debited to the account for that year;
- (k) such other income of the local authority as the Secretary of State may direct.

(2) Subject to sub-paragraph (3) below, where any house or other property to which the account relates has been sold or otherwise disposed of, an amount equal to any income of the local authority arising from the investment or other use of capital money received by the authority in respect of the transaction shall be carried to the credit of the account.

(3) Sub-paragraph (2) above shall not apply—

- (a) where the Secretary of State otherwise directs as respects the whole or any part of such income, or
- (b) as respects income from capital money carried to a capital fund under section 9 of the Local Government (Development and Finance) (Scotland) Act 1964.

(4) An amount equal to any income of the local authority arising from an investment or other use of borrowed moneys in respect of which the authority are required under paragraph 2 below to debit loan charges to the account shall be carried to the credit of the account.

(5) Where for any year a deficit is shown in the account, the local authority shall carry to the credit of the account, in respect of that year, an amount equal to the amount of the deficit, but, subject to sub-paragraph (6) below, shall repay the amount so credited to the general rate fund within the two immediately succeeding years.

(6) The obligation to repay referred to in sub-paragraph (5) above shall not apply if—

- (a) the deficit occurred for any year for which the local authority were required to limit the increase in standard rents by virtue of the proviso to section 28(2) of this Act or for which they were required to increase standard rents under section 29(1) of this Act, and

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- (b) where the deficit occurred in the year 1973-74 or any subsequent year, for every preceding year since the year 1972-73 the local authority were required to so limit the increase in standard rents or increase standard rents under the said section 29(1).

(7) For any year, the local authority may, with the consent of the Secretary of State, carry to the credit of the account, in addition to the amounts required by the foregoing provisions of this Schedule, such further amounts, if any, as they think fit.

#### *Debits*

2. Subject to paragraph 3 of this Schedule, for each year a local authority shall debit to the housing revenue account amounts equal to—

- (a) the loan charges which the local authority are liable to pay for that year in respect of money borrowed by a local authority for the purpose of—

(i) the provision by them after 12th February 1919 of housing accommodation under the enactments referred to in section 23(1)(a) of this Act,

(ii) the execution of works in respect of which the Secretary of State has made an exchequer contribution under section 35 of the Housing (Scotland) Act 1935,

(iii) the provision or improvement by them of dwellings in accordance with improvement proposals approved by the Secretary of State under section 2 of the Housing (Scotland) Act 1949 or under section 105 of the Housing (Scotland) Act 1950 or under section 13 of the Act of 1968,

(iv) meeting expenditure on the repair of houses and other property to which the account relates including any deficit referred to in paragraph 2(2) of Schedule 10 to this Act,

(v) the improvement of amenities of residential areas under section 58 of the Act of 1969 on land to which the account relates:

Provided that a local authority may, with the approval of the Secretary of State, debit to the account any payments, of which the amount and the period over which they are payable have been approved by him, to meet outstanding capital debt in respect of any house to which the account relates and which is demolished after the coming into force of this Act;

- (b) the taxes, feuduties, rents and other charges which the local authority are liable to pay for that year in respect of houses and other property to which the account relates;
- (c) the expenditure incurred by the local authority for that year in respect of the repair, maintenance, supervision and management of houses and other property to which the account relates, other than the expenditure incurred by them in the administration of a rent rebate scheme;

1935 c. 41.

1949 c. 61.

1950 c. 34.

- (d) the arrears of rent which have been written off in that year as irrecoverable, and the income receivable from any houses to which the account relates during any period in that year when they were not let ;
- (e) any payments made by the local authority to another local authority or a development corporation in pursuance of any overspill agreement, being payments towards expenditure which, if it had been incurred by the first-mentioned authority, would have been debited by them to their housing revenue account in pursuance of this paragraph ;
- (f) any amount repaid to the general rate fund in that year under paragraph 1(5) above ;
- (g) such other expenditure incurred by the local authority as the Secretary of State directs shall be debited to the housing revenue account.

3. A local authority shall not debit to the housing revenue account for the year 1972-73 and subsequent years amounts equal to—

- (a) expenditure on the provision of anything after the beginning of the year 1972-73 under section 139 or 141 of the Act of 1966 (which relate respectively to the powers of a local authority to provide shops, etc., and laundry facilities) or the supply of anything under section 140 of that Act (which relates to the power of a local authority to provide furniture, etc.), being anything in respect of which no expenditure was incurred before the year 1972-73, or
- (b) any part of expenditure attributable to site works and services of a house or houses or other property to which the housing revenue account relates which exceeds the expenditure required for the provision of the house or houses or other property :

Provided that nothing in sub-paragraph (a) above shall apply to expenditure on the provision of—

- (i) anything referred to in paragraph (a) and (b) of section 32(1) of this Act in respect of which the local authority are required to make a service charge,
- (ii) any garage, car-port or other car-parking facilities provided by the local authority, whether before the year 1972-73 or not, under the terms of the tenancy of a house.

#### *Transitional*

4.—(1) Where, but for the coming into force of this Act, any adjustment of a housing revenue account for the year 1971-72, or for an earlier year, would have been effected by entering a credit or debit in that account for the year 1972-73, or any later year, the adjustment shall be so made notwithstanding the provisions of this Act as to the nature of the credits or debits to be entered in the housing revenue account for the year 1972-73 and later years.

(2) Any direction given under paragraph 1(2) of Schedule 7 to the Act of 1968 (crediting of income from proceeds of sale of property) shall, in the year 1972-73 and later years, have effect as if given under paragraph 1(3)(a) of this Schedule.

**SCH. 4**

(3) Any direction given under paragraph 3 of the said Schedule 7 shall, as respects those years, have effect as if it had been given under paragraph 8 or 9 of this Schedule.

*Working Balances*

5.—(1) Subject to paragraph 6 of this Schedule, the local authority may retain in the account any amount by way of working balance and any such amount shall be treated as a debit to the account for the purposes of section 28 or 29 of this Act.

(2) An amount so retained in the account for any year shall be carried forward and treated as an item of income in the account for the next following year for the purposes of section 28 or 29 of this Act.

6.—(1) Subject to sub-paragraph (2) below, the working balance at the end of a year shall not exceed an amount per house of £30.

(2) A local authority shall not create or hold a working balance for any year for which they are required to carry an amount to the credit of the account under paragraph 1(5) of this Schedule.

*Supplemental*

7. Any requirement of this Schedule as respects any amount to be debited or credited to the account may be met by taking in the first instance an estimate of the amount, and by making adjustments in the account for a later year when the amount is more accurately known or is finally ascertained.

8. A local authority may, with the consent of the Secretary of State, exclude from the housing revenue account any of the items of income or expenditure mentioned in the foregoing provisions of this Schedule, or may with such consent include any items of income or expenditure not mentioned in those foregoing provisions.

9. Where it appears to the Secretary of State that amounts in respect of any items of income or expenditure other than those mentioned in the foregoing provisions of this Schedule ought properly to be credited or debited to a housing revenue account, or that amounts in respect of any of the items of income and expenditure mentioned in the foregoing provisions of this Schedule which ought properly to have been credited or debited to the account have not been so credited or debited, or that any amounts have been improperly credited or debited to the account, he may, after consultation with the local authority, give directions for the appropriate credits or debits to be made or for the rectification of the account, as the case may require.

10. The Secretary of State may direct that items of income or expenditure, either generally or of a specific category, shall be included in or excluded from the account.

11. Any surplus shown in a housing revenue account at the end of a year shall be carried forward to the next following year and included as an item of income for the purposes of section 28 or 29 of this Act.

12. References in this Schedule to houses and other property to which the housing revenue account of a local authority relates shall be construed as references to houses, buildings, land and dwellings in respect of which the authority are required by section 23 of this Act to keep the account.

SCH. 4

SCHEDULE 5

Section 26.

THE SLUM CLEARANCE REVENUE ACCOUNT

*Credits*

1. For each year a local authority shall carry to the credit of the slum clearance revenue account amounts equal to—

- (a) the income from the rents, feuduties and other charges in respect of houses and other property to which the account relates ;
- (b) any slum clearance subsidy payable to the local authority for that year ;
- (c) any income from the investment or other use of capital obtained from the disposal of houses and other property to which the account relates ;
- (d) any expenses incurred by the local authority in the demolition of a building to which the account relates which they have recovered from the owner of the building ;
- (e) such other income of the local authority as the Secretary of State may direct.

