



Housing Grants, Construction and Regeneration Act 1996

1996 CHAPTER 53

PART IV

GRANTS &C. FOR REGENERATION, DEVELOPMENT AND RELOCATION

Financial assistance for regeneration and development

126 Power of Secretary of State to give financial assistance for regeneration and development

- (1) The Secretary of State may, with the consent of the Treasury, give financial assistance to any person in respect of expenditure incurred in connection with activities which contribute to the regeneration or development of an area.
- (2) Activities which contribute to the regeneration or development of an area include, in particular—
 - (a) securing that land and buildings are brought into effective use;
 - (b) contributing to, or encouraging, economic development;
 - (c) creating an attractive and safe environment;
 - (d) preventing crime or reducing the fear of crime;
 - (e) providing or improving housing or social and recreational facilities, for the purpose of encouraging people to live or work in the area or of benefiting people who live there;
 - (f) providing employment for local people;
 - (g) providing or improving training, educational facilities or health services for local people;
 - (h) assisting local people to make use of opportunities for education, training or employment;
 - (i) benefiting local people who have special needs because of disability or because of their sex or the racial group to which they belong.

Status: This is the original version (as it was originally enacted).

- (3) In subsection (2)—
- “local people”, in relation to an area, means people who live or work in the area; and
- “racial group” has the same meaning as in the Race Relations Act 1976.

127 Regeneration and development: forms of assistance

- (1) Financial assistance under section 126 (powers of Secretary of State to give financial assistance) may be given in any form.
- (2) Assistance may, in particular, be given by way of—
- (a) grants,
 - (b) loans,
 - (c) guarantees, or
 - (d) incurring expenditure for the benefit of the person assisted.
- (3) The Secretary of State must not, in giving financial assistance under section 126, purchase loan or share capital in a company.

128 Regeneration and development: terms on which assistance is given

- (1) Financial assistance under section 126 may be given on such terms as the Secretary of State, with the consent of the Treasury, considers appropriate.
- (2) The terms may, in particular, include provision as to—
- (a) circumstances in which the assistance is to be repaid, or otherwise made good, to the Secretary of State, and the manner in which that is to be done; or
 - (b) circumstances in which the Secretary of State is entitled to recover the proceeds or part of the proceeds of any disposal of land or buildings in respect of which assistance was provided.
- (3) The person receiving assistance must comply with the terms on which it is given, and compliance may be enforced by the Secretary of State.

129 Regeneration and development: consequential amendment

In section 175(2)(b) of the Leasehold Reform, Housing and Urban Development Act 1993, for the words from “sections 27 to 29” to the end, substitute “sections 126 to 128 of the Housing Grants, Construction and Regeneration Act 1996 (financial assistance for regeneration and development)”.

130 Regeneration and development: Welsh Development Agency

- (1) In the Welsh Development Agency Act 1975, after section 10 insert—

“10A Financial assistance for regeneration and development

- (1) The Secretary of State may appoint the Agency to act as his agent in connection with such of his functions mentioned in subsection (2) below as he may specify.
- (2) The functions are—

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- (a) functions under sections 126 to 128 of the Housing Grants, Construction and Regeneration Act 1996 (financial assistance for regeneration and development), so far as they relate to—
 - (i) financial assistance which the Agency has power to give apart from this section; or
 - (ii) financial assistance given under that Act in pursuance of an agreement entered into by the Secretary of State for Wales before the coming into force of this section, or
 - (b) functions of the Secretary of State in relation to financial assistance given by the Secretary of State for Wales under sections 27 to 29 of the Housing and Planning Act 1986.
- (3) An appointment under this section shall be on such terms as the Secretary of State, with the approval of the Treasury, may specify; and the Agency shall act under the appointment in accordance with those terms.
- (4) The Agency’s powers in relation to functions under an appointment under this section include the powers it has in relation to functions under subsection (3) of section 1 by virtue of subsections (6) and (7) of that section.”
- (2) In section 2(8) of that Act, after “declared that” insert “, except as provided by section 10A below,”.

Relocation grants in clearance areas

131 Resolution by local housing authority to pay relocation grants

- (1) Before deciding whether to declare an area to be a clearance area under section 289 of the Housing Act 1985, a local housing authority shall—
- (a) consider whether their resources are sufficient for the purpose of carrying into effect a resolution declaring the power to pay relocation grants to be exercisable as regards that area; and
 - (b) in deciding that question, have regard to such guidance as may from time to time be given by the Secretary of State.
- (2) Where a local housing authority decide that their resources are sufficient for that purpose, they shall—
- (a) consider whether to pass such a resolution; and
 - (b) notify every person on whom notice is required to be served under subsection (2B)(a) of section 289 of the Housing Act 1985 that they are so considering and invite him to make representations.
- (3) In deciding whether to pass such a resolution, a local housing authority shall—
- (a) have regard to such guidance as may from time to time be given by the Secretary of State; and
 - (b) take account of any representations made by persons notified under subsection (2)(b).
- (4) Where a local housing authority pass such a resolution, they shall transmit a copy of it to the Secretary of State at the same time as they transmit to him a copy of the resolution under section 289 of the Housing Act 1985.

