

HOUSING AND REGENERATION ACT 2008

EXPLANATORY NOTES

STRUCTURE OF THE ACT

Part 1 - the Homes and Communities Agency

Chapter 3 - Financial provision

Powers to give financial assistance

Section 19 - Financial assistance

42. This section provides a power for the HCA to give financial assistance to any person, in pursuit of its objects and subject to the consent of the Secretary of State. The financial assistance may be given in any form, and on such terms and conditions as the HCA considers appropriate, including provision for repayment, with or without interest.
43. *Subsection (5)* extends the HCA's objects for the purposes of financial assistance functions which are transferred to it from the Housing Corporation, or which would supersede existing Housing Corporation functions, provided that when exercising those functions the HCA is doing so in a way corresponding to the way in which the Housing Corporation could have done so.

Borrowing powers of the HCA

Section 20 - Powers to borrow

44. This section enables the HCA to borrow on a short-term basis, such as by overdraft, from any person. If the borrowing is not on a short-term basis the HCA may borrow only from the Secretary of State or the European Investment Bank. The HCA may only borrow in sterling.

Section 21 - Loans by the Secretary of State

45. The Secretary of State may lend money to the HCA.
46. The Secretary of State may impose such terms and conditions as she considers appropriate, including regarding repayment with or without interest.

Section 22 - Guarantees by the Secretary of State

47. If the HCA takes out a loan with anyone other than the Secretary of State under section 20, the Secretary of State may guarantee the repayment of this loan, including any interest payable on it.
48. The guarantee may be subject to such terms and conditions as the Secretary of State may consider appropriate. In respect of any sums paid out under the guarantee, the Secretary of State may direct the HCA to repay such amounts as the Secretary of State may direct

towards repayment of those sums and towards interest, at such rates of interest as the Secretary of State may direct.

49. The Secretary of State must lay a statement of the guarantee before Parliament immediately after giving the guarantee annually until all liability under the guarantee is discharged.

Section 23 - Financial limits

50. The HCA's total borrowings, which include those of any subsidiary (other than sums borrowed from the HCA) must not exceed £2,300 million unless the Secretary of State provides for an increase to this limit by order, up to a maximum ceiling of £3,000 million. These limits are the same as for the Housing Corporation.

Other

Section 24 - Power to charge for certain activities

51. The HCA can charge a reasonable amount for information services, advice, education and training, and support services. The intention is to limit the amount that may be charged so that it does not exceed the costs incurred in providing the services.

Section 25 - Directions as to surplus funds

52. If the Secretary of State considers that the HCA or any of its subsidiaries has surplus capital, either on capital or revenue account, the Secretary of State may (following consultation with the HCA) direct it to pay such sums as specified (not exceeding the amount of surplus) to the Secretary of State.
53. The Secretary of State may decide to treat the whole or part of any payment as part repayment of the principal of any loans borrowed from the Secretary of State under Section 21.

Section 26 - Duty to act as agent in respect of regeneration and development

54. The HCA may be appointed to act as agent for the Secretary of State for the purpose of giving financial assistance to regeneration and development activities, under sections 126 to 128 of the Housing Grants, Construction and Regeneration Act 1996. If so appointed, the HCA will be bound to act in accordance with the terms and conditions of the appointment, as set out by the Secretary of State.

Section 27 - Duty to act as agent in respect of derelict land etc.

55. The HCA may be appointed to act as the Secretary of State's agent in connection with specified derelict land functions. This may include providing grant for reclaiming, improving or bringing such land back into use. The Secretary of State may specify the terms and conditions of this appointment and the HCA must act in accordance with those terms and conditions.