

Furnished Lettings (Rent Allowances) Act 1973

1973 CHAPTER 6

An Act to amend the provisions of the Housing Finance Act 1972 and the Housing (Financial Provisions) (Scotland) Act 1972 to provide rent allowances for certain persons occupying dwellings under contracts to which Part VI of the Rent Act 1968 applies or would apply but for section 70(3)(*a*) or (*b*) thereof, or contracts to which Part VII of the Rent (Scotland) Act 1971 applies or would apply but for section 85(3)(*a*) or (*b*) thereof, and for certain tenants under furnished lettings of housing authority dwellings; and for connected purposes. [22nd March 1973]

BE 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:—

Rent allowances for tenants of furnished dwellings in England and Wales. 1972 c. 47.

1.—(1) The Housing Finance Act 1972 shall have effect subject to the amendments set out in Schedule 1 to this Act.

(2) Until 29th April 1973 (on which date local authorities are required by paragraph 2 of Schedule 1 to this Act to bring into operation schemes varying or replacing their existing rent allowance schemes so as to take account of the amendments set out in that Schedule)—

(*a*) nothing in this Act shall invalidate the existing allowance scheme of a local authority or cause the authority to be

regarded as being in breach of section 20(1) of the Housing Finance Act 1972 (which requires allowance schemes to conform with Schedules 3 and 4 thereto), and

(*b*) that Act shall continue to apply in relation to the existing scheme as if this Act had not passed.

Rent allowances for tenants of furnished lettings in Scotland. 1972 c. 46.

2.—(1) The Housing (Financial Provisions) (Scotland) Act 1972 shall have effect subject to the amendments set out in Schedule 2 to this Act.

(2) Until such time as a local authority bring into or are required to bring into operation under section 16 of the Housing (Financial Provisions) (Scotland) Act 1972 a scheme varying or replacing their existing allowance scheme so as to take account of the said amendments—

(*a*) nothing in this Act shall invalidate that existing scheme or cause the authority to be regarded as being in breach of section 17(1) of that Act (which requires allowance schemes to conform with Schedules 2 and 3 thereto), and

(*b*) that Act shall continue to apply in relation to the existing scheme as if this Act had not passed.

Financial provisions.

3.—(1) There shall be paid out of money provided by Parliament any increase in the sums payable out of money so provided 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 any increase in the payments to be made to, or to be recoverable by, the Secretary of State under any Act other than this Act which is attributable to any provision of this Act.

Citation, etc.

4.—(1) This Act may be cited as the Furnished Lettings (Rent Allowances) Act 1973.

(2) The Housing Acts 1957 to 1973 and this Act (except section 2, subsection (3) below and Schedule 2) may be cited together as the Housing Acts 1957 to 1973.

(3) The Housing (Scotland) Acts 1966 to 1972 and this Act (except section 1, subsection (2) above and Schedule 1) may be cited together as the Housing (Scotland) Acts 1966 to 1973.

(4) This Act does not extend to Northern Ireland.

SCHEDULES

SCHEDULE 1

Section 1.

AMENDMENTS TO HOUSING FINANCE ACT 1972

1972 c. 47.

1. In section 18(3)(*b*), the words " or without payment of rent " are hereby repealed.

2. In section 19(1), for " not later than 1st January 1973 " there shall be substituted " on 29th April 1973 ".

3. In section 19(3), the words " or without payment of rent " are hereby repealed.

4. In section 19(4), there shall be inserted at the end the words " or who, being a qualified person within the meaning of subsection (12) below, occupies a dwelling under a contract to which Part VI of the Rent Act 1968 (furnished lettings) applies or would apply but for section 70(3)(*b*) thereof.

1968 c. 23.

5. In section 19(6), there shall be inserted at the end the words " or if, being a qualified person within the meaning of subsection (12) below, he occupies a dwelling under a contract with the Crown Estate Commissioners to which Part VI of the Rent Act 1968 would apply but for section 70(3)(*a*) thereof ".

6. In section 19(7), there shall be inserted after " case " the words " or he occupies a dwelling under a Part VI letting " and after " tenants) " the words " applies, or ".

7. In section 19(8), after " rebate ", where first occurring, there shall be inserted " or allowance ".

8. In section 19, after subsection (8), there shall be inserted the following new subsection:—

" (8A) A local authority, and the Greater London Council, shall treat as if he were a private tenant under a Part VI letting any person who occupies a Housing Revenue Account dwelling let by them if—

(*a*) there is attributable to the use of furniture a proportion of the rent which is substantial, having regard to the value of that use to him, and

(*b*) he is a qualified person within the meaning of subsection (12) below,

and accordingly shall provide in their allowance scheme for (or, in the case of the Greater London Council, shall bring into operation on 29th April 1973 an allowance scheme providing for) the grant to any such person of an allowance equal in amount to the allowance to which he would have been entitled if he had been such a private tenant."

9. In section 19(10), there shall be inserted after " rebates " in the first and third places where it occurs the words " or allowances " and

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there shall be inserted after " section 18 " the words " or subsection (8A) ".