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- (5) Subsections (2) to (4) of section 604A of the Housing Act 1985 (duty to consider guidance before taking enforcement action) shall apply in relation to guidance under subsection (1)(b) or (3)(a) as they apply in relation to guidance under subsection (1) of that section.

132 Relocation grants: applications and payments

- (1) Where a local housing authority have passed a resolution declaring the power to pay relocation grants to be exercisable as regards a clearance area, they may pay such grants for the purpose of enabling qualifying persons to acquire qualifying dwellings (see section 133).
- (2) No relocation grant shall be paid unless—
- (a) an application for it is made to the authority by a qualifying person in accordance with the provisions of this section and is approved by them;
 - (b) the application is accompanied by a certificate falling within subsection (5) in respect of the qualifying dwelling to which the application relates; and
 - (c) such other conditions (whether as to the dwelling or the interest to be acquired or otherwise) as may be prescribed are fulfilled,
- and regulations made under paragraph (c) may provide for particular questions arising under the regulations to be determined by the authority.
- (3) An application for a relocation grant shall be in writing and shall specify the qualifying dwelling to which it relates and contain such particulars as may be prescribed.
- (4) The Secretary of State may by regulations prescribe a form of application for a relocation grant and an application to which any such regulations apply shall not be validly made unless it is in the prescribed form.
- (5) A certificate under this subsection certifies—
- (a) that the applicant proposes to acquire an owner's interest in the qualifying dwelling to which the application relates; and
 - (b) that he, or a member of his family, intends to live in that dwelling as his (or that member's) only or main residence throughout the grant condition period.
- (6) A relocation grant shall be paid in such manner and at such time as the authority may determine having regard to the purpose for which it is paid.
- (7) Nothing in section 25 of the Local Government Act 1988 (consent required for provision of financial assistance) shall apply in relation to any exercise of the power to pay relocation grants.

133 Relocation grants: qualifying persons and qualifying dwellings

- (1) A person is a qualifying person for the purposes of section 132 (relocation grants: applications and payments) if—
- (a) an interest of his in a dwelling in the clearance area (“the original dwelling”) has been, or is to be, acquired by the local housing authority under section 290 of the Housing Act 1985 or section 154 of the Town and Country Planning Act 1990;
 - (b) that interest on the acquisition date was greater than a tenancy for a year or from year to year; and

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- (c) the original dwelling was his only or main residence both on the declaration date and throughout the period of 12 months ending with the acquisition date.
- (2) A dwelling is a qualifying dwelling for the purposes of section 132 if it is—
 - (a) in the clearance area; or
 - (b) in an area designated by the local housing authority as an area for the relocation of persons displaced by the clearance;
and any area so designated may be in or outside the authority's area.
- (3) In making a designation under subsection (2) a local housing authority shall have regard to such guidance as may from time to time be given by the Secretary of State.
- (4) Subsections (2) to (4) of section 604A of the Housing Act 1985 (duty to consider guidance before taking enforcement action) shall apply in relation to guidance under subsection (3) as they apply in relation to guidance under subsection (1) of that section.
- (5) Any reference in the preceding provisions of this section to the clearance area includes a reference to any land surrounded by or adjoining the clearance area which has been, or is to be, acquired by the local housing authority under section 290 of the Housing Act 1985 or section 154 of the Town and Country Planning Act 1990.
- (6) In this section—
 - “the acquisition date”, in relation to an acquisition under section 290 of the Housing Act 1985, means the date of—
 - (a) the notice to treat under section 5 of the Compulsory Purchase Act 1965;
 - (b) the general vesting declaration under section 4 of the Compulsory Purchase (Vesting Declarations) Act 1981; or
 - (c) the agreement between the local housing authority and the applicant,
in pursuance of which the interest in the original dwelling was, or is to be, acquired by the authority;
 - “the acquisition date”, in relation to an acquisition under section 154 of the Town and Country Planning Act 1990 (effect of valid blight notice), means the date mentioned in subsection (3) of that section;
 - “the declaration date” means the date on which the clearance area was declared by the authority.

134 Relocation grants: amount

- (1) Subject to subsections (2) to (4), the amount of any relocation grant shall be such amount as the local housing authority may determine.
- (2) The amount of any relocation grant shall not exceed such amount as may be prescribed.
- (3) The amount of any relocation grant shall not exceed the difference between—
 - (a) the cost of acquiring the qualifying dwelling to which the application relates;
and
 - (b) such part as may be prescribed of the amount which has been, or is to be, paid by the authority in respect of the acquisition of the applicant's interest in the original dwelling.
- (4) If the financial resources of the applicant exceed the applicable amount, the amount of any grant which may be paid shall, in accordance with regulations, be reduced from what it would otherwise have been.

