Leasehold Reform, Housing and Urban Development Act 1993

1993 CHAPTER 28

PART II

PUBLIC SECTOR HOUSING

CHAPTER I

ENGLAND AND WALES

Right to buy

104 Landlord's notice of purchase price and other matters.

For subsection (5) of section 125 (landlord's notice of purchase price and other matters) of the [M1]Housing Act 1985 (in this Chapter referred to as "the 1985 Act") there shall be substituted the following subsection—

"(5) The notice shall also inform the tenant of—

(a) the effect of sections 125D and 125E(1) and (4) (tenant's notice of intention, landlord's notice in default and effect of failure to comply),

(b) his right under section 128 to have the value of the dwelling-house at the relevant time determined or re-determined by the district valuer,

(c) the effect of section 136(2) (change of tenant after service of notice under section 125),

(d) the effect of sections 140 and 141(1), (2) and (4) (landlord's notices to complete and effect of failure to comply),

(e) the effect of the provisions of this Part relating to the right to acquire on rent to mortgage terms, and

(f) the relevant amount and multipliers for the time being declared by the Secretary of State for the purposes of section 143B."

Commencement Information

I1 S. 104 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

Marginal Citations

M1 1985 c. 68.

105 Tenant's notice of intention etc.

(1) After section 125C of the 1985 Act there shall be inserted the following sections—

"**125D Tenant's notice of intention.**

(1) Where a notice under section 125 has been served on a secure tenant, he shall within the period specified in subsection (2) either—

(a) serve a written notice on the landlord stating either that he intends to pursue his claim to exercise the right to buy or that he withdraws that claim, or

(b) serve a notice under section 144 claiming to exercise the right to acquire on rent to mortgage terms.

(2) The period for serving a notice under subsection (1) is the period of twelve weeks beginning with whichever of the following is the later—

(a) the service of the notice under section 125, and

(b) where the tenant exercises his right to have the value of the dwelling-house determined or re-determined by the district valuer, the service of the notice under section 128(5) stating the effect of the determination or re-determination.

125E Landlord's notice in default.

(1) The landlord may, at any time after the end of the period specified in section 125D(2) or, as the case may require, section 136(2), serve on the tenant a written notice—

(a) requiring him, if he has failed to serve the notice required by section 125D(1), to serve that notice within 28 days, and

(b) informing him of the effect of this subsection and subsection (4).

(2) At any time before the end of the period mentioned in subsection (1)(a) (or that period as previously extended) the landlord may by written notice served on the tenant extend it (or further extend it).

(3) If at any time before the end of that period (or that period as extended under subsection (2)) the circumstances are such that it would not be reasonable to expect the tenant to comply with a notice under this section, that period (or that period as so extended) shall by virtue of this subsection be extended (or

further extended) until 28 days after the time when those circumstances no longer obtain.

(4) If the tenant does not comply with a notice under this section, the notice claiming to exercise the right to buy shall be deemed to be withdrawn at the end of that period (or, as the case may require, that period as extended under subsection (2) or (3)).”

(2) For subsections (2) to (5) of section 136 of the 1985 Act (change of tenant after notice claiming to exercise the right to buy) there shall be substituted the following subsection—

“(2) If a notice under section 125 (landlord’s notice of purchase price and other matters) has been served on the former tenant, then, whether or not the former tenant has served a notice under subsection (1) of section 125D (tenant’s notice of intention), the new tenant shall serve a notice under that subsection within the period of twelve weeks beginning with whichever of the following is the later—

(a) his becoming the secure tenant, and

(b) where the right to have the value of the dwelling-house determined or re-determined by the district valuer is or has been exercised by him or the former tenant, the service of the notice under section 128(5) stating the effect of the determination or re-determination.”

Commencement Information

I2 S. 105 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

106 Exceptions to the right to buy.

(1) In paragraph 10(1) (groups of dwelling-houses for persons of pensionable age) of Schedule 5 to the 1985 Act (exceptions to the right to buy)—

(a) for the words “persons of pensionable age”, in the first place where they occur, there shall be substituted the words “ elderly persons ”; and

(b) for those words, in the second place where they occur, there shall be substituted the words “ persons aged 60 or more ”.

(2) For paragraph 11 (individual dwelling-houses for persons of pensionable age) of that Schedule there shall be substituted the following paragraph—

“11 (1) The right to buy does not arise if the dwelling-house—

(a) is particularly suitable, having regard to its location, size, design, heating system and other features, for occupation by elderly persons, and

(b) was let to the tenant or a predecessor in title of his for occupation by a person who was aged 60 or more (whether the tenant or predecessor or another person).

(2) In determining whether a dwelling is particularly suitable, no regard shall be had to the presence of any feature provided by the tenant or a predecessor in title of his.

(3) Notwithstanding anything in section 181 (jurisdiction of county court), any question arising under this paragraph shall be determined as follows.

