

Council Housing (Local Financing Pathfinders) Bill

CONTENTS

- 1 Council housing (local financing pathfinders)
- 2 Financial provisions
- 3 Short title, commencement and extent

Schedule – Housing Finance

A

B I L L

TO

Require the Secretary of State to begin negotiations with certain local authorities with a view to those local authorities leaving the current national housing subsidy system and becoming Council Housing (Local Financing Pathfinders) by April 2011; and for connected purposes.

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:—

1 Council housing (local financing pathfinders)

- (1) The Secretary of State must by regulations made by statutory instrument provide for the Schedule to be implemented in no more than three local authorities by 30 April 2011.
- (2) The regulations must set out the criteria on which the Secretary of State has selected the local authorities in which the Schedule will be implemented. 5
- (3) The local authorities selected by the Secretary of State are to be known as local financing pathfinders.
- (4) Agreements under section 80B of the Local Government and Housing Act 1989 to give effect to the regulations must be concluded not later than 30 April 2011. 10
- (5) Regulations made under this section must be laid before Parliament not later than 17 February 2011 and are subject to annulment in pursuance of a resolution of either House of Parliament.

2 Financial provisions

- There is to be paid out of money provided by Parliament –* 15
- (a) *any expenditure incurred under or by virtue of this Act by the Secretary of State, and*
 - (b) *any increase attributable to this Act in the sums payable under any other Act out of money so provided.*

3 Short title, commencement and extent

- (1) This Act may be cited as the Council Housing (Local Financing Pathfinders) Act 2011.
- (2) This Act comes into force on the day on which it is passed.
- (3) This Act extends to England and Wales only.

SCHEDULE

Section 1

HOUSING FINANCE

Settlement payments

- 1 *The Secretary of State may make a determination providing for the calculation of the amount of a payment (referred to in this Schedule as a “settlement payment”) in relation to each local housing authority in England that keeps a Housing Revenue Account.* 5
- 2 *A determination may, in particular, provide for all or part of the amount to be calculated in accordance with a formula or formulae.*
- 3 *In determining a formula for this purpose, the Secretary of State may, in particular, include variables framed by reference to –* 10
 - (a) *the amounts (if any) that, during such period and on such assumptions as the Secretary of State may determine, are to be treated as amounts that will be received by the local housing authority in connection with the exercise of its functions relating to houses and other property within its Housing Revenue Account,* 15
 - (b) *the amounts (if any) that, during such period and on such assumptions as the Secretary of State may determine, are to be treated as amounts that will be paid by the authority in connection with the exercise of those functions, and* 20
 - (c) *the amount (if any) that, at such time and on such assumptions as the Secretary of State may determine, is to be treated as the amount of debt held by the authority in connection with the exercise of those functions.*
- 4 *A determination may provide for an assumption to be made about an amount whether or not the assumption is, or is likely to be, borne out by events.* 25
- 5 *A determination may provide that the effect of the calculation in relation to a local housing authority is that –*
 - (a) *a settlement payment must be made by the Secretary of State to the local housing authority,*
 - (b) *a settlement payment must be made by the local housing authority to the Secretary of State, or* 30
 - (c) *the amount of a settlement payment in relation to that authority is nil.*

Further payments

- 6 *Paragraphs 7 to 9 apply if a settlement payment has been made in respect of a local housing authority.* 35
- 7 *The Secretary of State may from time to time make a determination that a further payment calculated in accordance with the determination must be made –*
 - (a) *by the Secretary of State to the local housing authority, or*
 - (b) *by the local housing authority to the Secretary of State.*

- 8 *The Secretary of State may make a determination under paragraph 7 only if there has been a change in any matter that was taken into account in making –*
- (a) *the determination relating to the settlement payment or a calculation under that determination, or*
 - (b) *a previous determination under paragraph 7 relating to the local housing authority or a calculation under that determination.* 5
- 9 *A determination under paragraphs 6 to 8 may be varied or revoked by a subsequent determination.*