10. In section 19, after subsection (11), there shall be inserted the following new subsections:—

" (12) The occupier of a dwelling is a qualified person for the purposes of this section if—

(*a*) the authority to whom he applies for an allowance or rebate are of the opinion (arrived at in accordance with such guidance as may be given by the Secretary of State) that he would suffer hardship if the allowance or rebate were not granted, or

(*b*) he is a person falling within a description specified in that behalf in regulations made by the Secretary of State.

(13) Where the Secretary of State proposes to make regulations under subsection (12) above he shall refer the proposals to the Advisory Committee on Rent Rebates and Rent Allowances constituted under section 23 below in order that that Committee may consider them and advise on them.

(14) Regulations under subsection (12) above shall be made by statutory instrument and shall be subject to annulment in pursuance of a resolution of either House of Parliament ".

11. In section 20(7), in the proviso, there shall be inserted after " section 19(8) " the words " (8A) or (10) ".

12. In section 23(1) there shall be inserted at the end the words " or making orders under section 25(3A) of this Act, or to the descriptions of persons to be specified in regulations under section 19(12) of this Act ".

13. In section 24(5), after " their rebate scheme " there shall be inserted " or their allowance scheme, as may be appropriate," and after " their tenants " there shall be inserted " of Housing Revenue Account dwellings ".

14. In section 24(6), after " their rebate scheme " there shall be inserted " or their allowance scheme, as may be appropriate,".

15. In section 24(10), after " private tenant " there shall be inserted " or to a person who, if he were a qualified person within the meaning of section 19(12) of this Act, would be a private tenant " and for " currently operated " there shall be substituted " which, at the time of the granting of the tenancy, is being operated ".

16. In section 24(11), after " a dwelling " there shall be inserted " or for a person who, if he were a qualified person within the meaning of section 19(12) of this Act, would be a private tenant of a dwelling "; for " currently operated " there shall be substituted " which, at the time of the insertion, is being operated "; for " 1st January 1973 " in each place where it occurs, there shall be substituted " 29th April 1973 "; and for " 30th June 1973 " there shall be substituted " 30th September 1973 ".

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17. In section 25(1), after " of the rent " there shall be inserted " (or, in the case of an allowance, the occupational element of the residue of the rent remaining after deducting any amounts falling to be deducted by virtue of paragraph 14 of Schedule 4 to this Act) ", and there shall be inserted at the end " Provided that in the case of a Part VI letting where the rent includes payment for the use of furniture, the ' rent which is eligible to be met by a rebate or an allowance ' shall be the smallest of the following amounts, namely—

(*a*) the sum arrived at under the foregoing provisions of this subsection increased by one quarter;

(*b*) the rent, exclusive of any part thereof attributable to rates;

(*c*) rent for the dwelling registered under section 74 of the Rent Act 1968." 1968 c. 23.

18. For section 25(2) there shall be substituted the following subsection:—

" (2) For the purposes of subsection (1) above ' the occupational element ' of any rent, or of the residue of any rent, means the amount thereof—

(*a*) less a sum equal to any part of the rent attributable to rates, and

(*b*) subject to any regulations made under this section, exclusive of any part of the rent or residue which is fairly attributable to the use of furniture or the provision of services."

19. In section 25, after subsection (3), there shall be inserted the following new subsection:—

" (3A) The Secretary of State may by order amend paragraph (*a*) of the proviso to subsection (1) above so as to alter the increase thereunder either generally or in relation to authorities of a specified description ".

20. In section 25(4) there shall be inserted after " Regulations " the words " and orders ".

21. After section 25 there shall be inserted the following new section:—

" Power to vary or revoke scheme.

25A. A scheme under any provision of this Part of this Act may vary or revoke a previous scheme thereunder."

22. In section 26(1), there shall be inserted, in such positions as retain the alphabetical order, the following new definitions:—

" ' dwelling ' has the same meaning as in Part VI of the Rent Act 1968;

" ' Part VI letting ' means a contract to which Part VI of the Rent Act 1968 applies, or would apply but for section 70(3)(*a*) or (*b*) thereof; "

23. In section 26(1)—

(*a*) in the definition of " allowance scheme " there shall be inserted after " made under " the words " subsection (8A) or "; and

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(*b*) in the definition of " landlord ", the words " Part II of " are hereby repealed.

24. In section 104(1), in the definition of " dwelling ", there shall be inserted before " means " the words " except in Part II of this Act ".

25. In Schedule 3, in paragraph 1(1)(*c*), there shall be inserted at the end " (as defined in section 25 of this Act) ".

26. In Schedule 4, in paragraph 14(1), there shall be inserted at the end the following:—

" (*h*) where the rent is payable in respect of a Part VI letting, any rent paid in excess of rent for the dwelling registered under section 74 of the Rent Act 1968 and (after making the deduction (if any) required for disregarding that excess), any remaining rent paid in excess of the fair rent for the dwelling, as estimated by the authority on the basis that any furniture, services or board provided under the letting are disregarded except, as respects furniture or services, to the extent that they would fall to be taken into account (in pursuance of regulations made under section 25(3) of this Act) in calculating the occupational element of the rent ".