2. Where for any year a deficit is shown in the account, the local authority shall carry to the credit of the account in respect of that year an amount equal to the amount of the deficit.

*Debits*

3. For each year a local authority shall debit to the slum clearance revenue account amounts equal to—

- (a) the loan charges which the local authority are liable to pay for that year referable to the amount of expenditure incurred by the local authority which falls within paragraph (a) or (b) of section 26(1) of this Act ;
- (b) the taxes, feuduties, rents and other charges which the local authority are liable to pay for that year in respect of houses and other property to which the account relates ;
- (c) the expenditure incurred by the local authority for that year in respect of the repair, maintenance, supervision and management of houses and other property to which the account relates ;
- (d) the expenditure incurred by the local authority for that year in respect of the purchase, demolition, and clearance of sites of houses and other property to which the account relates where that expenditure is not met from capital ;
- (e) the arrears of rent which have been written off in that year as irrecoverable and the income receivable from any houses to which the account relates during any period in that year when they were not let ;

- SCH. 5 (f) such other expenditure incurred by the local authority as the Secretary of State directs.

*Supplemental*

4. Any surplus shown in a slum clearance revenue account at the end of a year shall be credited to the general rate fund.

5. A local authority may, with the consent of the Secretary of State, exclude from the slum clearance revenue account any of the items of income or expenditure mentioned in the foregoing provisions of this Schedule, or may with such consent include any items of income or expenditure not mentioned in those foregoing provisions.

6. The Secretary of State may direct that items of income or expenditure either generally or of a specific category, shall be included in or excluded from the slum clearance revenue account.

Section 37.

SCHEDULE 6

RESTRICTION ON RENT INCREASES

*Restriction on rent increases after first registration*

1. Where a rent for a dwelling-house which is subject to a regulated tenancy is registered under Part IV of the Act of 1971 and the registration is the first registration to take effect after the tenancy has become a regulated tenancy by virtue of section 34 of this Act, then if the rent payable under the tenancy for any statutory period beginning during the period of delay imposed by paragraph 2 of this Schedule is less than the rent so registered, it shall not be increased by a notice of increase under section 21(2)(b) of the Act of 1971 except to the extent (if any) permitted under the following provisions of this Schedule; and any such notice which purports to increase it further shall have effect to increase it to the extent so permitted but no further.

*Period of delay*

2. There shall be a period of delay with respect to any rent registered as mentioned in paragraph 1 of this Schedule which shall be a period of two years beginning with the date of registration.

*Permitted increase*

1971 c. 40.

3.—(1) Subject to paragraph 3(1)(c) of Part III of the Schedule to the Fire Precautions Act 1971, the rent may be increased to the aggregate of the following—

- (a) the amount of the previous limit calculated in accordance with paragraph 4 of this Schedule; and
- (b) the appropriate proportion of the difference between the registered rent and the amount specified in paragraph (a) above.

(2) The appropriate proportion mentioned in sub-paragraph (1)(b) of this paragraph shall be ascertained for any rental period in accordance with the following Table, in which the year of the period of delay in which the rental period begins is shown in the first column and the appropriate proportion in the second column.

TABLE

SCH. 6

Year of period of delay	Appropriate proportion
first year	one-third
second year	two-thirds

(3) Notwithstanding anything in the foregoing provisions of this paragraph, the amount to which the rent may be increased for any rental period shall not in any case be less than 50p a week above the following, that is to say—

- (a) if the rental period begins in the first year of the period of delay, the amount specified in sub-paragraph (1)(a) of this paragraph ;
- (b) if the rental period begins in the second year of the period of delay, the amount to which the rent could be increased for a rental period beginning in the previous year ;

but nothing in this paragraph shall be taken to enable the rent to be increased above the amount registered.

*Previous limit*

4.—(1) For the purposes of this Schedule the previous limit of a rent shall be taken to be, subject to sub-paragraph (2) of this paragraph, the amount which at the date of registration was recoverable by way of the rent or would have been so recoverable if all notices of increase authorised by the Act of 1971 or by section 36(2) of this Act had been served.

(2) Where the rent includes an amount payable in respect of rates, the amount so payable, ascertained in accordance with Schedule 4 to the Act of 1971, shall be deducted from the amount specified in sub-paragraph (1) of this paragraph in calculating the previous limit of the rent.

*Restriction on rent increases in cases of further registration during period of delay*

5.—(1) Where a rent (in this paragraph referred to as the first rent) for a dwelling-house which is subject to a regulated tenancy has been registered as mentioned in paragraph 1 of this Schedule and, in any year of the period of delay imposed by paragraph 2 of this Schedule, a new rent for the dwelling-house is registered under Part IV of the Act of 1971, then, if the new rent exceeds the rent for the time being recoverable under the regulated tenancy, the following provisions of this paragraph shall apply and the foregoing provisions of this Schedule shall not apply.

(2) The rent for any statutory period beginning before the end of the period of delay shall not be increased by a notice of increase under section 21(2)(b) of the Act of 1971 except to the extent permitted by the following provisions of this paragraph ; and any such notice which purports to increase it further shall have effect to increase it to the extent so permitted but no further.

## SCH. 6

(3) If the new rent is less than the first rent, the rent payable under the regulated tenancy may be increased (up to the amount registered) to the same extent as if the first rent had remained registered.

(4) If the new rent exceeds the first rent, the rent payable for any statutory period beginning after the date of registration may be increased by the difference between the first rent and the new rent, but, apart from that increase, the amount to which the rent may be increased thereafter (up to the new rent) is to be determined as if the first rent had remained registered.

*Successive tenancies*

6. Where a rent for a dwelling-house which is subject to a regulated tenancy is registered as mentioned in paragraph 1 of this Schedule and, during the period of delay imposed by paragraph 2 of this Schedule with respect to the rent, the tenant, or any person who might succeed him as a statutory tenant, becomes the tenant under a new regulated tenancy of the dwelling-house—

- (a) the rent limit for any contractual period of the new regulated tenancy beginning during that period of delay shall be the amount to which, if the first-mentioned tenancy had continued, the rent payable thereunder could have been increased in accordance with this Schedule for a statutory period beginning at the same time, and in relation to such a contractual period the reference in section 43(3)(a) of the Act of 1971 to section 19(2) of that Act shall be construed as a reference to this paragraph ; and
- (b) in relation to any statutory period of the new tenancy beginning during that period of delay the provisions of this Schedule shall have effect as if it were a statutory period of the first mentioned tenancy.

7. Where a controlled tenancy of a dwelling-house becomes a regulated tenancy by virtue of section 34 of this Act, and the tenant, or any person who might succeed him as a statutory tenant, becomes the tenant under a new regulated tenancy of the dwelling-house, then, if during the continuance of the new regulated tenancy a rent for the dwelling-house is registered under Part IV of the Act of 1971 and the registration would be such a registration as is mentioned in paragraph 1 above had the first mentioned regulated tenancy continued, the provisions of this Schedule shall apply as if it had continued and in particular paragraph 6 above shall, subject to paragraph 9 below, apply with the necessary modifications.

*Rent Agreements*

8. Where, after a controlled tenancy of a dwelling-house becomes a regulated tenancy by virtue of section 34 of this Act, an agreement increasing the rent under the tenancy (but without creating a new regulated tenancy) takes effect, whether before or after the beginning of the period of delay imposed by paragraph 2 of this Schedule, then, subject to paragraph 9 below,—



- (a) the rent limit for any contractual period of the regulated tenancy beginning during that period of delay shall be the amount to which, if the agreement had not been made, the rent payable under the tenancy could have been increased in accordance with this Schedule for a statutory period beginning at the same time, and, in relation to such a contractual period, the reference in section 43(3)(a) of the Act of 1971 to section 19(2) of that Act shall be construed as a reference to this paragraph ; and
- (b) in relation to any statutory period of the regulated tenancy, beginning during that period of delay, the provisions of this Schedule shall have effect as if the agreement had not been made.

9. If, in the period between the time when the controlled tenancy of a dwelling-house becomes a regulated tenancy by virtue of section 34 of this Act and the registration of such a rent as is mentioned in paragraph 1 of this Schedule, a rent agreement with a tenant having security of tenure takes effect as respects the dwelling-house and the provisions of sections 42 and 43 of this Act have been observed as respects the agreement, then the provisions of this Schedule shall apply as respects the period after the actual date when the rent was registered for the dwelling-house as if the date of registration had been the date on which the agreement took effect.

