STATUTORY INSTRUMENTS

1972 No. 953

HOUSING, ENGLAND AND WALES

The Housing Associations (Increased Contributions) Order 1972

Laid before the House of Commons in draft

Made - - - *26th June* 1972

Coming into Operation *1st August* 1972

The Secretary of State for the Environment, after consultation with the associations of local authorities as appear to him to be concerned and the housing authority with whom consultation appears to him to be desirable, in exercise of his powers under section 22(1) of the Housing Act 1969(**a**) and section 2(5) of the Housing Act 1971(**b**), and of all other powers enabling him in that behalf, hereby makes the following order in the terms of a draft approved by resolution of the Commons House of Parliament:—

Citation, commencement and interpretation

1.—(1) This order may be cited as the Housing Associations (Increased Contributions) Order 1972 and shall come into operation on 1st August 1972.

(2) The Interpretation Act 1889(**c**) applies for the interpretation of this order as it applies for the interpretation of an Act of Parliament.

Variation of Contributions

2. Subject to the provisions of the following article, section 21(7) of the Housing Act 1969 (contributions for dwellings provided or improved by housing associations under arrangements with local authorities) shall be varied in respect of contributions made in pursuance of arrangements made after 31st July 1972 by the substitution for the words "three-quarters" of the expression "100 per cent.".

(**a**) 1969 c. 33.
(**b**) 1971 c. 76.
(**c**) 1889 c. 63.

Housing Act 1971

3. This order shall not apply to any expenditure to which the Housing Act 1971 applies.

26th June 1972. *Peter Walker,*
Secretary of State for the Environment.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Under section 21 of the Housing Act 1969 annual contributions are payable for 20 years by the Secretary of State for dwellings provided or improved by housing associations. The annual amount is three quarters of the annual loan charges referable to the "allowable cost". The allowable cost is ordinarily one half of the expenditure and so the annual amount is ordinarily $\frac{3}{8}$ of the annual loan charges referable to the expenditure. The Order increases "three quarters" to 100 per cent. and, correspondingly, increases the figure of $\frac{3}{8}$ to $\frac{1}{2}$.

Different provision is made by the Order for cases to which the Housing Act 1971 applies. These are certain cases of expenditure incurred in local government areas within development areas or intermediate areas. Section 2(1) of the Housing Act 1971 has increased the figure of $\frac{3}{8}$ to $\frac{3}{4}$, which is more than the increase from $\frac{3}{8}$ to $\frac{1}{2}$ made by the Order for other cases. The Order excepts cases to which the Housing Act 1971 applies, and so the amount of contributions in those cases remains unaltered.

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