

CHAPTER 3.

An Act to amend the law in Scotland with respect to the making of contributions out of the Exchequer and by local authorities in respect of housing accommodation provided for the working classes, and with respect to arrangements between local authorities and other persons for the provision of such housing accommodation; and for purposes connected with the matters aforesaid.

[22nd December 1938.]

BE it enacted by the King'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:—

Exchequer contributions in respect of housing accommodation provided by local authorities.

1.—(1) Subject to the provisions of this Act, the Department shall undertake to make, and make, in respect of each new house completed after the thirty-first day of December nineteen hundred and thirty-eight, by way of housing accommodation for the working classes provided by a local authority in accordance with proposals approved by the Department, being housing accommodation to which this section applies, payment to that local authority of an annual contribution for a period of forty years.

(2) An annual contribution under this section shall be in respect of a house of three apartments the sum of

ten pounds ten shillings, in respect of a house of four apartments the sum of eleven pounds fifteen shillings, and in respect of a house of five apartments, the sum of thirteen pounds:

Provided that—

(*a*) where the Department are satisfied that by reason of—

(i) the costliness of providing housing accommodation in a re-development area; or

(ii) the purchase under Part I of the Act of 1930, or the payment of compensation under that Act in respect of the demolition, of dwelling-houses or other premises which are neither unfit for human habitation nor injurious or dangerous to health and which are included in, or adjoin, or are surrounded by, a clearance area; or

(iii) the costliness of the provision by a local authority, being the town council of a large burgh, of housing accommodation in tenements on a central site;

the total annual expenditure likely to be incurred by the local authority in providing housing accommodation to which this section applies is substantially greater than the equivalent of the aggregate of the annual contributions payable by the Department under the foregoing provisions and the provisions of subsection (4) of this section and the corresponding annual contributions payable by the local authority under section five of this Act, the Department may, with the sanction of the Treasury, undertake to make, and make, in addition to the appropriate contribution aforesaid payment to the local authority for a period of forty years of an annual contribution of such amount not exceeding fifteen pounds in respect of each house provided by way of such housing accommodation in the re-development area, in the clearance area or on land adjoining or surrounded by the clearance area and acquired in connection therewith, or in tenements on the central site as the case may be, as seems to the Department just and reasonable;

(*b*) where the Department are satisfied that the total annual expenditure likely to be incurred by a local authority not being the town council of a large burgh in providing housing accommodation to which this section applies is substantially greater than the equivalent aforesaid in consequence of the remoteness of the sites of any houses in which such accommodation is provided from centres of supply of building labour and material, and the impracticability of obtaining for such houses higher rents than are ordinarily payable by persons employed in agriculture or fishing or by persons of the like economic condition, the Department may, with the sanction of the Treasury, undertake to make, and make, in addition to the appropriate contribution aforesaid payment to the local authority for a period of forty years of an annual contribution of such amount in respect of such of the houses so provided as seems to the Department just and reasonable.

(3) For the purposes of this section and of section five of this Act, a house of less than three apartments shall be deemed to be a house of three apartments, and a house of more than five apartments shall be deemed to be a house of five apartments.

(4) Where a local authority, in accordance with proposals approved by the Department, provide housing accommodation for single persons in a hostel completed after the thirty-first day of December nineteen hundred and thirty-eight, being housing accommodation to which this section applies, then, subject to the authority complying with such conditions, if any, as the Department may impose, each part of the hostel designed for separate occupation by such persons shall be deemed to be a new house in respect of which the Department must undertake to make, and make, an annual contribution under this section, so, however, that the amount of the annual contribution shall be the sum of five pounds ten shillings.

(5) This section shall apply to housing accommodation which—

(*a*) is rendered necessary—

(i) by displacements of persons occurring in connection with any action taken by a

local authority under Part I or Part II of the Act of 1930 for dealing with clearance or improvement areas or for the demolition or closing of insanitary houses or action taken under paragraph (*d*) of subsection (1) of section forty-three of the Act of 1925 ; or

(ii) by displacements occurring in the carrying out of re-development in accordance with a re-development plan; or

(*b*) is required for the purpose of putting an end to overcrowding in the district of the local authority.

(6) No contribution shall be payable under this section in respect of any house in respect of which a contribution is payable under section one of the Housing (Agricultural Population) (Scotland) Act, 1938.

1 & 2 Geo. 6. c. 38.

Exchequer contributions in respect of housing accommodation provided by an approved housing association.

