

Housing (Financial Provisions, &c.) (Scotland) Act 1967

1967 CHAPTER 20

An Act to make further provision for the giving of financial assistance towards the provision of houses in Scotland; to increase the amount of contributions payable in respect of hostels under section 89 of the Housing (Scotland) Act 1950; to replace certain provisions as to the withholding, reduction, suspension, postponement, discontinuing or transfer of certain contributions; to make further provision for the Scottish Special Housing Association; to make provision in certain cases for the discharge or modification by the sheriff of heritable securities, charges and agreements on or relating to an unfit house; to revive section 12(6) of the Rent Act 1957 in its application to Scotland; and for matters connected with the aforesaid purposes. [10th May 1967]

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:—

PART I

FINANCIAL ASSISTANCE FOR HOUSES PROVIDED BY LOCAL AUTHORITIES AND OTHER BODIES

Subsidies for new houses

Financial assistance towards provision of new houses.

1.—(1) The provisions of Part I of this Act shall have effect with respect to assistance to local authorities and other bodies mentioned in this section (in this Act referred to as " recipient authorities ") towards the expenditure incurred by them in the provision of new houses approved for the purposes of this Act by the Secretary of State (in this Act referred to as " approved houses ").

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(2) The houses that may be approved for the purposes of this Act are new houses which are—

(*a*) provided by a local authority in the exercise of their powers to provide housing accommodation, or

(*b*) provided by a development corporation otherwise than in pursuance of authorised arrangements made with a local authority, or

(*c*) provided by a development corporation in pursuance of authorised arrangements made with a local authority, or

(*d*) provided by a housing association in pursuance of authorised arrangements made with a local authority or special arrangements made with the Secretary of State, or

(*e*) provided by the Scottish Special Housing Association in the circumstances specified in section 23(1) of the Housing and Town Development (Scotland) Act 1957; 1957 c. 38.

and in respect of which proposals for their provision were or are submitted to the Secretary of State for his approval—

(i) in the case of proposals submitted by a local authority in respect of houses which would have been eligible for an exchequer subsidy calculated in accordance with section 2, or paragraph (*a*) or (*b*) of section 3(4), of the Housing (Scotland) Act 1962 had this Act not been passed, on or after 1st January 1965; and 1962 c. 28.

(ii) in any other case, on or after 25th November 1965.

(3) Any subsidy under this Part of this Act payable in respect of any house or in respect of the cost of any house or the cost of the site of any house shall be paid to the recipient authority by whom the house was provided, except that where it was provided by a development corporation or housing association in pursuance of authorised arrangements made with a local authority the subsidy shall be paid to the local authority, who shall pay to the development corporation or housing association by way of annual grant an amount not less than the subsidy.

(4) No exchequer subsidy shall be payable under Part I of the Housing (Scotland) Act 1962 in respect of any house the proposals for the provision of which were or are submitted to the Secretary of State for his approval—

(*a*) in the case of any such houses as are referred to in head (i) of subsection (2) of this section, on or after 1st January 1965; and

(*b*) in any other case, on or after 25th November 1965.

Subsidies for aggregate cost of approved houses PART I

Aggregate cost subsidies.

2.—(1) In respect of the aggregate cost, ascertained in accordance with the provisions of this Act, of the approved houses provided by each recipient authority and completed in any financial year, so far as that cost is approved by the Secretary of State for the purposes of this section, the Secretary of State shall pay for each of the sixty years beginning with that financial year a subsidy of an amount calculated in accordance with the following provisions of this section.

(2) An amount equal to the aggregate cost so far as approved as aforesaid shall be assumed to have been raised by a loan repayable over a period of sixty years in equal half-yearly instalments of principal and interest combined, the first falling due six months after the loan was raised, and there shall be calculated the amount of such an instalment at a rate of interest specified in an order made by the Secretary of State in respect of the financial year in which the houses were completed; and the amount of the subsidy shall be twice the amount by which the amount of such an instalment calculated at that rate would exceed the amount of such an instalment when calculated at the rate of four per cent. per annum.

(3) The rate so specified in respect of any financial year shall be such as appears to the Secretary of State, after consultation with recipient authorities or such associations thereof as appear to him to be concerned, to be representative of the rates of interest paid on loans raised by recipient authorities in the preceding financial year; and different rates may be so specified in relation to the different kinds of recipient authority mentioned in section 1(2) of this Act and also in relation to different classes of local authority.

(4) Where the approved houses provided by a recipient authority and completed in a financial year include both—

(*a*) houses provided in pursuance of authorised arrangements made with a local authority; and either

(*b*) houses provided in pursuance of authorised arrangements made with another local authority; or

(*c*) houses provided otherwise than in pursuance of such arrangements;

a separate subsidy shall be paid in respect of the aggregate cost of the houses provided as mentioned in each of the paragraphs of this subsection.

(5) The power to make an order under this section shall be exercisable by statutory instrument, and such an order shall not be made unless a draft thereof has been laid before the Commons House of Parliament and has been approved by a resolution of that House.

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Ascertainment of aggregate cost.

3.—(1) Subject to the provisions of this section, the aggregate cost of any houses shall be taken for the purposes of this Act to be the cost incurred by the recipient authority in providing the houses.

(2) So much of that cost as is attributable to the acquisition of any site shall be ascertained in accordance with Schedule 1 to this Act.

(3) The remainder of the said cost, so far as it was not known at the time the proposals referred to in section 1(2) of this Act were approved, shall be taken to be what it was then estimated to be.