*Supplemental*

10. In ascertaining for the purposes of this Schedule whether there is any difference between amounts or what that difference is, such adjustments shall be made as may be necessary to take account of periods of different lengths ; and for that purpose a month shall be treated as one-twelfth and a week as one fifty-second of a year.

11. Where a registration takes effect from a date earlier than the date of registration, references in this Schedule to the date of registration shall nonetheless be references to the later date.

12. Where a rent determined by a rent assessment committee is registered in substitution for a rent determined by the rent officer, the foregoing provisions of this Schedule shall have effect as if only the rent determined by the rent assessment committee had been registered ; but the date of registration shall be deemed for the purpose of this Schedule (but not for the purposes of section 21(2)(b) of the Act of 1971) to be the date on which the rent determined by the rent officer was registered.

13. This Schedule shall not apply where a registration is also the first after the completion, during the existence of the regulated tenancy, of works towards the cost of which a grant was payable under Part II of the Act of 1968.

**SCH. 7**  
Section 48.

**SCHEDULE 7**

**MODIFICATIONS OF PART VI OF THE RENT (SCOTLAND) ACT 1971**

1. In section 70 (conversion of controlled tenancies of dwelling-houses provided with standard amenities and in good repair),—

(a) in subsection (2), the word “or” occurring after the word “certificate” and the words from “on such” to the end shall cease to have effect;

(b) subsection (3) shall cease to have effect.

2. In section 71 (application for qualification certificate), for subsections (1) and (2) there shall be substituted the following subsections—

“(1) Where the landlord considers that the dwelling-house satisfies the qualifying conditions, he may make an application for a qualification certificate under this subsection.

(2) An application for a qualification certificate may be made under this subsection with respect to a dwelling-house (whether or not as part of or in conjunction with an application for a grant under Part II of the Act of 1968) notwithstanding that at the time of the making of the application the dwelling-house does not satisfy the qualifying conditions.”

3. In section 73 (procedure on applications under section 71(2)),—

(a) in subsection (1), for the words “and send a copy thereof” there shall be substituted the words “, but if it does not so appear to the local authority they shall give notice to the applicant of their refusal to issue such a certificate; and they shall send a copy of the certificate or of the notice”;

(b) for subsection (3) there shall be substituted the following subsection—

“(3) After the works specified in the application for a qualification certificate have been carried out and on being satisfied that the dwelling-house satisfies the qualifying conditions, the local authority shall issue the qualification certificate, but if they are not so satisfied they shall give notice to the applicant of their refusal to issue that certificate; and they shall send a copy of the certificate or of the notice to the tenant.”

4. In section 74 (registration of rent on issue of qualification certificate),—

(a) in subsection (1), for the words from “if the certificate” to the end there shall be substituted the words “if a certificate of fair rent has been issued on an application under Part I of Schedule 12 to this Act, also by a copy of that certificate.”;

(b) in subsection (2), for the words from “qualification” to the end there shall be substituted the words “certificate of fair rent has been issued on an application under Part I of the said Schedule 12.”

5. In section 76 (appeal in certain cases against issue or refusal of qualification certificate),—

- (a) in subsection (1), after the word “72(2)” there shall be inserted the words “or 73(1) or (3)”, and for the words “certificate ought to be issued” there shall be substituted the words “qualification certificate or, as the case may be, the certificate of provisional approval ought to be issued”;
- (b) in subsection (2), after the word “72(2)” there shall be inserted the words “or 73(3)”, and after the words “qualification certificate” there shall be inserted the words “or under section 73(1) of this Act of a copy of a certificate of provisional approval”.

6. Section 77 (postponement in certain cases of effect of qualification certificate) shall cease to have effect.

7. Section 78 (modifications of that Act in relation to tenancies converted under Part VI of that Act) shall cease to have effect.

8. In section 80 (consent of tenant),—

- (a) subsection (1) shall cease to have effect;
- (b) in subsection (2), after the words “statutory tenancy” there shall be inserted the words “(whether a controlled or a regulated tenancy)” the words “or confirm” shall cease to have effect, and for paragraph (a) there shall be substituted the following paragraph—

“(a) those works were specified in an application for a qualification certificate under section 71(2) of this Act and a certificate of provisional approval has been issued; or”;

- (c) in subsection (4), after the word “circumstances” there shall be inserted the words “(other than the means of the tenant)”, after the words “from the works,” there shall be inserted the word “and”, and the words from “his means” to the end shall cease to have effect.

9. Subject to paragraphs 10, 11 and 12 below, Schedule 13 shall have effect with respect to any year of a period of delay imposed under that Schedule which begins on and after 1st January 1973 subject to the following modifications—

- (a) in paragraph 3(1), at the beginning there shall be added the words “Subject to paragraph 3(1)(c) of Part III of the Schedule to the Fire Precautions Act 1971”, at the end of sub-paragraph (a) there shall be added the word “and”, sub-paragraph (b) shall cease to have effect and in sub-paragraph (c) for the words “aggregate of the amounts specified in paragraphs (a) and (b) above” there shall be substituted the words “amount specified in sub-paragraph (a) above”;
- (b) in paragraph 3(3) for the reference to 37½ new pence there shall be substituted a reference to 50 new pence, and in sub-paragraph (a) for the words “aggregate of the amounts specified in sub-paragraphs (1)(a) and (1)(b)” there shall be substituted the words “amount specified in sub-paragraph(1)(a)”;

## SCH. 7

- (c) in paragraph 4(1) for the words from “the Rent” to the end there shall be substituted the words “this Act or section 36(2) of the Housing (Financial Provisions) (Scotland) Act 1972 had been served.”;
- (d) paragraphs 5, 9, 11 and 12 shall cease to have effect;
- (e) in paragraph 7(b) the word “foregoing” shall cease to have effect;
- (f) in paragraph 8 for the words from “paragraphs 1 to 6” to the end there shall be substituted the words “the provisions of this Schedule shall apply as if it had continued and in particular paragraph 7 of this Schedule shall, subject to paragraph 8B below, apply with the necessary modifications”.
- (g) after paragraph 8 there shall be inserted the following—

*“ Rent Agreements*

8A. Where, after a tenancy becomes a regulated tenancy by virtue of Part VI of this Act or, as the case may be, after the completion of the works referred to in paragraph 1(b) above, an agreement increasing the rent under the tenancy (but without creating a new regulated tenancy) takes effect, whether before or after the beginning of the period of delay imposed by paragraph 2 above, then, subject to paragraph 8B below,—

- (a) the rent limit for any contractual period of the regulated tenancy beginning during that period of delay shall be the amount to which, if the agreement had not been made, the rent payable under the tenancy could have been increased in accordance with this Schedule for a statutory period beginning at the same time, and, in relation to such a contractual period, the reference in section 43(3)(a) of this Act to section 19(2) of this Act, shall be construed as a reference to this sub-paragraph, and
- (b) in relation to any statutory period of the regulated tenancy beginning during that period of delay, the provisions of this Schedule shall have effect as if the agreement had not been made.

8B. If, in the period between the time when the controlled tenancy of a dwelling-house becomes a regulated tenancy by virtue of Part VI of this Act or, as the case may be, the time when the works referred to in paragraph 1(b) of this Schedule are completed, and the registration of such a rent as is mentioned in paragraph 1 of this Schedule, a rent agreement with a tenant having security of tenure within the meaning of Part V of the Housing (Financial Provisions) (Scotland) Act 1972 takes effect as respects the dwelling-house and the provisions of sections 42 and 43 or, as the case may be, sections 42 and 44, of that Act have been observed as respects the agreement, then the provisions of this Schedule shall apply as respects the period after the actual date when the rent was registered for the dwelling-house as if the date of registration had been on the date when the agreement took effect.”;

(h) after paragraph 10 there shall be inserted the following paragraph—

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“ 10A. Where a registration takes effect from a date earlier than the date of registration, references in this Schedule to the date of registration shall nonetheless be references to the later date.”

10. If in a period of delay imposed under Schedule 13, the registration at the beginning of the period of delay is superseded by a later registration of a higher rent and the later registration is on or after 1st January 1973, then for paragraph 6(4) of that Schedule there shall be substituted the following sub-paragraph—

“(4) If the new rent exceeds the first rent, the rent payable for any statutory period beginning after the date of registration may be increased by the difference between the first rent and the new rent but, apart from that increase, the amount to which the rent may be increased thereafter (up to the new rent) is to be determined as if the first rent had remained registered.”