(4) If an application for the purpose is made by the tenant to the Secretary of State before the end of the period of 56 days beginning with the service of the landlord's notice under section 124, the question shall be determined by the Secretary of State.

(5) If no such application is so made, the question shall be deemed to have been determined in favour of the landlord.

(6) This paragraph does not apply unless the dwelling-house concerned was first let before 1st January 1990."

(3) Subsections (1) and (2) do not apply in any case where the tenant's notice claiming to exercise the right to buy was served before the day on which this section comes into force.

(4) For the purposes of subsection (3), no account shall be taken of any steps taken under section 177 of the 1985 Act (amendment or withdrawal and re-service of notice to correct mistakes).

Commencement Information

I3 S. 106 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

Abolition of certain ancillary rights

107 Abolition of right to a mortgage, right to defer completion and right to be granted a shared ownership lease.

The following rights ancillary to the right to buy are hereby abolished, namely—

(a) the right to a mortgage conferred by sections 132 to 135 of the 1985 Act;

(b) the right to defer completion conferred by section 142 of that Act; and

(c) the right to be granted a shared ownership lease conferred by sections 143 to 151 of that Act.

Commencement Information

I4 S. 107 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

Right to acquire on rent to mortgage terms

108 Right to acquire on rent to mortgage terms.

For section 143 of the 1985 Act there shall be substituted the following sections—

" Right to acquire on rent to mortgage terms

143 Right to acquire on rent to mortgage terms.

(1) Subject to subsection (2) and sections 143A and 143B, where—

(a) a secure tenant has claimed to exercise the right to buy, and

(b) his right to buy has been established and his notice claiming to exercise it remains in force,

he also has the right to acquire on rent to mortgage terms in accordance with the following provisions of this Part.

(2) The right to acquire on rent to mortgage terms cannot be exercised if the exercise of the right to buy is precluded by section 121 (circumstances in which right to buy cannot be exercised).

(3) Where the right to buy belongs to two or more persons jointly, the right to acquire on rent to mortgage terms also belongs to them jointly.

143A Right excluded by entitlement to housing benefit.

(1) The right to acquire on rent to mortgage terms cannot be exercised if—

(a) it has been determined that the tenant is or was entitled to housing benefit in respect of any part of the relevant period, or

(b) a claim for housing benefit in respect of any part of that period has been made (or is treated as having been made) by or on behalf of the tenant and has not been determined or withdrawn.

(2) In this section "the relevant period" means the period—

(a) beginning twelve months before the day on which the tenant claims to exercise the right to acquire on rent to mortgage terms, and

(b) ending with the day on which the conveyance or grant is executed in pursuance of that right.

143B Right excluded if minimum initial payment exceeds maximum initial payment.

(1) The right to acquire on rent to mortgage terms cannot be exercised if the minimum initial payment in respect of the dwelling-house exceeds the maximum initial payment in respect of it.

(2) The maximum initial payment in respect of a dwelling-house is 80 per cent. of the price which would be payable if the tenant were exercising the right to buy.

(3) Where, in the case of a dwelling-house which is a house, the weekly rent at the relevant time did not exceed the relevant amount, the minimum initial payment shall be determined by the formula—

$$P = R \text{ x } M$$

where—

P = the minimum initial payment;

R = the amount of the weekly rent at the relevant time;

M = the multiplier which at that time was for the time being declared by the Secretary of State for the purposes of this subsection.

(4) Where, in the case of a dwelling-house which is a house, the weekly rent at the relevant time exceeded the relevant amount, the minimum initial payment shall be determined by the formula—

$$P = Q + (E \text{ x } M)$$

where—

P = the minimum initial payment;

Q = the qualifying maximum for the year of assessment which included the relevant time;

E = the amount by which the weekly rent at that time exceeded the relevant amount;

M = the multiplier which at that time was for the time being declared by the Secretary of State for the purposes of this subsection.

(5) The minimum initial payment in respect of a dwelling-house which is a flat is 80 per cent. of the amount which would be the minimum initial payment in respect of the dwelling-house if it were a house.

(6) The relevant amount and multipliers for the time being declared for the purposes of this section shall be such that, in the case of a dwelling-house which is a house, they will produce a minimum initial payment equal to the capital sum which, in the opinion of the Secretary of State, could be raised on a 25 year repayment mortgage in the case of which the net amount of the monthly mortgage payments was equal to the rent at the relevant time calculated on a monthly basis.

(7) For the purposes of subsection (6) the Secretary of State shall assume—

(a) that the interest rate applicable throughout the 25 year term were the standard national rate for the time being declared by the Secretary of State under paragraph 2 of Schedule 16 (local authority mortgage interest rates); and

(b) that the monthly mortgage payments represented payments of capital and interest only.