(4) Any apportionment necessary to arrive at the said aggregate cost shall be made in such manner as the Secretary of State may determine.

Additional subsidies for individual houses

Subsidies for flats in blocks of six or more storeys.

4. In respect of each approved house provided in a block of flats the major part of which, as determined by the Secretary of State, is of six or more storeys (inclusive of any storey constructed for use for purposes other than those of a dwelling) the Secretary of State shall pay for each of the sixty years beginning with the financial year in which the house was completed a subsidy of thirty pounds.

Subsidies for houses provided by local authorities with special difficulties.

5. In respect of each approved house provided by a local authority, the Secretary of State shall pay for each of the sixty years beginning with the financial year in which the house was completed any subsidy which may be determined in accordance with Schedule 2 to this Act to be payable to that authority.

Subsidies for houses where rights of support, etc. enhance cost.

6. Where the Secretary of State is satisfied, on an application made to him by a recipient authority with respect to any house which the authority have provided or intend to provide, that the cost of providing the house has been or will be substantially enhanced by expenses attributable to the acquisition of rights of support, or otherwise attributable to measures taken by them for securing protection against the consequences of a subsidence of the site, then, if the house is or becomes an approved house the Secretary of State may pay in respect thereof for each of the sixty years beginning with the financial year in which it was completed a subsidy of such amount not exceeding two pounds as the Secretary of State may determine.

Subsidies for houses where measures to preserve the character of the surroundings enhance cost.

7. Where the Secretary of State is satisfied, on an application made to him by a recipient authority with respect to any house which the authority have provided or intend to provide, that the cost of providing the house has been or will be substantially enhanced by expenses attributable to measures taken by them with his consent in the erection of the house (whether by the use of stone or other special material or in any other way) in

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order to preserve the character of the surroundings, then, if the house is or becomes an approved house the Secretary of State may pay in respect thereof for each of the sixty years beginning with the financial year in which it was completed a subsidy of such amount not exceeding ten pounds as the Secretary of State may determine.

Subsidies for houses provided by local authorities for special purposes. 1957 c. 38.

8. Where an approved house is provided—

(*a*) by a local authority in pursuance of any overspill agreement within the meaning of Part II of the Housing and Town Development (Scotland) Act 1957, or

(*b*) by a local authority, being an exporting authority within the meaning of the said Part II, in the district of another local authority, or

(*c*) by a local authority, in circumstances other than those mentioned in paragraph (*a*) or (*b*), as part of a scheme amounting to a substantial transfer of industry or of persons engaged in an industry and the Secretary of State is of opinion that, unless he exercises his powers under this section, the house could not be provided without unreasonably increasing the rate burden or the rents for other houses provided by the authority,

the Secretary of State may, in respect of the house, pay for each year, of such a period, not exceeding ten years, as he may determine, beginning with the financial year in which the house was completed, a subsidy of such amount not exceeding fourteen pounds as he may determine.

Additional subsidies for expensive sites

Expensive site subsidies.

9.—(1) If any building consisting of or including an approved house is provided on a site which is approved for the purposes of this section by the Secretary of State and the net cost of which exceeds four thousand pounds per acre, then in respect of that site or the part of it on which the building is erected the Secretary of State shall pay for each of the sixty years beginning with the financial year in which the building was completed a subsidy at the rate of thirty-four pounds per acre for every one thousand pounds or part of a thousand pounds by which the net cost exceeds four thousand pounds per acre.

(2) For the purposes of this section—

(*a*) any amount by which the net cost of a site exceeds ten thousand pounds per acre shall be disregarded unless the building or one of the buildings provided or to be provided on the site is a block of flats of four or more storeys;

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(*b*) if any building or part of a building erected or to be erected on a site is designed for use otherwise than as housing accommodation, the net cost of the site shall be deemed to be reduced by so much thereof as, in the opinion of the Secretary of State, may fairly be apportioned to that building or part of a building.

(3) For the purposes of this section the net cost of a site shall be taken to be—

(*a*) where subsection (4) of this section does not apply, the cost of the site as ascertained in accordance with Schedule 1 to this Act; and

(*b*) where that subsection applies, the cost of the site as reduced under that subsection.

(4) Where any works of construction or any works carried out for the purpose of making a site suitable for the provision of houses would fall to be taken into account in ascertaining its cost in accordance with Schedule 1 to this Act the Secretary of State may determine that that cost shall be taken to be reduced by such amount as is in his opinion fairly attributable to those works.

Reduction, etc., of contributions

Power to abolish or reduce rate of exchequer contributions.

10.—(1) The Secretary of State may by order direct that, while the order remains in force, such exchequer contributions as may be specified in the order—

(*a*) shall cease to be payable, or

(*b*) shall be reduced to such rate or amount as may be specified in the order, or

(*c*) shall be payable for such reduced number of years as may be so specified,

either as respects all approved houses, or the cost or sites thereof, or as respects approved houses of such description or in such area only, or the cost or sites thereof, as may be specified in the order.

(2) An order made under this section shall be so expressed as to apply only to houses the proposals in respect of which were or are received by the Secretary of State after such date as may be specified in the order; and an order may specify for the purposes of this subsection a day earlier than the day of the making of the order:

Provided that in the case of an order made within a period of ten years commencing with the date of the passing of this Act, the order shall not for the purposes of this subsection

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specify a day earlier than the day on which the draft of the order is laid before the Commons House of Parliament under the next following subsection.