11. Without prejudice to paragraphs 9 and 10 above, in the case of a registration of a rent on or after 1st January 1973 the said Schedule shall have effect on and after that date subject to the additional modification that in paragraph 2 (period of delay) for sub-paragraphs (a) and (b) there shall be substituted the words “a period of two years”.

12. Without prejudice to paragraphs 9 and 10 above, in the case of a rent registered before 1st January 1973 with respect to which there is a period of delay imposed by paragraph 2 of Schedule 13, the Schedule shall have effect on and after that date subject to the following additional modifications—

(a) where the second year of a period of delay of four years under the Schedule begins on or after 1st January 1973 the period of delay shall instead be two years, and the fraction in the third column of the Table in paragraph 2(2) for the second year shall be three fifths, and not two fifths ;

(b) where paragraph (a) above does not apply and any year of a period of delay of four years begins on or after 1st January 1973, the period of delay shall instead be three years, and, if the said date falls in the second year of delay, the fraction in the said third column for the third year shall be four fifths, and not three fifths.

## SCHEDULE 8

Section 70.

### TERMINATION OF PART OF EXISTING CONTRIBUTION SYSTEM

#### *Enactments described in Schedule 1 to this Act*

1.—(1) No payment shall be made under any of the enactments described in Schedule 1 to this Act for the year 1972-73 or any subsequent year.

## SCH. 8

(2) Subject to section 59 of this Act and without prejudice to the generality of sub-paragraph (1) above, no payment shall be made by a local authority for the year 1972-73 or any subsequent year in pursuance of any undertaking or agreement made under or by reference to any of the enactments described in Parts IV and VI of the said Schedule 1 (which includes—

- (a) provisions authorising a local authority to enter into undertakings to make payments to other persons, and authorising payments out of money provided by Parliament to local authorities entering into such undertakings, and
- (b) provisions requiring or authorising a local authority, on receipt of any sum, to pay to another person an amount not less than that sum).

2.—(1) This paragraph has effect where information given to the Secretary of State on an application duly made for a payment for the year 1971-72 or any earlier year under any enactment described in Schedule 1 to this Act includes any particulars which are, and are stated to be, based on an estimate.

(2) Subject to the following provisions of this Schedule, if it appears to the Secretary of State—

- (a) that the estimate is reasonable, and
- (b) that, assuming the estimate were correct, the information and other particulars given on the application are sufficient to enable him to determine the amount of the payment,

he may accept the estimate and make a payment accordingly.

(3) Any payment made in pursuance of this paragraph so far as it is based on an estimate of the cost of land may be adjusted when the final cost of the land is ascertained.

(4) Where a payment is made in pursuance of this paragraph neither the housing authority nor the housing association receiving the payment nor, where the payment is made under a provision requiring a local authority to pay over to a development corporation or a housing association an amount not less than that received, the development corporation or housing association, shall be entitled to question the amount of the payment on a ground which means that the estimate was incorrect.

(5) Where the Secretary of State is not satisfied that the estimate is reasonable, he may, if he thinks fit, accept the application and make a payment of such amount as appears to him reasonable.

3. The right to receive any payment from the Secretary of State under any of the enactments described in Schedule 1 to this Act shall be extinguished unless an application has been duly made for the payment before 1st September 1972, or such later date as he may in exceptional circumstances allow, and unless the Secretary of State is satisfied that the information and other particulars given (before that date) on the application—

- (a) are sufficient to enable him to determine the amount of the payment, or
- (b) are such as to enable him to make a payment based on an estimate in pursuance of paragraph 2 of this Schedule.

4. For the purpose of calculating the amount of exchequer contribution payable for the year 1971-72 under subsection (1) of section 2 of the Act of 1968, "financial year" in subsections (2) and (3) of that section shall have the same meaning as "year" in this Act; and accordingly subsection (6) of that section shall not apply for that purpose.

5.—(1) The Secretary of State may determine the total amount payable to a housing authority or to any housing association under the enactments described in Schedule 1 to this Act for any period ending not later than the end of the year 1971-72, and in determining that total amount he may take into account any over-payment made or any amount already paid to the authority or association not under statute.

(2) The Secretary of State may direct that a local authority shall, in consequence of a determination made by him under sub-paragraph (1) above, make such adjustment in the housing revenue account as he thinks fit.

(3) The Secretary of State shall pay to the housing authority or the housing association the total amount determined by him under sub-paragraph (1) above, and he may recover from the housing authority or the association any overpayment made by him under the said enactments for any period ending not later than the end of the year 1971-72.

6.—(1) Any sum paid, before the coming into force of this Act, by the Secretary of State for the year 1972-73 under any enactment described in Parts I, II and III of Schedule 1 to this Act shall be brought into account as follows.

(2) A sum so paid shall be treated as paid on account of any sums payable to the housing authority under Part I of this Act for the year 1972-73, and if the total of sums so paid exceeds the total of the sums payable under Part I of this Act for the year 1972-73, the excess shall be recoverable by the Secretary of State from the housing authority.

(3) If it appears to the Secretary of State at any time that, when the sums payable under Part I of this Act for the year 1972-73 are finally ascertained, any amount will be recoverable by him under sub-paragraph (2) above, he may require the housing authority to pay that amount to him forthwith, but without prejudice to any further adjustment, either way, when those sums are finally ascertained.

*Temporary accommodation provided in war buildings*

7.—(1) No payments shall be made under section 22(1)(b) of the Act of 1968 for the year 1972-73 or any subsequent year.

(2) Section 22(3) of the Act of 1968 shall cease to have effect, except where the buildings were demolished before the coming into force of this Act.

*Aluminium houses in unsatisfactory state*

8.—(1) Payments under subsection (2) of section 92 of the Housing Act 1964 shall not be made for the year 1972-73 or any subsequent year.

## SCH. 8

(2) Sub-paragraph (3) below relates to a house—

- (a) in respect of which a payment is made for the year 1971-72 under subsection (2) of the said section 92, or
- (b) to which the said section 92 applies and which is vacated in the year 1971-72 and in respect of which, apart from the provisions of sub-paragraph (1) above, a payment would be made under the said subsection (2).

(3) The Secretary of State may pay to the local authority in respect of any house referred to in sub-paragraph (2) above a sum of such amount as, in his opinion, is appropriate having regard to the residuary contribution years within the meaning of subsection (8)(d) of the said section 92 in relation to that house:

Provided that any sum paid under this sub-paragraph shall be applied by the local authority to extinguish the outstanding debt in respect of any such house and, in so far as not so required, to reduce any debt in respect of which loan charges are required to be debited to the housing revenue account under paragraph 2 of Schedule 4 to this Act or to such other purpose as may be approved by the Secretary of State.

## 1964 c. 56.

(4) Section 93 of the Housing Act 1964 shall cease to have effect, except where the request by the local authority for the demolition of the house was duly made before the date of the coming into force of this Act, and the local authority, before that date, satisfied the Secretary of State that they had taken the appropriate steps, including the disconnection of services, to enable the demolition to be carried out safely and efficiently, or the house is such a house as is referred to in sub-paragraph (2)(b) above.

(5) Notwithstanding sub-paragraph (4) above, subsection (2) of the said section 93 shall not have effect where—

- (a) the request by the local authority for the demolition of the house was duly made before the date of the coming into force of this Act, and the local authority, before that date, satisfied the Secretary of State as described in sub-paragraph (4) above, or
- (b) the house was demolished before the coming into force of this Act,

and the house would be such a house as is referred to in sub-paragraph (2)(b) above except that it is vacated in the year 1972-73.

*Housing (Rural Workers) Acts*

9. The Housing (Rural Workers) Acts 1926 to 1942, except in relation to any loan made before the coming into force of this Act under section 2 of the Housing (Rural Workers) Act 1926 (and excepting any enactment so far as it relates to the rate of interest payable on such a loan), and except in relation to any contribution payable before the coming into force of this Act under section 4 of that Act, shall cease to have effect.



*Temporary housing under Act of 1944*

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10.—(1) The Housing (Temporary Accommodation) Act 1944, and any agreement under section 1 of that Act, shall cease to have effect. 1944 c. 36.

(2) So far as any agreement under the said section 1 provides for a payment by a local authority to the Secretary of State, or by the Secretary of State to a local authority, sub-paragraph (1) above shall have effect as respects payments to be made for the year 1972-73 and subsequent years.