(8) In this section—

"net amount", in relation to monthly mortgage payments, means the amount of such payments after deduction of tax under section 369

of the [M2]Income and Corporation Taxes Act 1988 (mortgage interest payable under deduction of tax);

"qualifying maximum" means the qualifying maximum defined in section 367(5) of that Act (limit on relief for interest on certain loans);

"relevant amount" means the amount which at the relevant time was for the time being declared by the Secretary of State for the purposes of this section;

"relevant time" means the time of the service of the landlord's notice under section 146 (landlord's notice admitting or denying right);

"rent" means rent payable under the secure tenancy, but excluding any element which is expressed to be payable for services, repairs, maintenance or insurance or the landlord's costs of management."

Commencement Information

I5 S. 108 wholly in force; s. 108 not in force at Royal Assent see s. 188(2); s. 108 in force for certain purposes at 2.9.1993 by S.I. 1993/2134, **art. 3**; s. 108 in force at 11.10.1993 in so far as it was not in force, (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) by S.I. 1993/2134, **art. 4(b)**

Marginal Citations

M2 1988 c. 1.

109 Tenant's notice claiming right.

For sections 144 and 145 of the 1985 Act there shall be substituted the following section—

"**144 Tenant's notice claiming right.**

(1) A secure tenant claims to exercise the right to acquire on rent to mortgage terms by written notice to that effect served on the landlord.

(2) The notice may be withdrawn at any time by notice in writing served on the landlord.

(3) On the service of a notice under this section, any notice served by the landlord under section 140 or 141 (landlord's notices to complete purchase in pursuance of right to buy) shall be deemed to have been withdrawn; and no such notice may be served by the landlord whilst a notice under this section remains in force.

(4) Where a notice under this section is withdrawn, the tenant may complete the transaction in accordance with the provisions of this Part relating to the right to buy."

Commencement Information

I6 S. 109 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

110 Landlord's notice admitting or denying right.

For section 146 of the 1985 Act there shall be substituted the following section—

"**146 Landlord's notice admitting or denying right.**

(1) Where a notice under section 144 (notice claiming to exercise the right to acquire on rent to mortgage terms) has been served by the tenant, the landlord shall, unless the notice is withdrawn, serve on the tenant as soon as practicable a written notice either—

(a) admitting the tenant's right and informing him of the matters mentioned in subsection (2), or

(b) denying it and stating the reasons why, in the opinion of the landlord, the tenant does not have the right to acquire on rent to mortgage terms.

(2) The matters are—

(a) the relevant amount and multipliers for the time being declared by the Secretary of State for the purposes of section 143B;

(b) the amount of the minimum initial payment;

(c) the proportion which that amount bears to the price which would be payable if the tenant exercised the right to buy;

(d) the landlord's share on the assumption that the tenant makes the minimum initial payment;

(e) the amount of the initial discount on that assumption; and

(f) the provisions which, in the landlord's opinion, should be contained in the conveyance or grant and the mortgage required by section 151B (mortgage for securing redemption of landlord's share)."

Commencement Information

I7 S. 110 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

111 Tenant's notice of intention etc.

After section 146 of the 1985 Act there shall be inserted the following sections—

"**146A Tenant's notice of intention.**

(1) Where a notice under section 146 has been served on a secure tenant, he shall within the period specified in subsection (2) serve a written notice on the landlord stating either—

(a) that he intends to pursue his claim to exercise the right to acquire on rent to mortgage terms and the amount of the initial payment which he proposes to make, or

(b) that he withdraws that claim and intends to pursue his claim to exercise the right to buy, or

(c) that he withdraws both of those claims.

(2) The period for serving a notice under subsection (1) is the period of twelve weeks beginning with the service of the notice under section 146.

(3) The amount stated in a notice under subsection (1)(a)—

(a) shall not be less than the minimum initial payment and not more than the maximum initial payment, and

(b) may be varied at any time by notice in writing served on the landlord.

146B Landlord's notice in default.

(1) The landlord may, at any time after the end of the period specified in section 146A(2), serve on the tenant a written notice—

(a) requiring him, if he has failed to serve the notice required by section 146A(1), to serve that notice within 28 days, and

(b) informing him of the effect of this subsection and subsection (4).

(2) At any time before the end of the period mentioned in subsection (1)(a) (or that period as previously extended) the landlord may by written notice served on the tenant extend it (or further extend it).

(3) If at any time before the end of that period (or that period as extended under subsection (2)) the circumstances are such that it would not be reasonable to expect the tenant to comply with a notice under this section, that period (or that period as so extended) shall by virtue of this subsection be extended (or further extended) until 28 days after the time when those circumstances no longer obtain.

(4) If the tenant does not comply with a notice under this section the notice claiming to exercise the right to acquire on rent to mortgage terms shall be deemed to be withdrawn at the end of that period (or, as the case may require, that period as extended under subsection (2) or (3)).”