(3) Any order under this section shall be made by statutory instrument and shall not be made unless a draft thereof has been laid before the Commons House of Parliament and has been approved by a resolution of that House; and before laying such a draft the Secretary of State shall consult with such associations of recipient authorities as appear to him to be concerned and with any recipient authority with whom consultation appears to him to be desirable.

(4) Any power conferred by this section to make orders shall include a power, exercisable in the like manner and subject to the same conditions, to vary or revoke any such order.

Power to discontinue, reduce or transfer contributions.

11.—(1) The provisions of this section shall have effect with respect to annual contributions, and the enactments mentioned in Schedule 3 to this Act are hereby repealed to the extent specified in the third column of that Schedule; without prejudice, however, to any power exercisable under those enactments with respect to any event occurring before the commencement of this Act.

(2) In this section—

"annual contribution" means any payment falling to be made by the Secretary of State under any of the provisions specified in Schedule 4 to this Act;

"the subsidised unit" means the house, hostel or other land in relation to which an annual contribution is payable, whether it is payable in respect of it or its site or in respect of land comprising it or in respect of the cost of any houses, or of the acquisition of any land, comprising it.

(3) The Secretary of State may, in any of the circumstances mentioned in subsection (5) of this section, reduce the amount of an annual contribution or suspend or discontinue the payment of an annual contribution or part thereof, as he thinks just in those circumstances.

(4) Where an annual contribution is payable to a local authority in relation to a subsidised unit in relation to which an annual grant is payable by the local authority to a housing association or development corporation, then, if the amount of the annual contribution is reduced or payment of it or part of it is suspended or discontinued under this section, the local authority may reduce the annual grant to a corresponding or any less extent or suspend the payment thereof or of a corresponding part thereof for a corresponding period or discontinue the payment thereof, or of a corresponding part thereof, as the case may be.

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(5) The circumstances referred to in subsection (3) of this section are—

(*a*) that the annual contribution is payable to a local authority and the Secretary of State is satisfied that the authority have failed to discharge any of their duties under the Housing (Scotland) Acts 1950 to 1965, the Housing (Scotland) Act 1966 or this Act or that they have failed to exercise any power mentioned therein in any case where any such power ought to have been exercised;

1966 c. 49.

(*b*) that the subsidised unit was provided by a housing association or development corporation in pursuance of authorised arrangements made with a local authority or special arrangements made with the Secretary of State, and the Secretary of State is satisfied that the association or corporation have made default in giving effect to the terms of any such arrangements;

(*c*) that the annual contribution is payable subject to any conditions and the Secretary of State is satisfied that any of those conditions has not been complied with;

(*d*) that the subsidised unit has been converted, demolished or destroyed;

(*e*) that the subsidised unit is not fit to be used or has ceased to be used for the purpose for which it was intended;

(*f*) that the subsidised unit has been sold or has been leased for a stipulated duration exceeding twelve months;

(*g*) that the subsidised unit has been transferred, whether by sale or otherwise.

(6) Where the Secretary of State's power under subsection (3) of this section to discontinue the payment of the whole or part of an annual contribution payable to a recipient authority becomes exercisable in the circumstances mentioned in paragraph (*f*) or (*g*) of the preceding subsection and the subsidised unit has become vested in or has been leased to another recipient authority, then, if the Secretary of State exercises that power he may make to that other authority any such payment as he would otherwise have made to the first-mentioned authority if the conditions (if any) subject to which the annual contribution was payable had been complied with.

Increase of contributions for hostels

Increase of contributions for hostels. 1950 c. 34.

12. Section 89 of the Housing (Scotland) Act 1950 (contributions for hostels) shall have effect, in its application to any building provided or converted after the commencement of this Act, as if for the words "seven pounds" there were substituted the words "fifteen pounds".

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Land acquired by way of feu or lease, and houses acquired after completion

Land acquired by way of feu or lease.

13. Where any house or other land has been acquired by way of feu or by way of lease or the assignation of a lease, the expenses incurred in connection with the acquisition shall be taken for the purposes of this Part of this Act to include such sum as the Secretary of State may determine to be the capital equivalent of the feu duty or, as the case may be, of any rent or other prestations due under the lease.

Houses acquired after completion.

14. In relation to a house which is acquired by a recipient authority after its completion references in this Part of this Act to the provision or the completion of any house shall be construed as referring to its acquisition by the recipient authority.

Special Provision for Financial Assistance to Scottish Special Housing Association

Advances to Scottish Special Housing Association for provision of housing accommodation. 1962 c. 28.

15.—(1) In proviso (i) to section 18(1) of the Housing (Scotland) Act 1962 (which as amended limits the aggregate amount of the advances which may be made to the Scottish Special Housing Association to one hundred and twenty million pounds), for the words " one hundred and twenty million pounds " there shall be substituted the words " one hundred and forty-five million pounds or such greater sum, not exceeding one hundred and seventy million pounds, as the Secretary of State may by order specify ".

(2) Any such power shall be exercisable by statutory instrument, and no order shall be made in the exercise of that power unless a draft of the order has been laid before the Commons House of Parliament and has been approved by a resolution of that House.

Exchequer subsidies under the Housing (Scotland) Act 1962

Calculation of annual exchequer subsidies on revaluation.

16.—(1) For the purpose of ensuring that in respect of houses completed on or after 16th May 1966 the appropriate amount of annual exchequer subsidy is payable under the Housing (Scotland) Act 1962 Schedules 1 and 2 to the said Act shall have effect as amended by Part I of Schedule 5 to this Act.