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- (5) For the purposes of subsection (3), the cost of acquiring the qualifying dwelling shall be taken to be whichever of the following is the lesser amount, namely—
- (a) the actual cost (including reasonable incidental expenses) of acquiring the dwelling; and
 - (b) the amount which the authority considers to be the reasonable cost (including such expenses) of acquiring a comparable dwelling in the same area.
- (6) Provision may be made by regulations—
- (a) for the determination of the amount which is to be taken to be the financial resources of an applicant,
 - (b) for the determination of the applicable amount referred to in subsection (4), and
 - (c) as to circumstances in which the financial resources of an applicant are to be assumed (by reason of his receiving a prescribed benefit or otherwise) not to exceed the applicable amount.
- (7) Regulations may, in particular—
- (a) make provision for account to be taken of the income, assets, needs and outgoings not only of the applicant himself but also of his spouse, any person living with him or intending to live with him and any person on whom he is dependent or who is dependent on him;
 - (b) make provision for amounts specified in or determined under the regulations to be taken into account for particular purposes.
- (8) Regulations may apply, subject to such modifications as may be prescribed by the regulations, any other statutory means-testing regime as it has effect from time to time.
- (9) Regulations may make provision requiring any information or evidence needed for the determination of any matter under this section to be furnished by such person as may be prescribed.
- (10) In this section—
- “the original dwelling” has the same meaning as in section 133;
 - “regulations” means regulations made by the Secretary of State with the consent of the Treasury.

135 Relocation grants: condition for repayment on disposal

- (1) It is a condition of a relocation grant that, if an owner of the qualifying dwelling makes a relevant disposal (other than an exempt disposal) of the dwelling within the grant condition period, he shall repay to the local housing authority on demand the amount of the grant.
- (2) A condition under this section is binding on any person who is for the time being an owner of the qualifying dwelling.
- (3) Where the authority have the right to demand repayment of an amount as mentioned in subsection (1), they may—
- (a) if the case falls within subsection (4), or
 - (b) in any other case, with the consent of the Secretary of State, determine not to demand payment or to demand a lesser amount.

- (4) The cases referred to in subsection (3)(a) are where the authority are satisfied that the owner of the dwelling—
 - (a) is elderly or infirm and is making the disposal with the intention—
 - (i) of going to live in a hospital, hospice, sheltered housing, residential care home or similar institution as his only or main residence, or
 - (ii) of moving to somewhere where care will be provided by any person;
or
 - (b) is making the disposal with the intention of going to live with and care for an elderly or infirm member of his family or his partner's family.
- (5) The consent of the Secretary of State for the purposes of subsection (3)(b) may be given either generally or in relation to any one or more specified authorities or descriptions of authority or in relation to particular cases or descriptions of case.
- (6) A condition under this section shall cease to be in force with respect to a dwelling if there is a relevant disposal of the dwelling that is an exempt disposal, other than—
 - (a) a disposal within section 54(1)(a) (disposal to associates of person making disposal), or
 - (b) a disposal within section 54(1)(b) (vesting under will or on intestacy) to a person who resided with the deceased in the dwelling as his only or main residence throughout the period of twelve months ending with the date of the deceased's death.
- (7) Any disposal which—
 - (a) by virtue of section 53 (meaning of relevant disposal), is a relevant disposal; or
 - (b) by virtue of section 54 (meaning of exempt disposal), is an exempt disposal,
for the purposes of the provisions of Part I of this Act (relating to grant conditions) is also such a disposal for the purposes of this section.

136 Relocation grants: conditions as to owner-occupation

- (1) It is a condition of a relocation grant that throughout the grant condition period the qualifying dwelling is occupied in accordance with the intention stated in the certificate under section 132(5)(b).
- (2) It is also a condition of the grant that if at any time when that condition is in force the local housing authority serve notice on the owner of the qualifying dwelling requiring him to do so, he will within the period of 21 days beginning with the date on which the notice was served furnish to the authority a statement showing how that condition is being fulfilled.
- (3) A condition under this section is binding on any person who is for the time being an owner of the dwelling.
- (4) In the event of a breach of a condition under this section, the owner for the time being of the dwelling shall on demand repay to the local housing authority the amount of the grant, together with compound interest on that amount as from the beginning of the grant condition period, calculated at such reasonable rate as the authority may determine and with yearly rests.
- (5) The local housing authority may determine not to make such a demand or to demand a lesser amount.

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- (6) Subsections (6) and (7) of section 135 apply for the purposes of this section as they apply for the purposes of that section.