Commencement Information

I8 S. 111 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

112 Notice of landlord's share and initial discount.

For section 147 of the 1985 Act there shall be substituted the following section—

“**147 Notice of landlord's share and initial discount.**

(1) Where a secure tenant has served—

(a) a notice under section 146A(1)(a) stating that he intends to pursue his claim to exercise the right to acquire on rent to mortgage terms, and the amount of the initial payment which he proposes to make, or

(b) a notice under section 146A(3)(b) varying the amount stated in a notice under section 146A(1)(a),

the landlord shall, as soon as practicable, serve on the tenant a written notice complying with this section.

(2) The notice shall state—

(a) the landlord's share on the assumption that the amount of the tenant's initial payment is that stated in the notice under section 146A(1)(a) or, as the case may be, section 146A(3)(b), and

(b) the amount of the initial discount on that assumption,

determined in each case in accordance with section 148."

Commencement Information

I9 S. 112 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

113 Determination of landlord's share, initial discount etc.

For section 148 of the 1985 Act there shall be substituted the following section—

"**148 Determination of landlord's share, initial discount etc.**

The landlord's share shall be determined by the formula—

the amount of the initial discount shall be determined by the formula—

and the amount of any previous discount which will be recovered by virtue of the transaction shall be determined by the formula—

S = the landlord's share expressed as a percentage;

P = the price which would be payable if the tenant were exercising the right to buy;

IP = the amount of the tenant's initial payment (but disregarding any reduction in pursuance of section 153B(3));

ID = the amount of the initial discount;

D = the amount of the discount which would be applicable if the tenant were exercising the right to buy;

RD = the amount of any previous discount which will be recovered by virtue of the transaction;

PD = the amount of any previous discount which would be recovered if the tenant were exercising the right to buy."

Commencement Information

I10 S. 113 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

114 Change of landlord after notice claiming right.

For section 149 of the 1985 Act there shall be substituted the following section—

"**149 Change of landlord after notice claiming right.**

(1) Where the interest of the landlord in the dwelling-house passes from the landlord to another body after a secure tenant has given a notice claiming to exercise the right to acquire on rent to mortgage terms, all parties shall subject to subsection (2) be in the same position as if the other body—

(a) had become the landlord before the notice was given, and

(b) had been given that notice and any further notice given by the tenant to the landlord, and

(c) had taken all steps which the landlord had taken.

(2) If the circumstances after the disposal differ in any material respect, as for example where—

(a) the interest of the disponee in the dwelling-house after the disposal differs from that of the disponor before the disposal, or

(b) any of the provisions of Schedule 5 (exceptions to the right to buy) becomes or ceases to be applicable,

all those concerned shall, as soon as practicable after the disposal, take all such steps (whether by way of amending or withdrawing and re-serving any notice or extending any period or otherwise) as may be requisite for the purpose of securing that all parties are, as nearly as may be, in the same position as they would have been if those circumstances had obtained before the disposal."

Commencement Information

I11 S. 114 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

115 Duty of landlord to convey freehold or grant lease.

For section 150 of the 1985 Act there shall be substituted the following section—

"**150 Duty of landlord to convey freehold or grant lease.**

(1) Where a secure tenant has claimed to exercise the right to acquire on rent to mortgage terms and that right has been established, then, as soon as all matters relating to the grant and to securing the redemption of the landlord's share have been agreed or determined, the landlord shall make to the tenant—

(a) if the dwelling-house is a house and the landlord owns the freehold, a grant of the dwelling-house for an estate in fee simple absolute, or

(b) if the landlord does not own the freehold or if the dwelling-house is a flat (whether or not the landlord owns the freehold), a grant of a lease of the dwelling-house,

in accordance with the following provisions of this Part.

(2) If the tenant has failed to pay the rent or any other payment due from him as a tenant for a period of four weeks after it has been lawfully demanded from him, the landlord is not bound to comply with subsection (1) while the whole or part of that payment remains outstanding.

(3) The duty imposed on the landlord by subsection (1) is enforceable by injunction."

Commencement Information

I12 S. 115 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

116 Terms and effect of conveyance or grant: general.

(1) For section 151 of the 1985 Act there shall be substituted the following section—

"**151 Terms and effect of conveyance or grant: general.**

(1) A conveyance of the freehold executed in pursuance of the right to acquire on rent to mortgage terms shall conform with Parts I and II of Schedule 6; a grant of a lease so executed shall conform with Parts I and III of that Schedule; and Part IV of that Schedule applies to such a conveyance or lease as it applies to a conveyance or lease executed in pursuance of the right to buy.

(2) The secure tenancy comes to an end on the grant to the tenant of an estate in fee simple, or of a lease, in pursuance of the right to acquire on rent to mortgage terms; and if there is then a sub-tenancy section 139 of the [M3]Law of Property Act 1925 (effect of extinguishment of reversion) applies as on a merger or surrender."