(2) Nothing in the provisions of head (i) of subsection (2) of section 1 of this Act shall affect the application of the said Part I to the calculation of any subsidy referred to in that head.

Interpretation

Interpretation of Part I.

17.—(1) In this Part of this Act and Schedule 2 thereto—

" approved house" has the meaning assigned to it by section 1 of this Act;

" authorised arrangements made with a local authority " in relation to a housing association or a development corporation, means arrangements made between the

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association or corporation and a local authority, with the approval of the Secretary of State, under section 153 of the Housing (Scotland) Act 1966;

1966 c. 49.

"relevant financial year" in relation to any house means the financial year preceding that in which the house was completed;

"house" shall be construed as in section 10(2) of the Housing (Scotland) Act 1962.

1962 c. 28.

(2) References in this Act to 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 this Act.

PART II

MISCELLANEOUS AND SUPPLEMENTAL

Miscellaneous

Right of parties to certain agreements secured on, or related to, unfit houses to apply to sheriff for adjustment of the agreements.

18.—(1) This section shall apply where a house is purchased in pursuance of a compulsory purchase order in such circumstances that section 14(5), 19(3), 20(5) or 47(2) of the Housing (Scotland) Act 1966 (being provisions relating to the assessment of compensation for unfit and certain other houses) applies to the assessment of the value thereof, or has been vacated in pursuance of a demolition order, closing order or clearance order, and on the date of the making of the compulsory purchase or other order the house is occupied in whole or in part as a private dwelling by a person who throughout the relevant period—

(*a*) holds an interest in the house, being an interest subject to a heritable security or charge, or

(*b*) is a party to an agreement to purchase the house by instalments.

(2) Where the provisions of the foregoing subsection apply in the case of any house any party to the heritable security, charge or agreement in question may apply to the sheriff who, after giving to other parties an opportunity of being heard, may, if he thinks fit, make an order—

(*a*) in the case of a house which has been purchased compulsorily, discharging or modifying any outstanding liabilities of the person having an interest in the house,

being liabilities arising by virtue of any bond or other obligation with respect to the debt secured by the heritable security or charge, or by virtue of the agreement, or

(*b*) in the case of a house vacated in pursuance of a demolition order, closing order or clearance order, discharging or modifying the terms of the heritable security, charge or agreement,

and, in either case, either unconditionally or subject to such terms and conditions, including conditions with respect to the payment of money, as the sheriff may think just.

(3) In determining in any case what order, if any, to make under this section, the sheriff shall have regard to all the circumstances of the case, and in particular—

(*a*) in the case of a heritable security or charge,

(i) to whether the heritable creditor or person entitled to the benefit of the charge acted reasonably in advancing the principal sum on the terms of the heritable security or charge; and in relation to this sub-paragraph he shall be deemed to have acted unreasonably if, at the time when the heritable security or charge was created, he knew or ought to have known that in all the circumstances of the case the terms of the heritable security or charge did not afford sufficient security for the principal sum advanced, and

(ii) where the heritable security or charge secures a sum which represents all or any part of the purchase price payable for the interest, to whether the purchase price was excessive, and

(iii) to the extent to which a house may have become unfit for human habitation owing to any default on the part of the heritable debtor or person entitled to the interest charged in carrying out any obligation under the terms of the heritable security or charge with respect to the repair of the house; or

(*b*) in the case of an agreement to purchase by instalments, to how far the amount already paid by way of principal, or, where the house has been purchased compulsorily, the aggregate of that amount and so much, if any, of the compensation in respect of compulsory purchase as falls to be paid to the seller, represents a fair price for the purchase.

(4) This section shall apply in relation to cases where the purchase or vacation of the house in pursuance of the compulsory purchase or other order took place at any time before, as well as after, the commencement of this Act.

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(5) In this section "the relevant period" means the period from the date of the making of the compulsory purchase or other order to—

(*a*) in the case of a compulsory purchase order, the date of service of notice to treat (or deemed service of notice to treat) for purchase of the house or, if the purchase is effected without service of notice to treat, the date of completion of that purchase, and

(*b*) in the case of any other order, the date of vacation of the house in pursuance of the order or of an order deemed to have been made and served in terms of the next following subsection,

or, if the person referred to in subsection (1) of this section dies before the date specified in paragraph (*a*) or (*b*) of this subsection, to the date of death.

(6) For the purposes of this section, a house which might have been the subject of a demolition order but which has, without the making of such an order, been vacated and demolished in pursuance of an undertaking for its demolition given to the local authority, shall be deemed to have been vacated in pursuance of a demolition order made and served at the date when the undertaking was given.

(7) In this section—

(*a*) "closing order" includes an order made under section 18 of the Housing (Scotland) Act 1966, and

1966 c. 49.

(*b*) "heritable security" has the same meaning as in the Conveyancing (Scotland) Act 1924, except that it includes a security constituted by ex facie absolute disposition or assignation, and "heritable debtor" and "heritable creditor" shall be construed accordingly, and subject as aforesaid expressions used in this section and in the Housing (Scotland) Act 1966 have the same meanings in this section as in that Act.

1924 c. 27.

Provision of rent books in respect of letting of furnished houses.

19.—(1) Section 12(6) of the Rent Act 1957 is hereby revived.

(2) In the said subsection, for the words "Furnished Houses (Rent Control) Act 1946" there shall be substituted the words "Rent of Furnished Houses Control (Scotland) Act 1943".