(3) All rights of property and other rights of the Secretary of State as respects any structure being used by a local authority in pursuance of an agreement under the said section 1 when this Act comes into force, and any obligation of the Secretary of State to any person other than the local authority as respects the removal or demolition of the structure, shall be transferred to the local authority.

(4) Subject to sub-paragraph (3) above, all obligations of the Secretary of State as respects any such structure shall be terminated.

(5) The provisions of the Act of 1966 relating to houses provided by a local authority under Part VII of that Act shall continue to have effect in relation to any such structure, and housing accommodation provided in any such structure shall be deemed to have been provided under the said Part VII:

Provided that any such structure, and any land on which it is situated, which immediately before the coming into force of this Act was deemed to be land acquired for the purposes of the said Part VII, may be appropriated, or disposed of, by the local authority in the same way as any other land provided under the said Part VII.

(6) The preceding provisions of this paragraph shall not affect any obligation of a local authority to any other person as respects the removal or demolition of any structure.

(7) Where, under section 2 of the Act of 1944, the local authority have, before the date when this Act comes into force, duly requested the Secretary of State to cause the structure to be taken down and removed, and the local authority have, before that date, satisfied the Secretary of State that they have taken the appropriate steps, including the disconnection of services, to enable the demolition to be carried out safely and efficiently, the Secretary of State shall, notwithstanding the preceding provisions of this paragraph, comply with the request and subsections (2) and (3) of the said section 2 shall apply as respects structures, fittings and materials removed in compliance with the request.

(8) References in this paragraph to any structure include references to any fittings forming part of the structure.

*Exchequer contributions for unfit houses retained by local authorities*

11.—(1) Payments under section 19 of the Act of 1968—

(a) shall not be made for the year 1972-73 or any subsequent year, and

## SCH. 8

(b) shall only be made (and only for the year 1971-72 and earlier years) as regards a house approved by the Secretary of State for the purposes of the said section 19 before the end of the year 1971-72.

(2) Where payments under the said section 19 as regards a house approved before the end of the year 1971-72 would, apart from this paragraph, fall to be paid for the year 1972-73, or for that and later years, the Secretary of State shall, subject to subsection (3) below, pay to the local authority a sum, calculated by such method as he may determine, equivalent to the value of those payments, as at the end of the year 1971-72.

(3) In the case of payments under subsection (2)(a) of the said section 19 (payments for years during which the house is used for approved housing purposes), it shall be assumed for the purposes of sub-paragraph (2) above—

(a) that no payment would, apart from this paragraph, fall to be paid under the said subsection (2)(a) for the year 1972-73 or any later year if the first such payment were for the year 1961-62 or any earlier year, and

(b) if the first such payment were for the year 1962-63 that no such payment would be made for the year 1972-73 or any later year, and correspondingly that if the first such payment were for a year after 1962-63, that no such payment would be made for any year beginning more than ten years after the beginning of the year for which the first such payment was made,

(c) that any house is used in the year 1972-73, and later years, for the said approved housing purposes.

(4) Where a local authority have taken possession of a house before the end of the year 1971-72, and—

(a) the house has not been approved for the purposes of the said section 19, but

(b) apart from the provisions of this paragraph, it would have been eligible for approval under that section, or would have been so eligible if the local authority had purchased it,

the Secretary of State may pay to the local authority a sum of such amount as, in his opinion, is appropriate having regard to the period for which the house is likely to be used for housing purposes, and to the date when the local authority might be expected to incur expenditure on purchasing the house.

(5) Any capital sum paid under sub-paragraph (2) or (4) above shall be applied by the local authority to reduce the capital debt relating to any house referred to in those sub-paragraphs, and, in so far as not so required, to reduce any debt in respect of which loan charges are required to be debited to the slum clearance revenue account under paragraph 3 of Schedule 5 to this Act.

*Agricultural housing accommodation*

12.—(1) A local authority shall not approve an application for assistance under section 44 of the Act of 1968 on or after the coming into force of this Act.

(2) An exchequer contribution under subsection (1) of section 48 of the Act of 1968 shall not be made for the year 1972-73 or any subsequent year.

(3) Where, apart from sub-paragraph (2) above, an exchequer contribution would be made under subsection (1) of the said section 48 towards the expense incurred by a local authority in giving assistance under the said section 44 in respect of the provision of a house, the Secretary of State may pay to the local authority a sum of such amount as, in his opinion, is appropriate having regard to the number of years outstanding for which, apart from the said sub-paragraph, the exchequer contribution would be payable by virtue of subsection (2) of the said section 48.

(4) Sub-paragraphs (2) and (3) above apply, with any necessary modifications, to an exchequer contribution under section 8 of the Housing (Agricultural Population) (Scotland) Act 1938, section 104 of the Housing (Scotland) Act 1950 or section 4 of the Housing (Scotland) Act 1952, as they apply to an exchequer contribution under the said section 48. 1938 c. 38.  
1950 c. 34.  
1952 c. 63.

#### *Determination of disputes*

13. Any dispute between two or more housing authorities, or between any housing authority and any other person, as to a claim for a payment from a housing authority under any of the enactments described in Schedule 1 to this Act or this Schedule, shall be referred to and determined by the Secretary of State.

#### *Duty to supply information*

14. Every housing authority and housing association shall supply the Secretary of State with such information as he may specify, either generally or in any particular case, for the purpose of enabling the Secretary of State to make any determination or calculation as respects payments for the year 1971-72, or any earlier year under the enactments described in Schedule 1 to this Act or this Schedule, or any determination or calculation related to the termination of the housing contribution system superseded by this Act.

#### *Expenses of Secretary of State*

15. Any payments to be made by the Secretary of State under this Schedule shall be defrayed out of money paid by Parliament.

### SCHEDULE 9

#### MINOR AND CONSEQUENTIAL AMENDMENTS

Section 79.

#### THE LOCAL GOVERNMENT (SCOTLAND) ACT 1947 (C. 43)

1. In Schedule 6 (enactments for purposes of which money may be borrowed by local authorities repayable within periods other than 30 years) in column 1 of paragraph 14 for the words "1925 to 1946" there shall be substituted the words "1966 to 1972."

SCH. 9 THE LOCAL GOVERNMENT (FINANCIAL PROVISIONS) (SCOTLAND) ACT 1963 (C. 12)

2. In section 3 (reduction of rate support grants in respect of low rent income)—

(a) in subsection (3), in paragraph (a) for the words from “under paragraph (a)” to “received” there shall be substituted the words “under paragraphs 1(a) and (b), 1(2) and 1(4) of Schedule 4 to the Housing (Financial Provisions) (Scotland) Act 1972 less any rent rebates payable by them for that year under a rebate scheme;” and in the proviso for the words from “in pursuance” to the end there shall be substituted the words “under a rebate scheme.”;

(b) in subsection (4), for paragraphs (c) and (d) there shall be substituted the following paragraph—

“(c) the expression ‘rebate scheme’ has the same meaning as in section 15 of the Housing (Financial Provisions) (Scotland) Act 1972;”.

THE LOCAL GOVERNMENT (DEVELOPMENT AND FINANCE) (SCOTLAND) ACT 1964 (C. 67)

3. In section 9 (local authorities’ capital funds) after subsection (2) there shall be inserted the following subsection—

“(2A) Except with the consent of the Secretary of State, money received from the disposal of any property to which the local authority’s housing revenue account relates shall not be paid into any such capital fund”.

THE MINISTRY OF SOCIAL SECURITY ACT 1966 (C. 20)

1966 c. 20.

4. In section 16 of the Ministry of Social Security Act 1966 (prevention of duplication of payments) after subsection (2) there shall be inserted—

“(2B) Where, in determining the amount of any benefit, the requirements of any person have been taken into account for the whole or part of a period in respect of which rebate or allowance under Part II of the Housing (Financial Provisions) (Scotland) Act 1972 might be afforded to him, and before the whole or part of it has been afforded, the authority are notified by the Commission of the amount by which the amounts paid under this Act exceed what the Commission have determined they would have been had the rebate or allowance been afforded before the amount of the benefit was determined, the amount of the rebate or allowance to be afforded shall be reduced by the amount so notified.”