Further provisions about payments

- 10 A payment under this Schedule must be made in such instalments, at such times and in accordance with such arrangements as the Secretary of State may determine. 10
- 11 Arrangements under paragraph 10 may include arrangements for payments to be made –
- (a) by a person or body other than the Secretary of State to a local housing authority, or 15
 - (b) to a person or body other than the Secretary of State by a local housing authority.
- 12 A payment under this Schedule by a local housing authority must be accompanied by such information as the Secretary of State may require. 20
- 13 The Secretary of State may charge a local housing authority interest, at such rates and for such periods as the Secretary of State may determine, on any sum payable by the local housing authority under this Schedule that is not paid by a time determined under this section for its payment.
- 14 The Secretary of State may charge a local housing authority an amount equal to any additional costs incurred by the Secretary of State as a result of any sum payable by the local housing authority under this Schedule not being paid by a time determined under this section for its payment. 25
- 15 A payment under this Schedule other than a payment under paragraphs 13 or 14 – 30
- (a) if made by a local housing authority, is to be treated by the authority as capital expenditure for the purposes of Chapter 1 of Part 1 of the Local Government Act 2003;
 - (b) if made to a local housing authority, is to be treated by the authority as a capital receipt for the purposes of that Chapter. 35
- 16 A determination under this Schedule may require a payment to a local housing authority made under this Schedule to be used by the authority for a purpose specified in the determination.
- 17 A local housing authority to which such a requirement applies must comply with it. 40
- 18 In Schedule 4 to the Local Government and Housing Act 1989 (the keeping of the housing revenue account) in Part 2 (debits to the account) after item 5

insert –

“Item 5A: sums payable under section 143 of the Localism Act 2011

Sums payable for the year to the Secretary of State under section 143(4) or (5) of the Localism Act 2011 (interest etc charged as a result of late payment of settlement payments etc).”

5

Limits on indebtedness

- 19 The Secretary of State may from time to time make a determination providing for the calculation in relation to each local housing authority in England that keeps a Housing Revenue Account of –
- (a) the amount of housing debt that, at such time and on such assumptions as the Secretary of State may determine, is to be treated as held by the authority, and 10
- (b) the maximum amount of such housing debt that the authority may hold.
- 20 A determination under paragraph 19 may, in particular, provide for all or part of an amount to be calculated in accordance with a formula or formulae. 15
- 21 A determination under paragraphs 19 and 20 may provide for assumptions to be made in making a calculation whether or not those assumption are, or are likely to be, borne out by events.
- 22 A determination under paragraphs 19 to 21 may be varied or revoked by a subsequent determination. 20
- 23 A local housing authority may not hold debt in contravention of a determination under paragraphs 19 to 22.
- 24 In paragraphs 19 to 23, “housing debt”, in relation to a local housing authority, means debt – 25
- (a) which is held by the authority in connection with the exercise of its functions relating to houses and other property within its Housing Revenue Account, and
- (b) interest and other charges in respect of which are required to be carried to the debit of that account. 30

Power to obtain information

- 25 A local housing authority in England must supply the Secretary of State with such information as the Secretary of State may specify for the purposes of enabling the Secretary of State to exercise functions under this Schedule.
- 26 The Secretary of State may exercise the powers under paragraph 25 either generally or in relation to a particular case. 35
- 27 If a local housing authority fails to comply with paragraphs 25 and 26 before the end of such period as the Secretary of State may specify, the Secretary of State may exercise functions under this Schedule on the basis of such assumptions and estimates as the Secretary of State thinks fit. 40

Determinations under this Schedule

- 28 A determination under this Schedule may make different provision for different cases or descriptions of case, including different provision –
- (a) for different areas,
 - (b) for different local housing authorities, or
 - (c) for different descriptions of local housing authority.
- 29 Before making a determination under this Schedule that relates to all local housing authorities or a description of local housing authority, the Secretary of State must consult such representatives of local government and relevant professional bodies as the Secretary of State thinks appropriate.
- 30 Before making a determination under this Schedule relating to a particular local housing authority, the Secretary of State must consult that local housing authority.
- 31 As soon as practicable after making a determination under this Schedule, the Secretary of State must send a copy of the determination to the local housing authority or authorities to which it relates.
- 32 Section 87(4) to (7) (electronic communications) of the Local Government and Housing Act 1989 applies to a determination under this Schedule as it applies to a determination under Part 6 of that Act.

Interpretation

- 33 In this Schedule “local housing authority” has the same meaning as in the Housing Act 1985.

Council Housing (Local Financing Pathfinders) Bill

A

B I L L

To require the Secretary of State to begin negotiations with certain local authorities with a view to those local authorities leaving the current national housing subsidy system and becoming Council Housing (Local Financing Pathfinders) by April 2011; and for connected purposes.

*Ordered to be brought in by Sarah Newton,
George Eustice, Sheryll Murray, Andrew George,
Dan Rogerson, Stephen Gilbert, Jane Ellison,
Ann Coffey and Mr David Nuttall.*

*Ordered, by The House of Commons,
to be Printed, 8 December 2010.*

© Parliamentary copyright House of Commons 2011
*Applications for reproduction should be made in writing to the Information Policy Team,
Office of Public Sector Information, Kew, Richmond, Surrey TW9 4DU*

PUBLISHED BY AUTHORITY OF THE HOUSE OF COMMONS
LONDON – THE STATIONERY OFFICE LIMITED
Printed in the United Kingdom by
The Stationery Office Limited
£x.xx