1957 c. 25.
1946 c. 34.
1943 c. 44.

Supplemental

Payment out of moneys provided by Parliament.

20. There shall be defrayed out of moneys provided by Parliament any payment made by the Secretary of State under this Act and any increase attributable to this Act in the sums payable out of such moneys under any other Act.

PART II

General interpretation. 1950 c. 34.

21.—(1) This Act, except sections 18 and 19 thereof, shall be construed as one with the Housing (Scotland) Act 1950, so however that the expression "housing association" shall not in this Act be construed as including a development corporation.

(2) Any reference in this Act to the Housing (Scotland) Act 1966, or to any provision thereof, shall include a reference to any enactment repealed by that Act or, as the case may be, to the corresponding provision of any such enactment. 1966 c. 49.

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

Application and amendment of enactments.

22. The provisions of Part II of Schedule 5 to this Act shall have effect with respect to the application and amendment of the enactments mentioned therein.

Citation and extent.

23.—(1) This Act may be cited as the Housing (Financial Provisions, &c.) (Scotland) Act 1967.

(2) This Act shall extend to Scotland only.

SCHEDULES

Sections 3, 9.

SCHEDULE 1

DETERMINATION OF COST OF SITE

1. For the purposes of this Act the cost of a site shall be taken to be—

(*a*) if the site was acquired by a local authority under any enactment relating to housing, the expenses incurred by the local authority in connection with the acquisition;

(*b*) if the site was acquired by a local authority otherwise than under any such enactment, such amount as the Secretary of State may determine, having regard to the purposes for which the site was acquired, the expenses incurred in connection with the acquisition, the time elapsed since the acquisition and the use made of the site before its appropriation for housing purposes;

(*c*) if the site was acquired by a recipient authority other than a local authority, either of the following, as the Secretary of State may determine, having regard to the matters mentioned in sub-paragraph (*b*) of this paragraph, that is to say—

(i) the expenses incurred by the recipient authority in connection with the acquisition; or

(ii) the value of the site as certified by the Secretary of State.

2. For the purposes of this Act, any question as to—

(*a*) what constitutes a separate site; or

(*b*) on what part of such a site any building has been erected; or

(*c*) how much of any expenses incurred by a local authority in connection with the acquisition of any land is to be attributed to any site forming part only of the land,

shall be determined by the Secretary of State.

3. For the purposes of any determination under sub-paragraph (*a*) or sub-paragraph (*b*) of the preceding paragraph—

(*a*) where two buildings are contiguous to each other, or are separated from each other by a street only, the two buildings shall, if the Secretary of State thinks proper, be deemed to be on the same site; and

(*b*) where any land has been acquired in connection with the provision of a building and has been or is to be used for the purpose of a new street to which the building is or will be contiguous, that land shall be deemed to form part of the site of the building.

4. In this Schedule—

"building" includes any land appertaining to a building and any land appropriated for the purposes of a building which has not been erected; and

"street" includes a public highway and any court, alley, passage or square, whether a thoroughfare or not.

SCHEDULE 2

Section 5.

ASCERTAINMENT OF ADDITIONAL SUBSIDIES FOR HOUSES PROVIDED BY LOCAL AUTHORITIES WITH SPECIAL DIFFICULTIES

PART I

Calculation of subsidy

1.—(1) A comparison shall be made between—

(*a*) the total of the amounts carried to the credit of the local authority's housing revenue account, as adjusted in accordance with this paragraph, for the relevant financial year (in this paragraph referred to as the "credits"), and

(*b*) the total of the amounts carried to the debit of that account (adjusted as aforesaid) for that year (in this paragraph referred to as the "debits").

(2) For the purposes of the comparison required by sub-paragraph (1) of this paragraph—

(*a*) it shall be assumed that in the credits, for the income for the relevant financial year from rents in respect of the houses to which the said account relates and any amounts carried to the credit of the account for that year under paragraph (*c*) of section 138(1) of the Housing (Scotland) Act 1950 and under section 5(1) of the Housing and Town Development (Scotland) Act 1957, there has been substituted an amount equal to the local authority's total housing valuation for the relevant financial year multiplied by the fraction determined in respect of the relevant financial year by the Secretary of State in accordance with Part III of this Schedule; 1950 c. 34. 1957 c. 38.

(*b*) there shall be excluded from the debits any expenditure by way of rebates from rents;

(*c*) there shall be excluded from the debits any surplus shown in the account at the end of the relevant financial year and from the credits any surplus brought forward from the account for the immediately preceding financial year.

(3) If it appears to the Secretary of State that any amount, or part of any amount, carried to the credit or to the debit of the local authority's housing revenue account for the relevant financial year ought to be left out of account for the purposes of the comparison required as aforesaid, he may, after consulting the authority, direct that for the purposes of that comparison the said amount or part of that amount shall be excluded from the credits or from the debits, as the case may be.