2.—(1) Where a housing association to be approved for the purposes of this section by the Secretary of State (hereinafter referred to as " the approved association ") provide new houses which have been specially erected for experimental or demonstration purposes by way of housing accommodation for the working classes, being housing accommodation to which section one of this Act applies, then, if the housing accommodation is provided under arrangements made with a local authority under section twenty-six of the Act of 1935 and in accordance with proposals approved by the Department before the thirtieth day of September nineteen hundred and forty-two (or such later date not being later than the thirtieth day of September nineteen hundred and forty-three as the Department, with the approval of the Treasury, may by order determine) the Department may undertake to make, and make, in respect of each new house so provided, payment to the approved association for a period of forty years of an annual contribution of such amount as the Department may, with the approval of the Treasury, determine.

(2) A contribution under this section shall be payable in addition to any contribution payable under section twenty-six of the Act of 1935.

(3) For the purpose of assisting the provision by the approved association of such new houses as are referred to in subsection (1) of this section, the Department may make advances to the approved association of such

amounts, and repayable over such periods and on such terms as may be approved by the Treasury.

(4) The provisions of this section shall not apply in relation to any house which is provided in any area specified in Part II of the First Schedule to the Special Areas (Development and Improvement) Act, 1934, under arrangements made with a local authority whose district is, or includes, or forms part of an area so specified. 25 & 26 Geo. 5. c. 1.

Contributions to be paid out of Exchequer.

3. The sums required for the payment of any contribution which the Department are required or authorised to make by section one or section two of this Act shall be paid out of moneys provided by Parliament.

Amendment of Act of 1935.

4.—(1) Section thirty-three of the Act of 1935 (which relates to the review of Exchequer contributions) shall have effect subject to the following amendments, that is to say,—

(*a*) for subsection (1) there shall be substituted the following subsection:—

"(1) In the year nineteen hundred and forty-one, after the first day of October in that year, and in each third succeeding year, after the first day of October in that year, the Department shall take into consideration, in connection with contributions which they are required or authorised to make under each of the following sections, namely, section one of the Housing (Agricultural Population) (Scotland) Act, 1938, and section one of the Housing (Financial Provisions) (Scotland) Act, 1938, the amount of expenses likely to be incurred by local authorities in the period of three years from the first day of April then next following, in connection with operations relevant to the question whether or not contributions are payable under those sections, and also the amount of expenses already incurred in connection with such operations";

(*b*) in subsection (4) for the words "nineteen "hundred and thirty-seven, be the thirty-first "day of March, nineteen hundred and thirty-"eight" there shall be substituted the words

"nineteen hundred and forty-one be the "thirtieth day of September nineteen hundred "and forty-two"; and

(*c*) subsection (7) shall have effect as if at the beginning thereof there were inserted the words "Subject to the provisions of the Housing (Financial Provisions) (Scotland) Act, 1938";

(*d*) for subsection (8) there shall be substituted the following subsection:—

"(8) An order under this section altering the amount or duration of Exchequer contributions under section one of the Housing (Agricultural Population) (Scotland) Act, 1938, may make such consequential alterations of the sum or period mentioned in the equivalent specified in subsection (3) of the said section one as may appear to the Department necessary for the purpose of adjusting such sum or period to the alterations of the amount or duration of the said Exchequer contributions and to any consequential alterations of the amount or duration of the contributions to be made by a local authority."

(2) Subsection (3) of section forty-seven of the Act of 1935 (which relates to the conditions to be observed by local authorities) shall have effect as if after the words "section thirty of this Act" there were inserted the words "and section one of the Housing (Financial Provisions) (Scotland) Act, 1938".

(3) The Third Schedule to the Act of 1935 shall have effect as if—

(*a*) to Part I thereof, there were added the following words:—

"10. Section one of the Housing (Financial Provisions) (Scotland) Act, 1938"; and

(*b*) in Part III thereof, after paragraph 8A there were inserted the following paragraph:—

"8B. The contributions payable by the local authority under section five of the Housing (Financial Provisions) (Scotland) Act, 1938."

(4) Subsection (1) of section three of the Housing (Agricultural Population) (Scotland) Act, 1938, is hereby repealed.

Local authorities' contributions.

5.—(1) A local authority to whom the Department have, under section one of this Act, undertaken to make a contribution in respect of any house or any accommodation which is deemed for the purposes of the said section to be a house, shall make in respect thereof a contribution out of the appropriate rate in accordance with the provisions of this section.

(2) A contribution under this section shall be provided by equal annual instalments during a period of sixty years from the date of the completion of the house or accommodation, and shall be of such amount as to be equivalent, when so provided, to the appropriate sum (as hereinafter defined) provided annually for a period of forty years:

Provided that, where the local authority are of opinion that the contribution should be provided by annual instalments during a period of less than sixty years, the Department may, on the application of the local authority, direct that this subsection shall have effect in relation to the contribution as if there had been substituted therein for the reference to a period of sixty years a reference to such period, not being less than forty years, as the Department may think proper.