(2) In Part III of Schedule 6 to the 1985 Act (terms of lease granted in pursuance of right to buy or right to acquire on rent to mortgage terms), after paragraph 16D there shall be inserted the following paragraph—

"16E (1) Where a lease of a flat granted in pursuance of the right to acquire on rent to mortgage terms requires the tenant to pay—

(a) service charges in respect of repairs (including works for the making good of structural defects), or

(b) improvement contributions,

his liability in respect of costs incurred at any time before the final payment is made is restricted as follows.

(2) He is not required to pay any more than the amount determined by the formula—

$$M = P \text{ x } \frac{100 - S}{100}$$

where—

M = the maximum amount which he is required to pay;

P = the amount which, but for this paragraph, he would be required to pay;

S = the landlord's share at the time expressed as a percentage."

Commencement Information

I13 S. 116 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

Marginal Citations

M3 1925 c. 20.

117 Redemption of landlord's share.

(1) After section 151 of the 1985 Act there shall be inserted the following section—

"**151A Redemption of landlord's share.**

Schedule 6A (which makes provision for the redemption of the landlord's share) shall have effect; and a conveyance of the freehold or a grant of a lease executed in pursuance of the right to acquire on rent to mortgage terms shall conform with that Schedule."

(2) After Schedule 6 to the 1985 Act there shall be inserted as Schedule 6A the Schedule set out in Schedule 16 to this Act.

Commencement Information

I14 S. 117 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

118 Mortgage for securing redemption of landlord's share.

After section 151A of the 1985 Act there shall be inserted the following section—

"**151B Mortgage for securing redemption of landlord's share.**

(1) The liability that may arise under the covenant required by paragraph 1 of Schedule 6A (covenant for the redemption of the landlord's share in the circumstances there mentioned) shall be secured by a mortgage.

(2) Subject to subsections (3) and (4), the mortgage shall have priority immediately after any legal charge securing an amount advanced to the secure tenant by an approved lending institution for the purpose of enabling him to exercise the right to acquire on rent to mortgage terms.

(3) The following, namely—

(a) any advance which is made otherwise than for the purpose mentioned in subsection (2) and is secured by a legal charge having priority to the mortgage, and

(b) any further advance which is so secured,

shall rank in priority to the mortgage if, and only if, the landlord by written notice served on the institution concerned gives its consent; and the landlord shall so give its consent if the purpose of the advance or further advance is an approved purpose.

(4) The landlord may at any time by written notice served on an approved lending institution postpone the mortgage to any advance or further advance which—

(a) is made to the tenant by that institution, and

(b) is secured by a legal charge not having priority to the mortgage;

and the landlord shall serve such a notice if the purpose of the advance or further advance is an approved purpose.

(5) The approved lending institutions for the purposes of this section are—

the Corporation,

a building society,

a bank,

a trustee savings bank,

an insurance company,

a friendly society,

and any body specified, or of a class or description specified, in an order made under section 156.

(6) The approved purposes for the purposes of this section are—

(a) to enable the tenant to make an interim or final payment,

(b) to enable the tenant to defray, or to defray on his behalf, any of the following—

(i) the cost of any works to the dwelling-house,

(ii) any service charge payable in respect of the dwelling-house for works, whether or not to the dwelling-house, and

(iii) any service charge or other amount payable in respect of the dwelling-house for insurance, whether or not of the dwelling-house, and

(c) to enable the tenant to discharge, or to discharge on his behalf, any of the following—

(i) so much as is still outstanding of any advance or further advance which ranks in priority to the mortgage,

(ii) any arrears of interest on such an advance or further advance, and

(iii) any costs and expenses incurred in enforcing payment of any such interest, or repayment (in whole or in part) of any such advance or further advance.

(7) Where different parts of an advance or further advance are made for different purposes, each of those parts shall be regarded as a separate advance or further advance for the purposes of this section.

(8) The Secretary of State may by order prescribe—

(a) matters for which the deed by which the mortgage is effected must make provision, and

(b) terms which must, or must not, be contained in that deed,

but only in relation to deeds executed after the order comes into force.

(9) The deed by which the mortgage is effected may contain such other provisions as may be—

(a) agreed between the mortgagor and the mortgagee, or

(b) determined by the county court to be reasonably required by the mortgagor or the mortgagee.

(10) An order under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

(b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.”

Commencement Information

I15 S. 118 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

119 Landlord’s notices to complete.

(1) For subsection (3) of section 152 of the 1985 Act (landlord’s first notice to complete) there shall be substituted the following section—

“(3) A notice under this section shall not be served earlier than twelve months after the service of the notice under section 146 (landlord’s notice admitting or denying right).”

(2) In subsection (5) of that section, for the words “the amount to be left outstanding or advanced on the security of the dwelling-house” there shall be substituted the words “ securing the redemption of the landlord’s share ”.