2. If on the comparison required as aforesaid being made there is a deficit, the amount of that deficit shall be reduced by the amount which bears to that deficit—

(*a*) in the case of any house completed before the beginning of the financial year commencing in 1968 the same proportion as the amount of the exchequer equalisation grant payable

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1954 c. 13.

to the local authority for the relevant financial year under the Local Government (Financial Provisions) (Scotland) Act 1954 bears to the authority's relevant local expenditure as certified by the Secretary of State to have been estimated under the said Act of 1954 according to the latest estimate made before the end of the relevant financial year, and

(*b*) in the case of any house completed on or after the first day of the financial year commencing in 1968, the same proportion as the amount of the resources element of the rate support grant payable to the local authority for the relevant financial year under the Local Government (Scotland) Act 1966 bears to the authority's relevant local expenditure as certified by the Secretary of State to have been estimated according to the latest estimate made before the end of the relevant financial year, as calculated for the purposes of Part II of Schedule 1 to that Act in accordance with the provisions of paragraphs 4 and 5 of the said Part II, and, where the amount of the deficit as so reduced exceeds the product of a rate of two shillings and sixpence, the Secretary of State shall pay to the authority an additional subsidy, the amount of which shall be determined according to the following Table—

1966 c. 51.

TABLE

Where the amount of the local authority's reduced deficit—	Amount of additional subsidy—
exceeds the product of a rate of two shillings and sixpence but not of a rate of three shillings and sixpence	fifteen pounds
exceeds the product of a rate of three shillings and sixpence but not of a rate of four shillings and sixpence	thirty pounds
exceeds the product of a rate of four shillings and sixpence but not of a rate of five shillings and sixpence	forty-five pounds
exceeds the product of a rate of five shillings and sixpence but not of a rate of six shillings and sixpence	sixty pounds
exceeds the product of a rate of six shillings and sixpence	seventy-five pounds

3.—(1) This paragraph applies to any house completed on or after the first day of the financial year commencing in 1967.

(2) The last foregoing paragraph shall apply to any house to which this paragraph applies, but as if for the references to the sum of two shillings and sixpence and to each of the sums listed in column 1 of the Table there were substituted respectively references to each of those sums adjusted by—

(*a*) dividing by the estimated aggregate product of a penny rate for the areas of all local authorities for the relevant financial

year or, where that year was not a year of revaluation, for the last preceding year of revaluation, and SCH. 2

(*b*) multiplying by the said estimated aggregate for the financial year commencing in 1965,

and rounded off to the nearest penny.

(3) In the last foregoing sub-paragraph, " year of revaluation " has the same meaning as in section 9 of the Valuation and Rating (Scotland) Act 1956. 1956 c. 60.

4. For the purposes of the calculations required by this Part of this Schedule to be made in relation to any local authority for any financial year there shall be used such accounts, whether provisional or final, of the local authority (being accounts for that financial year) as the Secretary of State may direct; and if provisional accounts are used nothing in this Part of this Schedule shall be taken to require the making of any recalculation on the final accounts becoming available.

PART II

Ascertainment of Total Housing Valuation for the Relevant Financial Year

5. For the purposes of this Schedule a local authority's total housing valuation for any relevant financial year shall be ascertained in accordance with this Part of this Schedule.

6. There shall be ascertained—

(*a*) the aggregate of the gross annual values of all the houses to which the local authority's housing revenue account related at the end of the relevant financial year, and

(*b*) the aggregate of the gross annual values of all the houses to which the local authority's housing revenue account related at the end of the financial year immediately preceding the relevant financial year:

Provided that in ascertaining the said aggregates there shall be excluded such part of the gross annual value of any house as may be certified by the assessor to be attributable to any garage provided otherwise than by the local authority.

7. The amounts ascertained under the last foregoing paragraph shall be added together and their sum shall be divided by two; and the result shall be the local authority's total housing valuation for the relevant financial year.

8. Where, by reason of a change in the areas of local authorities, houses are transferred from one local authority to another local authority, the Secretary of State may, having regard to the gross annual values of the houses and the date and circumstances of their transfer, direct that such other method of calculation as he may consider appropriate shall be used for the purposes of this Part of this Schedule in lieu of the method of calculation specified in the two last foregoing paragraphs.

9. Any reference in this Part of this Schedule to the gross annual value of a house to which a local authority's housing revenue account related at the end of any financial year shall be construed as a

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1956 c. 60.

reference to the gross annual value of that house, determined under section 6 of the Valuation and Rating (Scotland) Act 1956, as shown in the valuation roll in operation on the first day of the financial year immediately following the financial year in question; so however that if no gross annual value determined as aforesaid is shown for that house in that valuation roll the reference shall be construed as a reference to such value as may be estimated by the assessor to be the gross annual value, determined as aforesaid, of the house.

10. References in this Part of this Schedule to the assessor, in relation to any house, are references to the assessor appointed under section 1 of the Valuation and Rating (Scotland) Act 1956, for the area in which the house is situated.

PART III

Determination of Fraction referred to in Paragraph 1(2)(a) of this Schedule

11.—(1) The Secretary of State shall estimate—

(*a*) the aggregate of the total amounts carried to the credit of the housing revenue accounts of all local authorities for the relevant financial year,

(*b*) the aggregate of the total amounts carried to the debit of those accounts for that year, and

(*c*) the aggregate of the total housing valuations of all local authorities for that year.

(2) For the purposes of sub-paragraph (1) of this paragraph—

(*a*) it shall be assumed that in the credits, for the income for the relevant financial year from rents in respect of the houses to which the said accounts relate and any amounts carried to the credit of the accounts for that year under paragraph (*c*) of section 138(1) of the Housing (Scotland) Act 1950 and under section 5(1) of the Housing and Town Development (Scotland) Act 1957, there has been substituted an amount equal to one-third of the aggregate of the Exchequer contributions payable to the said authorities for that year;

1950 c. 34.
1957 c. 38.