*Supplementary benefit: rent brought into calculation of requirements*

5. At the end of paragraph 13 of Schedule 2 to the Ministry of Social Security Act 1966 (supplementary benefit: the rent to be included in calculation of requirements) there shall be added the following sub-paragraph:—

“(4A) Where any amount of the rent or rates is met by a rebate or allowance under Part II of the Housing (Financial Provisions) (Scotland) Act 1972, or by any rate rebate, the

amount so met shall be deducted from the increase to be made under sub-paragraph (1)(a) of this paragraph.” SECT. 9

6.—(1) The provisions of this paragraph have effect as respect the exercise of the power under sub-paragraph (1)(a) of paragraph 13 of Schedule 2 to the Ministry of Social Security Act 1966 to take account of part only of the net rent payable (reduced where appropriate under sub-paragraph (2) of that paragraph) for any period for which a rent rebate or rent allowance is made to a person in receipt of supplementary benefit, or to a person whose requirements are aggregated with his under paragraph 3(1) of the said Schedule 2. 1966 c. 20.

(2) The said power shall not be exercisable—

- (a) subject to sub-paragraph (3) below, on the ground that the rent is an excessive rent for the house, or
- (b) subject to sub-paragraph (4) below, on the ground that the rent is excessive because of the size, location or character of the house, or
- (c) on the ground that the rent is excessive having regard to the resources of the tenant and of any person whose requirements are aggregated with his under the said paragraph 3(1).

(3) Sub-paragraph (2)(a) above shall not apply to rent disregarded in pursuance of paragraph 15 of Schedule 3 to this Act.

(4) Sub-paragraph (2)(b) above—

- (a) shall not apply where a rent allowance is granted for the period and a reduction falls to be made under sub-paragraph (2) of paragraph 13 of Schedule 2 to the Ministry of Social Security Act 1966 (adjustment for non-dependants sharing the accommodation), and
- (b) where rent is reduced under paragraph 17 of Schedule 2 to this Act, shall only apply to the amount of the rent after the reduction.

(5) The preceding provisions of this paragraph shall not apply where the rebate or allowance has been restricted under paragraph 14 of Schedule 2 to this Act.

(6) Regulations under section 5 of the Ministry of Social Security Act 1966 may vary the provisions of this paragraph as if they were contained in Part II of Schedule 2 to that Act.

(7) This paragraph shall not affect the provisions of the said sub-paragraph (1)(a) so far as they relate to any amount which is not rent for the purposes of Part II of this Act.

#### THE HOUSING (SCOTLAND) ACT 1966 (C. 49)

7. In section 145 (powers of dealing with land acquired or appropriated for purposes of Part VII), for subsection (6) there shall be substituted the following subsection—

“(6) Notwithstanding anything in section 27(1) of the Town and Country Planning (Scotland) Act 1959 (power of local and other public authority to dispose of land without consent of a 1959 c. 70.

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Minister), a local authority shall not, in the exercise of their powers under subsection (1)(d) of this section, sell or lease any house to which the housing revenue account, kept under section 23 of the Housing (Financial Provisions) (Scotland) Act 1972, relates, except with the consent of the Secretary of State; and, in giving his consent to such transactions as are referred to in this subsection, the Secretary of State may make general directions or a direction related to a specific transaction."

8. In section 146 (power of Secretary of State in certain cases to impose conditions on sale of local authority's houses) for the words "60 of the Housing (Financial Provisions) (Scotland) Act 1968" there shall be substituted the words "23 of the Housing (Financial Provisions) (Scotland) Act 1972".

9. In section 151 (conditions to be observed in management of local authority's houses)—

(a) in subsection (1) for the words "60 of the Housing (Financial Provisions) (Scotland) Act 1968" there shall be substituted the words "23 of the Housing (Financial Provisions) (Scotland) Act 1972";

(b) in subsection (3), paragraphs (a) and (b) shall cease to have effect.

10. In section 175 (compulsory purchase of land by Scottish Special Housing Association), in subsection (1)(a) for the words from "in the circumstances" to "1968" there shall be substituted the words "under the terms of an agreement between them and the Secretary of State".

11. In section 195 (default powers of Secretary of State in relation to rents)—

(a) for subsection (3)(b) there shall be substituted the following paragraph—

(b) for ensuring compliance by the local authority with the requirements of Part II of the Housing (Financial Provisions) (Scotland) Act 1972;";

(b) in subsection (5) the words "subject to subsection (6) of this section" shall cease to have effect, and for the words "subsections (4) or (5) of section 151 of this Act" there shall be substituted the words "section 27 of the Housing (Financial Provisions) (Scotland) Act 1972.";

(c) subsection (6) shall cease to have effect.

(d) in subsection (7), after the words "supplementary order" there shall be inserted the words "or an order under subsection (4A) above", and at the end there shall be added the words "and the provisions which may be included in an order by virtue of that section shall include any matters connected with the coming into force of such an order or its termination";

(e) after subsection (7) there shall be added the following subsection—

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“(8) Section 356(1) of the Local Government (Scotland) Act 1947 shall have effect for the purposes of this section as if for the words from ‘have failed’ to ‘statutory order’ there were substituted the words—

‘(a) have failed effectively to discharge any of their functions under Part II, III or IV of the Housing (Financial Provisions) (Scotland) Act 1972; or

(b) have failed so to discharge any function conferred on them by that Act or any other enactment as to secure the effective discharge of any of their functions under those Parts of that Act;’”.

THE LOCAL GOVERNMENT (SCOTLAND) ACT 1966 (c. 51)

12. In section 2 (rate support grants) in the definition of “housing subsidies” in subsection (6) for the words “the provision of housing accommodation” there shall be substituted the word “housing”.

13. In section 46(1) (general interpretation) in the definition of “housing revenue account” for the words “137 of the Housing (Scotland) Act 1950” there shall be substituted the words “23 of the Housing (Financial Provisions) (Scotland) Act 1972”.

14. In Schedule 1 (rate support grants), in paragraph 4(2) of Part II after the word “1963” there shall be inserted the words “as amended by paragraph 2 of Schedule 9 to the Housing (Financial Provisions) (Scotland) Act 1972”.

THE HOUSING (FINANCIAL PROVISIONS) (SCOTLAND) ACT 1968 (c. 31)

15. In section 21 (exchequer contributions for hostels), in subsection (4) the words from “Section 12(2)” to the end shall cease to have effect and at the end of the section there shall be inserted the following subsection—

“(5) Any reference in subsection (4) of this section to a house shall be construed as including a reference to any residential accommodation provided for occupation by not more than two persons and equipped with cooking facilities for the exclusive use of those persons, notwithstanding that it is not equipped with facilities of other kinds for such exclusive use.

In this subsection the expression “cooking facilities” in relation to any residential accommodation means facilities suitable for the preparation of food for the number of persons for which the accommodation is provided, and if any question arises whether any particular facilities fall within that description it shall be decided by the Secretary of State”.

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16. In section 25 (advances to Scottish Special Housing Association) for subsection (6) there shall be substituted the following subsection—

“(6) Any reference in this section to a house shall be construed as including a reference to any residential accommodation provided for occupation by not more than two persons and equipped with cooking facilities for the exclusive use of those persons, notwithstanding that it is not equipped with facilities of other kinds for such exclusive use.

In this subsection the expression “cooking facilities” in relation to any residential accommodation means facilities suitable for the preparation of food for the number of persons for which the accommodation is provided, and if any question arises whether any particular facilities fall within that description it shall be decided by the Secretary of State.”

17. In section 27 (power of local authorities to make improvement grants)—

(a) in subsection (7) after the word “and” there shall be inserted the words “subject to subsection (7A) of this section” and at the end there shall be added the following paragraph:—

“(f) section 57 of the Housing (Financial Provisions) (Scotland) Act 1972”;

(b) after subsection (7) there shall be inserted the following subsection—

“(7A) A local authority may approve an application for an improvement grant in respect of a dwelling where a grant has been made in respect of that dwelling under any of the enactments referred to in subsection (7) of this section other than paragraph (f) of that subsection (in this subsection referred to as “the earlier grant”) if—

(a) any conditions applied to the dwelling or relating to the payment of the earlier grant have ceased to apply, or

(b) the earlier grant has for any reason been fully repaid.”

18. In section 29 (amount of improvement grants and payment thereof) in the provisos (i) and (ii) to subsection (1) and in subsection (2), after the words “under paragraph (b) thereof” there shall be inserted the words “or specified in or prescribed under paragraph (bb) thereof.”

19. In section 40 (duty of local authorities to make standard grants), at the end there shall be added the following subsection:—

“(7) An application under this section shall not be approved if it relates to a dwelling in respect of which improvement subsidy is payable under section 57 of the Housing (Financial Provisions) (Scotland) Act 1972”.