(3) In subsection (4) of section 153 of the 1985 Act (landlord’s second notice to complete), for the words “the right to be granted a shared ownership lease” there shall be substituted the words “ the right to acquire on rent to mortgage terms ”.

Commencement Information

I16 S. 119 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

120 Repayment of discount on early disposal.

(1) For subsection (3) of section 155 of the 1985 Act (repayment of discount on early disposal) there shall be substituted the following subsection—

“(3) In the case of a conveyance or grant in pursuance of the right to acquire on rent to mortgage terms, the covenant shall be to pay to the landlord on demand, if within the period of three years commencing with the making of the initial payment there is a relevant disposal which is not an exempted disposal (but

if there is more than one such disposal, then only on the first of them), the discount (if any) to which the tenant was entitled on the making of—

(a) the initial payment,

(b) any interim payment made before the disposal, or

(c) the final payment if so made,

reduced, in each case, by one-third for each complete year which has elapsed after the making of the initial payment and before the disposal."

(2) In subsection (3A) of that section, for paragraph (b) there shall be substituted the following paragraph—

"(b) any reference in subsection (3) (other than paragraph (a) thereof) to the making of the initial payment shall be construed as a reference to the date which precedes that payment by the period referred to in paragraph (a) of this subsection."

(3) For subsection (2) of section 156 of the 1985 Act (liability to repay discount is a charge on the premises) there shall be substituted the following subsections—

"(2) Subject to subsections (2A) and (2B), the charge has priority as follows—

(a) if it secures the liability that may arise under the covenant required by section 155(2), immediately after any legal charge securing an amount advanced to the secure tenant by an approved lending institution for the purpose of enabling him to exercise the right to buy;

(b) if it secures the liability that may arise under the covenant required by section 155(3), immediately after the mortgage—

(i) which is required by section 151B (mortgage for securing redemption of landlord's share), and

(ii) which, by virtue of subsection (2) of that section, has priority immediately after any legal charge securing an amount advanced to the secure tenant by an approved lending institution for the purpose of enabling him to exercise the right to acquire on rent to mortgage terms.

(2A) The following, namely—

(a) any advance which is made otherwise than for the purpose mentioned in paragraph (a) or (b) of subsection (2) and is secured by a legal charge having priority to the charge taking effect by virtue of this section, and

(b) any further advance which is so secured,

shall rank in priority to that charge if, and only if, the landlord by written notice served on the institution concerned gives its consent; and the landlord shall so give its consent if the purpose of the advance or further advance is an approved purpose.

(2B) The landlord may at any time by written notice served on an approved lending institution postpone the charge taking effect by virtue of this section to any advance or further advance which—

(a) is made to the tenant by that institution, and

(b) is secured by a legal charge not having priority to that charge;

and the landlord shall serve such a notice if the purpose of the advance or further advance is an approved purpose."

(4) After subsection (4) of that section there shall be inserted the following subsections—

"(4A) The approved purposes for the purposes of this section are—

(a) to enable the tenant to make an interim or final payment,

(b) to enable the tenant to defray, or to defray on his behalf, any of the following—

(i) the cost of any works to the dwelling-house,

(ii) any service charge payable in respect of the dwelling-house for works, whether or not to the dwelling-house, and

(iii) any service charge or other amount payable in respect of the dwelling-house for insurance, whether or not of the dwelling-house, and

(c) to enable the tenant to discharge, or to discharge on his behalf, any of the following—

(i) so much as is still outstanding of any advance or further advance which ranks in priority to the charge taking effect by virtue of this section,

(ii) any arrears of interest on such an advance or further advance, and

(iii) any costs and expenses incurred in enforcing payment of any such interest, or repayment (in whole or in part) of any such advance or further advance.

(4B) Where different parts of an advance or further advance are made for different purposes, each of those parts shall be regarded as a separate advance or further advance for the purposes of this section."

Commencement Information

I17 S. 120 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

Other rights of secure tenants

121 Right to have repairs carried out.

For section 96 of the 1985 Act there shall be substituted the following section—

"**96 Right to have repairs carried out.**

(1) The Secretary of State may make regulations for entitling secure tenants whose landlords are local housing authorities, subject to and in accordance with the regulations, to have qualifying repairs carried out, at their landlords' expense, to the dwelling-houses of which they are such tenants.

(2) The regulations may make all or any of the following provisions, namely—

(a) provision that, where a secure tenant makes an application to his landlord for a qualifying repair to be carried out, the landlord shall issue a repair notice—

(i) specifying the nature of the repair, the listed contractor by whom the repair is to be carried out and the last day of any prescribed period; and

(ii) containing such other particulars as may be prescribed;

(b) provision that, if the contractor specified in a repair notice fails to carry out the repair within a prescribed period, the landlord shall issue a further repair notice specifying such other listed contractor as the tenant may require; and

(c) provision that, if the contractor specified in a repair notice fails to carry out the repair within a prescribed period, the landlord shall pay to the tenant such sum by way of compensation as may be determined by or under the regulations.