1968 c. 23.

27. In Schedule 4, in paragraph 14, the following new sub-paragraph shall be inserted after sub-paragraph (3):—

" (3A) For the purpose of estimating a fair rent under this paragraph an authority may consult any rent officer appointed by virtue of section 40 of the Rent Act 1968 for the registration area in which the dwelling is situated."

28. In Schedule 10, in the heading to paragraph 9, the words " *before the coming into force of this Act* " are hereby repealed.

29. In Schedule 10, in paragraph 9, for " the coming into force of this Act " there shall be substituted " the coming into operation of that provision ".

Section 2.

SCHEDULE 2

1972 c. 46.

AMENDMENTS TO HOUSING (FINANCIAL PROVISIONS) (SCOTLAND) ACT 1972

1. In section 16(1), for " 1st January 1973 " there shall be substituted " 1st October 1973 or such earlier date as the Secretary of State may by order made by statutory instrument appoint ".

2. In section 16(3), there shall be added at the end the words " or who, being a qualified person within the meaning of subsection (8) of this section, is a lessee under a contract to which Part VII of the Act of 1971 (furnished lettings) applies or would apply but for section 85(3)(*b*) thereof, other than a contract under which the interest of the lessor belongs to a housing authority ".

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3. In section 16(5), there shall be added at the end the words " or if, being a qualified person within the meaning of subsection (8) of this section, he occupies a house under a contract with the Crown Estate Commissioners to which Part VII of the Act of 1971 would apply but for section 85(3)(*a*) thereof ".

4. In section 16, after subsection (6), there shall be added the following new subsections:—

" (7) A local authority shall treat as if he were a private tenant any person who, being a qualified person within the meaning of subsection (8) of this section—

(*a*) occupies a house let to him by a housing authority and who is not, by reason of section 15(3) of this Act, entitled to a rent rebate; or

(*b*) occupies a house (other than a house to which the housing revenue account relates) let to him by a local authority, and who is not treated as a private tenant by virtue of subsection (6) of this section, because, if he occupied a house to which the housing revenue account relates, he would not be entitled to a rent rebate by reason of the said section 15(3).

(8) A person is a qualified person for the purposes of subsection (3), (5) or (7) of this section if—

(*a*) the local authority are of the opinion (arrived at in accordance with such guidance as may be given by the Secretary of State) that he would suffer hardship if an allowance were not granted, or

(*b*) he is a person falling within a description specified in that behalf in regulations made by the Secretary of State.

(9) Before making regulations under subsection (8) 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, unless the Secretary of State is satisfied that there was such consultation before the coming into operation of the Furnished Lettings (Rent Allowances) Act 1973, which in his opinion was sufficient for the purpose.

(10) Regulations under subsection (8) above shall be made by statutory instrument and shall be subject to annulment in pursuance of a resolution of either House of Parliament."

5. After section 18 there shall be inserted the following section:—

" Power to vary or revoke scheme.

18A. A scheme under any provision of this Part of this Act may vary or revoke a previous scheme thereunder."

6. In section 20(1), after " private tenant " there shall be inserted " or to a person under a furnished letting ".

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7. In section 22(1), there shall be inserted, in such positions as retain the alphabetical order, the following new definitions:—

" ' furnished letting ' means a contract to which Part VII of the Act of 1971 applies or would apply but for section 85(3)(*a*) and (*b*) thereof, other than a contract under which the interest of the lessor belongs to a housing authority, and includes a tenancy under which a person is treated as a private tenant by virtue of section 16(7) of this Act;

' lessee ' and ' lessor ' have the meanings respectively assigned to them by section 100(1) (interpretation of Part VII) of the Act of 1971; ".

8. In section 22(1)—

(*a*) in the definition of " landlord ", the words " Part II of " are hereby repealed; and

(*b*) in the definition of " rent ", after " authority " there shall be inserted " other than a tenant who is treated as a private tenant by virtue of section 16(7) above ".

9. In Schedule 3, in paragraph 15(1)(*f*), there shall be inserted after " apply " the words " or in respect of a furnished letting ".

10. In Schedule 3, in paragraph 15(1), there shall be inserted at the end the following—

" (*g*) where the rent is payable in respect of a furnished letting—

(i) any rent paid in excess of rent for the dwelling-house registered under section 89 of the Act of 1971 where the letting is a contract to which Part VII of that Act applies, and

(ii) (after making the deduction (if any) required for disregarding that excess), any remaining rent paid in excess of 125 per cent. of the rent, as estimated by the authority, which would be determined to be a fair rent for the dwelling-house if the letting were a regulated tenancy, on the basis that furniture and services provided under the letting are disregarded except so far as any amount of the rent payable in respect of their use falls to be treated as rent by virtue of section 21 of this Act."

11. In Schedule 3, in paragraph 15, the following new sub-paragraph shall be inserted after sub-paragraph (3)—

" (3A) For the purpose of estimating a fair rent under this paragraph an authority may consult any rent officer appointed by virtue of section 37 of the Act of 1971 for the registration area in which the dwelling-house is situated."