(3) For the purposes of this section, the appropriate sum shall be in respect of a house of three apartments four pounds ten shillings, in respect of a house of four apartments four pounds fifteen shillings, and in respect of a house of five apartments five pounds, together with in every case an additional sum equal to one-half of any additional contribution which the Department have undertaken to make under proviso (*a*) to subsection (2) of section one of this Act, and in respect of accommodation deemed to be a new house in respect of which the Department have undertaken to make a contribution under subsection (4) of the said section one, two pounds fifteen shillings:

Provided that, in respect of a house completed after the thirtieth day of September nineteen hundred and forty-two, the appropriate sum shall be—

(*a*) the appropriate sum as hereinbefore defined; or

(*b*) a sum equal to one-half of the Department's contribution including any such additional contribution as aforesaid;

whichever is the less.

Amendment of Act of 1935, s. 26.

6. Section twenty-six of the Act of 1935 (which relates to the power of local authorities to make arrangements with housing associations) shall have effect as if—

(*a*) in subsection (1) for paragraphs (*a*) to (*c*) there were substituted the following paragraph :—

"(*a*) provide any housing accommodation which the local authority are empowered under Part III of the Act of 1925 to provide"; and

(*b*) after subsection (5) there were inserted the following subsection :—

"(6) For the purposes of any enactment relating to valuation or rating the gross annual value of any dwelling-house which is owned by a housing association and which is subject to special conditions under the Housing (Financial Provisions) Act, 1924, or in respect of which a contribution out of moneys provided by Parliament is payable under the Act of 1930, this Act, the Housing (Agricultural Population) (Scotland) Act, 1938, or the Housing (Financial Provisions) (Scotland) Act, 1938, shall not exceed—

14 & 15 Geo. 5. c. 35.

(*a*) the rent (exclusive of occupier's rates) which would have been fixed in pursuance of subsection (5) of section forty-seven of this Act if the dwelling-house had been a dwelling-house, to which that section applied, owned by the local authority and occupied by a tenant to whom no rebate from rent had been granted; or

(*b*) the rent (exclusive of occupier's rates) charged in respect of the dwelling-house;

whichever is the greater."

Amendment of Act of 1935, s. 45.

7. The Act of 1935 shall have effect, and shall be deemed always to have had effect, as if for section forty-five thereof there were substituted the following section :—

"45. Contributions to be made by the Department to a local authority under any enactment in

the Housing (Scotland) Acts, 1919 to 1933, in this Act, in the Housing (Agricultural Population) (Scotland) Act, 1938, or in the Housing (Financial Provisions) (Scotland) Act, 1938, 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 Department may, with the approval of the Treasury, impose."

Supplementary provisions.

8.—(1) No contribution shall under the provisions of section twenty-three of the Act of 1930 or section thirty or section thirty-two of the Act of 1935 be payable by the Department in respect of any new house or any accommodation deemed to be a new house completed after the thirty-first day of December nineteen hundred and thirty-eight.

(2) Where by virtue of this section a contribution which the Department would otherwise be required or authorised by the Act of 1930 or the Act of 1935 to make is not payable, any duty or power of the Department to give an undertaking to make such a contribution shall cease.

Any such undertaking which has been given by the Department before the commencement of this Act shall, if and so far as it relates to a house in respect of which a contribution becomes payable by the Department under section one of this Act, be deemed for the purposes of the Act of 1930 and the Act of 1935 not to have been given; and the obligations to contribute which are imposed upon local authorities by section thirty-eight of the Act of 1935 shall be limited accordingly.

Interpretation.

9. In this Act—

(*a*) the expression "apartment" does not include any apartment not designed for use as a living-room or as a bedroom; and

(*b*) the expression "tenement" means a building which contains dwelling-houses and which consists of three or more storeys exclusive of any storey constructed for use for purposes other than those of a dwelling:

Provided that, for the purposes of this Act, a building shall, notwithstanding that it does not in all parts

exceed two storeys in height be deemed to be a building of three storeys, if the Department are satisfied that for architectural or other reasons it is desirable to confine the height of part of the building to two storeys.

Short title, citation, construction and extent.

10.—(1) This Act may be cited as the Housing (Financial Provisions) (Scotland) Act, 1938, and shall be construed as one with the Housing (Scotland) Acts, 1925 to 1938, and those Acts and this Act may be cited together as the Housing (Scotland) Acts, 1925 to 1938.

(2) Unless the context otherwise requires, references in this Act to any enactment shall be construed as references to that enactment as amended by any subsequent enactment, including this Act.

(3) This Act shall extend only to Scotland.

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