20. In section 58 (power of Secretary of State to reduce, suspend, discontinue or transfer particular exchequer contributions)— SCH. 9

(a) in subsection (5)—

(i) before the definition of “ the subsidised unit ” there shall be inserted the following definition—

“ recipient authority ” means a local authority, a development corporation, a housing association or the Scottish Special Housing Association,

(ii) the words from “ and the provisions ” to the end shall cease to have effect ;

(b) after subsection (5) there shall be added the following subsection—

“ (6) References in this section to

(a) authorised arrangements made with a local authority, in relation to a development corporation or a housing association, are references to arrangements made between the development corporation or a housing association and a local authority, with the approval of the Secretary of State, under section 153 of the principal Act ;

(b) special arrangements made by a housing association with the Secretary of State are references to arrangements which the Secretary of State may have made with a housing association for the provision of houses with a view to their approval under this Act or any Act passed before the Housing (Financial Provisions etc.) (Scotland) Act 1967.”

21. In Schedule 3 (conditions to be observed with respect to dwellings provided or improved with the help of improvement grants or standard grants), paragraphs 3 and 7 shall cease to have effect.

#### THE RENT (SCOTLAND) ACT 1971 (C. 28)

22. In section 5(5) (conditions for a housing association tenancy to be excluded from the Act of 1971), at the end there shall be added the following paragraph—

“ (f) that the dwelling-house was comprised in a scheme approved for the purposes of section 55 or section 57 of the Housing (Financial Provisions) (Scotland) Act 1972.”

23. In section 21(2)(b) (limit of rent during statutory periods), after the word “ below ” there shall be inserted the words “ and section 37 of the Housing (Financial Provisions) (Scotland) Act 1972 ”.

24. In section 46 (regulations), in subsection (2) for the words “ 44 or 45 ” there shall be substituted the words “ or 44 ” but this paragraph shall not come into force until 1st January 1973.

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25. In section 85 (contracts), at the end of subsection (3) there shall be added the following paragraph:—

“(d) to a contract which creates a controlled tenancy if that tenancy subsequently becomes a converted tenancy within the meaning of section 36(1) of the Housing (Financial Provisions) (Scotland) Act 1972.”

26. In section 88(1) (power of rent tribunals on reference of contracts), for the words “60 of the Housing (Financial Provisions) (Scotland) Act 1968” there shall be substituted the words “23 of the Housing (Financial Provisions) (Scotland) Act 1972”.

27. In section 125 (powers of local authorities for the purposes of giving information), in subsection (1)(a) for the words “and under the provisions of this Act” there shall be substituted the words “under the provisions of this Act and Part V and sections 60 to 67 of the Housing (Financial Provisions) (Scotland) Act 1972”.

28. At the end of Schedule 6 (applications for registration of rent for regulated tenancies) there shall be added the following—

### “PART III

#### SUPPLEMENTAL

15. There shall be included among the matters with respect to which representations may be made or consultations are to be held or notices to be given under Parts I and II of this Schedule, any amount to be noted in the register in pursuance of section 43(1A) of this Act.”

29. At the end of Schedule 7 (certificates of fair rent) there shall be added the following paragraph—

“10. Where the rent specified in a certificate of fair rent includes any amount which, if the rent specified in the certificate had been registered, would require to be noted on the register in pursuance of section 43(1A) of this Act, that amount shall be noted on the certificate; and there shall be included among the matters with respect to which representations may be made or consultations are to be held or notices to be given under this Schedule, any amount to be noted on the certificate in pursuance of this paragraph.”

30. At the end of Part II of Schedule 12 (applications for registration of rent for converted tenancies) there shall be added the following—

#### “Supplemental

15. There shall be included among the matters with respect to which representations may be made or consultations are to be held or notices to be given under this Part of this Schedule, any amount to be noted in the register in pursuance of section 43(1A) of this Act.”

THE FIRE PRECAUTIONS ACT 1971 (c. 40)

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31.—(1) In section 34 (modification of Rent Act 1968 and corresponding Scottish Acts), the word “and” shall be omitted and at the end there shall be added the following words “and the provisions of Part IV of that Schedule shall have effect for purposes of the modification in connection with certain provisions of this Act, of sections 60 to 66 of the Housing (Financial Provisions) (Scotland) Act 1972”.

(2) On and after 1st January 1973, in Part III of the Schedule (modifications of Rent (Scotland) Act 1971), in paragraph 1(2)(b) for the words “respectively of sections 20(5) and” there shall be substituted the words “of section”.

(3) At the end of paragraph 3(1) of the said Part III there shall be added the following—“and

(c) if there are restrictions on rent increases imposed under Schedule 13 to the Act of 1971 or under Schedule 6 to the Housing (Financial Provisions) (Scotland) Act 1972, the provisions of that Schedule shall have effect, in relation to any rental period of that regulated tenancy (whether contractual or statutory) beginning while the registration of that rent continues to have effect, as if the amount to which the rent payable in any statutory period could be increased in accordance with the provisions of that Schedule had been simultaneously increased by the same amount (that is to say, by the amount specified in the order of the sheriff)”.

(4) At the end of the Schedule there shall be added the following—

“PART IV

MODIFICATIONS OF SECTIONS 60 TO 66 OF THE HOUSING (FINANCIAL PROVISIONS) (SCOTLAND) ACT 1972

*Modifications of the said sections 60 to 66 in cases where rent is increased by virtue of section 28(3)(b) of this Act*

1. Where, in the case of any premises consisting of a dwelling-house let on a tenancy to which sections 60 to 66 of the Act of 1972 apply, the rent payable in respect of the premises is increased by an order of the sheriff made by virtue of section 28(3)(b) of this Act and that increase takes effect while a rent for the dwelling-house is registered in pursuance of section 61 of the Act of 1972, being a rent that was so registered before the completion of the alterations or other things falling within section 28(3) of this Act of which the expense was taken into account by the sheriff in making the order, then the amount of the increase shall be added to the rent limit imposed by section 62(2) of the Act of 1972 and, subject to paragraph 3 below, references to the registered rent in sections 63 to 64 of that Act shall be construed accordingly.

2. Where, in the case of any premises consisting of a dwelling-house let on a tenancy to which the said sections 60 to 66 apply, the rent payable in respect of the premises is increased by an order of the sheriff made by virtue of section 28(3)(b) of this

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(5) Any reduction in loan charges debited to the housing revenue account arising from any reduction of debt resulting from the provisions of sub-paragraph (2) above shall be disregarded for the purposes of section 3 of this Act.

*Modifications of Part VI of the Act of 1971*

4. An application under Part VI of the Act of 1971 as originally enacted for a qualification certificate which has not been disposed of before the coming into force of this Act shall be treated as if made under the said Part VI as modified by Schedule 7 to this Act.

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## SCHEDULE 11

## REPEALS

## PART I

## HOUSING ACCOUNTS

Chapter	Short Title	Extent of Repeal
1968 c. 31.	The Housing (Financial Provisions) (Scotland) Act 1968.	Sections 60 to 63. In section 68, the proviso to subsection (1). Schedule 7.

The repeals in this Part of this Schedule have effect as respects accounts for the year 1972-73 and subsequent years.

**PART II**  
**CONTROLLED AND REGULATED TENANCIES**

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Chapter	Short Title	Extent of Repeal
1971 c. 28.	The Rent (Scotland) Act 1971.	Section 8. Section 19(3). Section 20. Section 26. Section 27 except subsection (2). Section 28. In section 29, the words "section 20(5) or, as the case may be,". In Schedule 13, paragraphs 3(1)(b) and 5. In paragraph 7(b) the word "foregoing". Paragraphs 9, 11 and 12. In Schedule 19, in paragraph 10 the words "without prejudice to section 28(3) of this Act" and paragraph 16(4).
1971 c. 40.	The Fire Precautions Act 1971.	In Part III of the Schedule, in paragraph 3, sub-paragraphs (2) and (3) and in sub-paragraph (4)(a) the words "and after the word 'below' in subsection (3)".

This Part of this Schedule comes into force on 1st January 1973.

The repeals of section 19(3) and section 20 of the Rent (Scotland) Act 1971, and of references to those enactments, have effect subject to the saving in section 41 of this Act.