137 Relocation grants: cessation of conditions on repayment of grant, &c

- (1) If at any time while a condition under section 135 or 136 (a “grant condition”) remains in force with respect to a qualifying dwelling—
- (a) the owner of the dwelling to which the condition relates pays the amount of the grant to the local housing authority by whom the grant was made, or
 - (b) a mortgagee of the interest of the owner in that dwelling being a mortgagee entitled to exercise a power of sale, makes such a payment, or
 - (c) the local housing authority determine not to demand repayment on the breach of a grant condition, or
 - (d) the authority demand repayment in whole or in part on the breach of a grant condition and that demand is satisfied,
- the grant condition and any other grant conditions shall cease to be in force with respect to that dwelling.
- (2) An amount paid by a mortgagee under subsection (1)(b) shall be treated as part of the sums secured by the mortgage and may be discharged accordingly.

138 Relocation grants: liability to repay is a charge on dwelling

- (1) The liability that may arise under a condition under section 135, or under section 136(4), is a charge on the qualifying dwelling, taking effect as if it had been created by deed expressed to be by way of legal mortgage.
- (2) The charge has priority immediately after any legal charge securing an amount—
- (a) advanced to the applicant by an approved lending institution for the purpose of enabling him to acquire the dwelling, or
 - (b) further advanced to him by that institution;
- but the local housing authority may at any time by written notice served on an approved lending institution postpone the charge taking effect by virtue of this section to a legal charge securing an amount advanced or further advanced to the applicant by that institution.
- (3) A charge taking effect by virtue of this section is a land charge for the purposes of section 59 of the Land Registration Act 1925 notwithstanding subsection (5) of that section (exclusion of mortgages), and subsection (2) of that section applies accordingly with respect to its protection and realisation.
- (4) A condition under section 135 or 136 does not, by virtue of its binding any person who is for the time being an owner of the dwelling, bind a person exercising rights under a charge having priority over the charge taking effect by virtue of this section, or a person deriving title under him.
- (5) The approved lending institutions for the purposes of section 156 of the Housing Act 1985 (right to buy: liability to repay discount is a charge on premises) are also approved lending institutions for the purposes of this section.

139 Relocation grants: contributions by the Secretary of State

- (1) The Secretary of State may pay contributions to local housing authorities towards such expenditure incurred by them under section 132 (payment of relocation grants) as he may determine.
- (2) The rate or rates of the contributions, the calculation of the expenditure to which they relate and the manner of their payment shall be such as may be determined by the Secretary of State.
- (3) Any determination under subsection (1) or (2) may be made generally, or with respect to a particular local housing authority or description of authority, including a description framed by reference to authorities in a particular area.
- (4) Contributions under this section shall be payable subject to such conditions as to repayment, and such conditions as to records, certificates, audit or otherwise, as the Secretary of State may impose.

140 Minor definitions relating to relocation grants

- (1) In sections 131 to 139 (provisions as to relocation grants)—
 - “dwelling” means a building or part of a building occupied or intended to be occupied as a separate dwelling, together with any yard, garden, outhouses and appurtenances belonging to it or usually enjoyed with it;
 - “grant condition period” means the period of five years, or such other period as the Secretary of State may by order specify, beginning with the date of the acquisition of the owner’s interest in the qualifying dwelling;
 - “local housing authority” has the same meaning as in the Housing Act 1985;
 - “owner”, in relation to a dwelling, means the person who—
 - (a) is for the time being entitled to receive from a lessee of the dwelling (or would be so entitled if the dwelling were let) a rent of not less than two-thirds of the net annual value of the dwelling; and
 - (b) is not himself liable as lessee of the dwelling, or of property which includes the dwelling, to pay such a rent to a superior landlord;
 - “owner’s interest”, in relation to any premises, means—
 - (a) an estate in fee simple absolute in possession, or
 - (b) a term of years absolute of which not less than five years remain unexpired at the date of the application,whether held by the applicant alone or jointly with others;
 - “prescribed” means prescribed by regulations made by the Secretary of State;
 - “qualifying dwelling” has the meaning given by section 133(2);
 - “qualifying person” has the meaning given by section 133(1);
 - “relocation grant” means a grant under section 132.
- (2) For the purposes of the definition of “owner” in subsection (1), the net annual value of a dwelling means the rent at which the dwelling might reasonably be expected to be let from year to year if the tenant undertook to pay all usual tenant’s rates and taxes and to bear the cost of repair and insurance and the other expenses, if any, necessary to maintain the dwelling in a state to command that rent.

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- (3) Any dispute arising as to the net annual value of a dwelling shall be referred in writing for decision by the district valuer.

In this subsection “district valuer” has the same meaning as in the Housing Act 1985.

- (4) Section 113 of the Housing Act 1985 (meaning of “members of a person’s family”) applies in determining whether a person is a member of another’s family for the purposes of sections 132 and 135.