(3) The regulations may also make such procedural, incidental, supplementary and transitional provisions as may appear to the Secretary of State necessary or expedient, and may in particular—

(a) require a landlord to take such steps as may be prescribed to make its secure tenants aware of the provisions of the regulations;

(b) require a landlord to maintain a list of contractors who are prepared to carry out repairs for which it is responsible under the regulations;

(c) provide that, where a landlord issues a repair notice, it shall give to the tenant a copy of the notice and the prescribed particulars of at least two other listed contractors who are competent to carry out the repair;

(d) provide for questions arising under the regulations to be determined by the county court; and

(e) enable the landlord to set off against any compensation payable under the regulations any sums owed to it by the tenant.

(4) Nothing in subsection (2) or (3) shall be taken as prejudicing the generality of subsection (1).

(5) Regulations under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

(b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(6) In this section—

"listed contractor", in relation to a landlord, means any contractor (which may include the landlord) who is specified in the landlord's list of contractors;

"qualifying repair", in relation to a dwelling-house, means any repair of a prescribed description which the landlord is obliged by a repairing covenant to carry out;

"repairing covenant", in relation to a dwelling-house, means a covenant, whether express or implied, obliging the landlord to keep in repair the dwelling-house or any part of the dwelling-house;

and for the purposes of this subsection a prescribed description may be framed by reference to any circumstances whatever."

Commencement Information

I18 S. 121 wholly in force at 1.12.1993 (subject to art. 5 of S.I. 1993/2762) see **s. 188(2)** and S.I. 1993/2762, **art. 4(a)**

122 Right to compensation for improvements.

After section 99 of the 1985 Act there shall be inserted the following sections—

"99A Right to compensation for improvements.

(1) The powers conferred by this section shall be exercisable as respects cases where a secure tenant has made an improvement and—

(a) the work on the improvement was begun not earlier than the commencement of section 122 of the Leasehold Reform, Housing and Urban Development Act 1993,

(b) the landlord, or a predecessor in title of the landlord (being a local authority), has given its written consent to the improvement or is to be treated as having given its consent, and

(c) at the time when the tenancy comes to an end the landlord is a local authority and the tenancy is a secure tenancy.

(2) The Secretary of State may make regulations for entitling the qualifying person or persons (within the meaning given by section 99B)—

(a) at the time when the tenancy comes to an end, and

(b) subject to and in accordance with the regulations,

to be paid compensation by the landlord in respect of the improvement.

(3) The regulations may provide that compensation shall be not payable if—

(a) the improvement is not of a prescribed description,

(b) the tenancy comes to an end in prescribed circumstances,

(c) compensation has been paid under section 100 in respect of the improvement, or

(d) the amount of any compensation which would otherwise be payable is less than a prescribed amount;

and for the purposes of this subsection a prescribed description may be framed by reference to any circumstances whatever.

(4) The regulations may provide that the amount of any compensation payable shall not exceed a prescribed amount but, subject to that, shall be determined by the landlord, or calculated, in such manner, and taking into account such matters, as may be prescribed.

(5) The regulations may also make such procedural, incidental, supplementary and transitional provisions as may appear to the Secretary of State necessary or expedient, and may in particular—

(a) provide for the manner in which and the period within which claims for compensation under the regulations are to be made, and for the procedure to be followed in determining such claims,

(b) prescribe the form of any document required to be used for the purposes of or in connection with such claims,

(c) provide for questions arising under the regulations to be determined by the district valuer or the county court, and

(d) enable the landlord to set off against any compensation payable under the regulations any sums owed to it by the qualifying person or persons.

(6) Nothing in subsections (3) to (5) shall be taken as prejudicing the generality of subsection (2).

(7) Regulations under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

(b) shall be made by statutory instrument which (except in the case of regulations making only such provision as is mentioned in subsection (5)(b)) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(8) For the purposes of this section and section 99B, a tenancy shall be treated as coming to an end if—

(a) it ceases to be a secure tenancy by reason of the landlord condition no longer being satisfied, or

(b) it is assigned, with the consent of the landlord—

(i) to another secure tenant who satisfies the condition in subsection (2) of section 92 (assignments by way of exchange), or

(ii) to an assured tenant who satisfies the conditions in subsection (2A) of that section.

99B Persons qualifying for compensation.

(1) A person is a qualifying person for the purposes of section 99A(2) if—

(a) he is, at the time when the tenancy comes to an end, the tenant or, in the case of a joint tenancy at that time, one of the tenants, and

(b) he is a person to whom subsection (2) applies.