(*b*) sub-paragraphs (2)(*b*) and (*c*) and (3) of paragraph 1 of this Schedule shall apply in like manner as they apply for the purposes of the comparison required by sub-paragraph (1) of the said paragraph.

12. The amount by which the estimated aggregate of the debits referred to in head (*b*) of sub-paragraph (1) of the last foregoing paragraph exceeds the estimated aggregate of the credits referred to in head (*a*) of that sub-paragraph shall be expressed as a fraction of the estimated aggregate of the total housing valuations referred to in head (*c*) of that sub-paragraph.

PART IV

Interpretation

13. In this Schedule references in relation to a local authority to the product of a rate of a specified sum are references to the product of a rate of that sum in the pound for the district of the local

authority for the relevant financial year, and section 9(1) of the Local Government (Financial Provisions) (Scotland) Act 1963 shall apply for the purpose of calculating that product. SCH. 2 1963 c. 12.

SCHEDULE 3

Section 11(1).

ENACTMENTS REPEALED (BEING ENACTMENTS REPLACED BY SECTION 11)

Chapter	Short Title	Extent of Repeal
14 Geo. 6. c. 34.	Housing (Scotland) Act 1950.	Section 74. In section 87, in subsection (1), the proviso, and subsections (2), (4) and (5). In section 89, in subsection (2), the proviso, and subsections (3) and (4). Section 104(5). In section 121(3), the proviso. Section 129. Section 130(1), so far as relating to a periodical payment by the Secretary of State.
15 & 16 Geo. 6 and 1 Eliz. 2. c. 63.	Housing (Scotland) Act 1952.	Section 4(3), so far as referring to section 104(5) of the Housing (Scotland) Act 1950.
5 & 6 Eliz. 2. c. 38.	Housing and Town Development (Scotland) Act 1957.	In section 2(3), the words from " and section 129 " to " enactments) ", and the words from " and the Secretary of State " to the end of the subsection. In Schedule 1, in paragraph 5, the words from " and section 129 " to " enactments) ".
7 & 8 Eliz. 2. c. 33.	House Purchase and Housing Act 1959.	In Schedule 1, in paragraph 10, the words from " and section 129 " to " enactments) ".
7 & 8 Eliz. 2. c. 62.	New Towns Act 1959.	Section 12(2).
10 & 11 Eliz. 2. c. 28.	Housing (Scotland) Act 1962.	Section 9. In section 12, in subsection (2), the proviso, and subsection (3). In section 14, in subsection (2), the proviso. In Schedule 4, in paragraph 4, the words from " and section 129 " to " default) ", and paragraph 5.

SCHEDULE 4

Section 11(2).

PROVISIONS AUTHORISING PAYMENT OF ANNUAL CONTRIBUTIONS

Housing, Town Planning &c. (Scotland) Act, 1919
(9 & 10 Geo. 5 c. 60)
Sections 5 and 16.

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Housing &c. Act, 1923
(13 & 14 Geo. 5 c. 24)
Sections 1 and 3, as originally enacted and as extended, with amendments, by the Housing (Financial Provisions) Act 1924.

Housing (Rural Workers) Act 1926
(16 & 17 Geo. 5 c. 56)
Section 4.

Housing (Scotland) Act, 1930
(20 & 21 Geo. 5 c. 40)
Section 23.

Housing (Rural Authorities) Act, 1931
(21 & 22 Geo. 5 c. 39)
Section 1.

Housing (Scotland) Act, 1935
(25 & 26 Geo. 5 c. 41)
Sections 26, 30 and 35.

Housing (Agricultural Population) (Scotland) Act, 1938
(1 & 2 Geo. 6 c. 38)
Section 1.

Housing (Financial Provisions) (Scotland) Act, 1938
(2 & 3 Geo. 6 c. 3)
Sections 1 and 2.

Housing (Scotland) Act, 1950
(14 Geo. 6 c. 34)
Sections 84, 85, 86, 87, 88, 89, 91, 92, 93, 104, 105, 110, 116 and 121.

Housing (Scotland) Act, 1952
(15 & 16 Geo. 6 & 1 Eliz. 2 c. 63)
Section 4.

Housing (Repairs and Rents) (Scotland) Act 1954
(2 & 3 Eliz. 2 c. 50)
Section 4.

Housing & Town Development (Scotland) Act, 1957
(5 & 6 Eliz. 2 c. 38)
Sections 2, 3, 4 and 23.

Housing (Scotland) Act, 1962
(10 & 11 Eliz. 2 c. 28)
Sections 1, 2, 3, 4, 5, 6, 7, 9, 12, 13 and 14.

Housing Act, 1964
(1964 c. 56)
Sections 92 and 98.

This Act
Sections 2, 4, 5, 6, 7, 8, 9 and 11(6).

SCHEDULE 5

Sections 16, 22.

APPLICATION AND AMENDMENT OF ENACTMENTS

PART I

Amendment of Housing (Scotland) Act 1962 Schedules 1 and 2 for purposes of revaluation

1962 c. 28.

1. In Schedule 1, in Part I, after paragraph 4, there shall be inserted the following paragraph—

"4A. Where gross annual value is to be ascertained under the last foregoing paragraph at a time after 15th May 1966, that gross annual value shall continue to be ascertained by reference to the valuation roll in force immediately before that date, and for lands and heritages not included in that roll when it ceases to be in force the assessor shall for the purposes of this paragraph estimate the gross annual value under the said section 6."

2. In Schedule 2, after paragraph 2, there shall be inserted the following paragraph—

"2A.—(1) This paragraph applies to any house completed on or after the first day of the financial year commencing in 1967.