**PART III**  
**HOUSING SUBSIDIES**

Chapter	Short Title	Extent of Repeal
13 & 14 Geo. 5. c. 24.	The Housing, etc. Act 1923.	Section 1.
20 & 21 Geo. 5. c. 40.	The Housing (Scotland) Act 1930.	The whole Act.
21 & 22 Geo. 5. c. 39.	The Housing (Rural Authorities) Act 1931.	The whole Act.
23 & 24 Geo. 5. c. 16.	The Housing (Financial Provisions) (Scotland) Act 1933.	The whole Act.
25 & 26 Geo. 5. c. 41.	The Housing (Scotland) Act 1935.	Sections 30 and 32.

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Chapter	Short Title	Extent of Repeal
1 & 2 Geo. 6. c. 38.	The Housing (Agricultural Population) (Scotland) Act 1938.	The whole Act.
2 & 3 Geo. 6. c. 3.	The Housing (Financial Provisions) (Scotland) Act 1938.	The whole Act.
7 & 8 Geo. 6. c. 36.	The Housing (Temporary Accommodation) Act 1944.	The whole Act.
8 & 9 Geo. 6. c. 39.	The Housing (Temporary Accommodation) Act 1945.	The whole Act.
10 & 11 Geo. 6. c. 43.	The Local Government (Scotland) Act 1947.	In Schedule 6, paragraph 16.
14 Geo. 6. c. 34.	The Housing (Scotland) Act 1950.	Sections 84 to 88. Section 91. Sections 93 to 96. Sections 100 to 104. Sections 127 and 128. Schedule 7.
15 & 16 Geo. 6. and 1 & 2 Eliz. 2. c. 63.	The Housing (Scotland) Act 1952.	The whole Act.
5 & 6 Eliz. 2. c. 38.	The Housing and Town Development (Scotland) Act 1957.	Sections 1 to 7. Section 23. In Schedule 1, paragraphs 2 and 3.
7 & 8 Eliz. 2. c. 70.	The Town and Country Planning (Scotland) Act 1959.	In section 54(1) in the definition of "grant-aided function" the words "and any Exchequer subsidy under any of the enactments specified in Part I of Schedule 6 to the Housing (Scotland) Act 1950".
10 & 11 Eliz. 2. c. 28.	The Housing (Scotland) Act 1962.	Part I. Sections 19 and 20. Section 32. Schedules 1 to 3. In Schedule 4, paragraphs 2, 3, 7 and 8.
1964 c. 56.	The Housing Act 1964.	Sections 92 and 93. Section 98.
1967 c. 20.	The Housing (Financial Provisions etc.) (Scotland) Act 1967.	The whole Act except sections 18, 21, 22, and 23 and paragraph 6 of Schedule 5.
1968 c. 31.	The Housing (Financial Provisions) (Scotland) Act 1968.	Sections 1 to 12. Section 19. In section 21(4) the words from "Section 12(2)" to the end. Section 22. Section 26. Sections 44 to 48. Section 55. In section 57, in subsection (1)(a) the words "other than section 19 thereof), or", and subsections (1)(b) and (2).

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Chapter	Short Title	Extent of Repeal
1968 c. 31 <i>cont.</i>	The Housing (Financial Provisions) (Scotland) Act 1968. <i>cont.</i>	<p>In section 58(5) the words from “ and the provisions ” to the end.</p> <p>Section 59(2) so far as relating to the Housing (Scotland) Act 1950.</p> <p>In section 64, in paragraph (a) the words “ sections 100 and 104 and ”, and in paragraph (b) the word “ 48 ”.</p> <p>Section 70(4).</p> <p>Schedules 1 and 2.</p> <p>Schedule 4.</p> <p>Schedule 5 so far as relating to the Housing (Scotland) Act 1925, the Housing (Scotland) Act 1930, the Housing (Rural Authorities) Act 1931, the Housing (Financial Provisions) (Scotland) Act 1933, the Housing (Scotland) Act 1935, the Housing (Agricultural Population) (Scotland) Act 1938, the Housing (Financial Provisions) (Scotland) Act 1938 and the Housing and Town Development (Scotland) Act 1957.</p> <p>Schedule 6 so far as relating to the Housing (Scotland) Act 1930, the Housing (Rural Authorities) Act 1931, the Housing (Scotland) Act 1935, the Housing (Agricultural Population) (Scotland) Act 1938, the Housing (Financial Provisions) (Scotland) Act 1938, sections 84 to 88, 89(3) and (4), 91, 93 and 104 of the Housing (Scotland) Act 1950, the Housing and Town Development (Scotland) Act 1957, sections 1 to 7 and 9 of the Housing (Scotland) Act 1962 and the Housing Act 1964.</p>

The repeals in this Part of this Schedule have effect only as respects payments for the year 1972-73 and subsequent years, and have effect subject to Schedule 8 to this Act.

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PART IV  
THE HOUSING (RURAL WORKERS) ACTS

Chapter	Short Title	Extent of Repeal
16 & 17 Geo. 5. c. 56.	The Housing (Rural Workers) Act 1926.	The whole Act.
25 & 26 Geo. 5. c. 41.	The Housing (Scotland) Act 1935.	Section 34.
1 & 2 Geo. 6. c. 35.	The Housing (Rural Workers) Amendment Act 1938.	The whole Act.
5 & 6 Geo. 6. c. 32.	The Housing (Rural Workers) Act 1942.	The whole Act.
1966 c. 49.	The Housing (Scotland) Act 1966.	Section 151(7).
1968 c. 13.	The National Loans Act 1968.	In section 6(1) the words "section 2(5)(a) of the Housing (Rural Workers) Act 1926".
1968 c. 31.	The Housing (Financial Provisions) (Scotland) Act 1968.	Section 59(2) so far as relating to the Housing (Rural Workers) Act 1926. Schedule 5 so far as relating to the Housing (Rural Workers) Acts 1926 to 1942. Schedule 6 so far as relating to the Housing (Rural Workers) Act 1926.

The repeals in this Part of this Schedule have effect subject to paragraph 9 of Schedule 8 to this Act.

PART V  
OTHER REPEALS

Chapter	Short Title	Extent of Repeal
5 & 6 Eliz. 2. c. 38.	The Housing and Town Development (Scotland) Act 1957.	Section 9(4)(b).
1966 c. 49.	The Housing (Scotland) Act 1966.	In section 149(1), the words from "and the authority" to the end. In section 151, paragraphs (a) and (b) of subsection (3) and subsections (4) and (5). In section 153(2) the words "and the rents at which the houses provided are to be let". In section 155(2) the words from "including" to "let". Section 157.



Chapter	Short Title	Extent of Repeal
1966 c. 49 <i>cont.</i>	The Housing (Scotland) Act. 1966. <i>cont.</i>	In section 193, in subsection (1) the words "Subject to the provisions of this section" and subsection (2). In section 195, in subsection (5) the words "subject to subsection (6) of this section", and subsection (6).
1968 c. 31.	The Housing (Financial Provisions) (Scotland) Act 1968.	In Schedule 3, paragraph 3, in paragraph 5 the words "and 3" and paragraph 7.
1969 c. 30.	The Town and Country Planning (Scotland) Act 1969.	Section 39.
1971 c. 28.	The Rent (Scotland) Act 1971.	Section 27(2). In section 40(5)(d) the words "paragraph 4(b) of Schedule 3, and". Section 45. In section 70(2) the word "or" occurring after the word "certificate" and the words from "on such" to the end. Section 70(3). Sections 77 and 78. Section 80(1). In section 80(2) the words "or confirm". In section 80(4) the words from "his means" to the end. In section 128(2)(d), the words "paragraph 4(b) of Schedule 3, and".
1971 c. 40.	The Fire Precautions Act 1971.	In section 34, the words from "the provisions of Part II" to "1968" and the word "and". Part II of the Schedule.

The repeal of section 9(4)(b) of the Housing and Town Development (Scotland) Act 1957 has effect only as respects payments for the year 1972-73 and subsequent years.

The repeal of subsections (4) and (5) of section 151 and the repeals in section 195 of the Housing (Scotland) Act 1966 take effect on 1st October 1972 so far as the rent is payable in respect of houses to which the housing revenue account relates. Otherwise those repeals take effect on 1st January 1973.

The repeals in sections 153(2) and 155(2) of the Housing (Scotland) Act 1966 take effect on 1st January 1973.

The repeals in sections 40(5)(d) and 128(2)(d) of the Rent (Scotland) Act 1971 and the repeal of section 45 of that Act take effect on 1st January 1973.