(2) The last foregoing paragraph shall apply to any house to which this paragraph applies but as if for the references to the sums of one shilling and threepence, two shillings and sixpence and three shillings and ninepence there were substituted respectively references to those sums adjusted by—

(*a*) dividing by the estimated aggregate product of a penny rate for the areas of all local authorities for the financial year commencing in 1966, and

(*b*) multiplying by the said estimated aggregate for the financial year commencing in 1965,

and rounded off to the nearest penny.

(3) For the purposes of sub-paragraph (2) of this paragraph the provisions of section 9(1) of the Local Government (Financial Provisions) (Scotland) Act 1963 shall apply for the purpose of calculating the product of a penny rate."

1963 c. 12.

PART II

Application and Amendment of other Enactments

3. Advances to the Scottish Special Housing Association under section 94(1) of the Housing (Scotland) Act 1950 (which empowers the Secretary of State to make such advances) shall cease to be made.

1950 c. 34.

4. In the said Act of 1950, in section 127, in subsection (5), for the words from "within the period" to the end of the subsection there shall be substituted the words "passes a resolution approving the draft".

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5. Section 128(2) of the said Act of 1950 (which relates to the time and manner of paying contributions under certain enactments and to conditions) shall apply to subsidies payable under Part I of this Act as they apply to the contributions therein referred to; and accordingly Part II of Schedule 6 to that Act shall have effect with the addition, at the end thereof, of the words:—

"16. Part I of the Housing (Financial Provisions, &c.) (Scotland) Act 1967.".

6. Section 184(1) of the said Act of 1950 shall have effect subject to the following modifications—

(*a*) in the definition of "development corporation" for the words from "by an order" to the end of the definition there shall be substituted the words "under the New Towns Act 1946", and

1946 c. 68.

(*b*) after the definition of Exchequer contribution there shall be inserted the following definition—

"financial year" has the same meaning as in section 174 of the Local Government (Scotland) Act 1947.

1947 c. 43.

7.—(1) In Part I of Schedule 6 to the said Act of 1950 there shall be added the following paragraph—

"16. Part I of the Housing (Financial Provisions, &c.) (Scotland) Act 1967.".

(2) The amendment made to Part I of the said Schedule 6 by virtue of paragraph 11 of Schedule 1 to the House Purchase and Housing Act 1959 shall cease to have effect, and accordingly the said paragraph 11, and paragraph 14 of the said Part I, are hereby repealed.

1959 c. 33.

1957 c. 38.

8. Section 2(3) of the Housing and Town Development (Scotland) Act 1957 (which relates to conditions to which certain contributions are to be subject) shall apply to subsidies under section 8 of this Act as it applies to the contributions therein specified.

9. For the purposes of section 4 (additional Exchequer contributions in respect of approved houses in remote areas) of the Housing and Town Development (Scotland) Act 1957 an approved house within the meaning of this Act or of the Housing (Scotland) Act 1962 shall be treated as an approved house within the meaning of Part I of the said Act of 1957.

1962 c. 28.

10. In Schedule 1 to the said Act of 1957, paragraph 4 shall cease to have effect.

1959 c. 70.

11. In section 54(1) of the Town and Country Planning (Scotland) Act 1959 (which excludes any Exchequer subsidy under any of the enactments specified in Part I of Schedule 6 to the Housing (Scotland) Act 1950), in the definition of "grant aided function" the reference to any Exchequer subsidies shall include a reference to any subsidy payable under Part I of this Act.

1950 c. 34.

12. In the Housing (Scotland) Act 1962, in section 8, in subsections (2) to (4), for references to "Parliament" there shall be substituted references to the Commons House thereof; and in the

said subsection (4), references to "local authorities" and "local authority" shall include references to housing associations and development corporations and, as the case may be, a housing association and a development corporation. SCH. 5

13. In the said Act of 1962, in section 19(1)(*a*) the word "or" shall be omitted, and at the end of the paragraph there shall be inserted the words "or Part I of the Housing (Financial Provisions, &c.) (Scotland) Act 1967".

14. In the said Act of 1962, in Schedule 1, after paragraph 3 there shall be inserted the following paragraph :—

"3A. Where, by reason of a change in the areas of local authorities, houses are transferred from one local authority to another local authority, the Secretary of State may, having regard to the gross annual values of the houses and the date and circumstances of their transfer, direct that such other method of calculation as he may consider appropriate shall be used for the purposes of this Part of this Schedule in lieu of the method of calculation specified in the two last foregoing paragraphs.".

15. In the said Act of 1962, in Schedule 2, in paragraph 2, after sub-paragraph (2) there shall be inserted the following sub-paragraph :—

"(3) In the case of any house completed on or after the first day of the financial year commencing in 1968, the last foregoing sub-paragraph shall have effect as if for head (*a*) there were substituted the following head—

'(*a*) "the local authority's reduced deficit" means the deficit referred to, in relation to the local authority, in section 3(4)(*a*) of this Act less the amount which bears to that deficit the same proportion as the amount of the resources element of the rate support grant payable to the local authority for the relevant financial year under the Local Government (Scotland) Act 1966 bears to the authority's relevant local expenditure as certified by the Secretary of State to have been estimated according to the latest estimate made before the end of the relevant financial year, as calculated for the purposes of Part II of Schedule 1 to that Act in accordance with the provisions of paragraphs 4 and 5 of the said Part II.'" 1966 c. 51.