(2) This subsection applies to—

(a) the improving tenant;

(b) a person who became a tenant jointly with the improving tenant;

(c) a person in whom the tenancy was vested, or to whom the tenancy was disposed of, under section 89 (succession to periodic tenancy) or section 90 (devolution of term certain) on the death of the improving tenant or in the course of the administration of his estate;

(d) a person to whom the tenancy was assigned by the improving tenant and who would have been qualified to succeed him if he had died immediately before the assignment;

(e) a person to whom the tenancy was assigned by the improving tenant in pursuance of an order made under section 24 of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings);

(f) a spouse or former spouse of the improving tenant to whom the tenancy has been transferred by an order under paragraph 2 of Schedule 1 to the Matrimonial Homes Act 1983.

(3) Subsection (2)(c) does not apply in any case where the tenancy ceased to be a secure tenancy by virtue of section 89(3) or, as the case may be, section 90(3).

(4) Where, in the case of two or more qualifying persons, one of them ("the missing person") cannot be found—

(a) a claim under regulations made under section 99A may be made by, and compensation under those regulations may be paid to, the other qualifying person or persons; but

(b) the missing person shall be entitled to recover his share of any compensation so paid from that person or those persons.

(5) In this section "the improving tenant" means—

(a) the tenant by whom the improvement mentioned in section 99A(1) was made, or

(b) in the case of a joint tenancy at the time when the improvement was made, any of the tenants at that time."

Commencement Information

I19 S. 122 wholly in force at 1.2.1994 (subject to art. 5 of S.I. 1993/2762) see **s. 188(2)** and S.I. 1993/2762, **art. 4(b)**

123 Right to information.

After subsection (2) of section 104 of the 1985 Act (provision of information about tenancies) there shall be inserted the following subsection—

"(3) A local authority which is the landlord under a secure tenancy shall supply the tenant, at least once in every relevant year, with a copy of such information relating to the provisions mentioned in subsection (1)(b) and (c) as was last published by it; and in this subsection "relevant year" means any period of twelve months beginning with an anniversary of the date of such publication."

124 Existing rights with respect to disposals by housing action trusts.

(1) In subsection (2)(b) of section 79 of the [M4]Housing Act 1988 (disposals by housing action trusts), the words "in accordance with section 84 below" shall be omitted.

(2) For subsection (1) of section 84 of that Act (provisions applicable to disposals of dwelling-houses let on secure tenancies) there shall be substituted the following subsection—

"(1) The provisions of this section apply in any case where—

(a) a housing action trust proposes to make a disposal of one or more houses let on secure tenancies which would result in a person who, before the disposal, is a secure tenant of the trust becoming, after the disposal, the tenant of another person, and

(b) that other person is not a local housing authority or other local authority."

(3) In subsection (7) of that section—

(a) after the words "a disposal to which this section applies," there shall be inserted the words " or a disposal which would be such a disposal if subsection (1)(b) above were omitted, "; and

(b) after the words "such further consultation" there shall be inserted the words " or, as the case may be, such consultation ".

F1(4) . . . . . .

F1(5) . . . . . .

F1(6) . . . . . .

Textual Amendments

F1 S. 124(4)-(6) repealed (1.10.1996) by 1996 c. 52, s. 227, **Sch. 19 Pt.IX**; S.I. 1996/2402, **art. 3(b)** (with transitional savings in art. 3, Sch. para. 12)

Commencement Information

I20 S. 124 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

Marginal Citations

M4 1988 c. 50.

125 New rights with respect to such disposals.

(1) For subsections (2) and (3) of section 84 of the Housing Act 1988 (disposal by housing action trusts of dwelling-houses let on secure tenancies) there shall be substituted the following subsections—

"(2) Before applying to the Secretary of State for consent to the proposed disposal or serving notice under subsection (4) below, the housing action trust shall serve notice in writing on any local housing authority in whose area any houses falling within subsection (1) above are situated—

(a) informing the authority of the proposed disposal and specifying the houses concerned, and

(b) requiring the authority within such period, being not less than 28 days, as may be specified in the notice, to serve on the trust a notice under subsection (3) below.

(3) A notice by a local housing authority under this subsection shall inform the housing action trust, with respect to each of the houses specified in the notice under subsection (2) above which is in the authority's area, of the likely consequences for the tenant if the house were to be acquired by the authority."

(2) In subsection (4) of that section, for paragraphs (d) and (e) there shall be substituted the following paragraphs—

"(d) if the local housing authority in whose area the house of which he is tenant is situated has served notice under subsection (3) above,

informing him (in accordance with the information given in the notice) of the likely consequences for him if the house were to be acquired by that authority;

(e) informing him, if he wishes to become a tenant of that authority, of his right to make representations to that effect under paragraph (f) below and of the rights conferred by section 84A below;".

(3) For subsection (5) of that section there shall be substituted the following subsections—

"(5) If, by virtue of any representations made to the housing action trust in accordance with subsection (4)(f) above, section 84A below applies in relation to any house or block of flats, the trust shall—

(a) serve notice of that fact on the Secretary of State, on the local housing authority and on the tenant of the house or each of the tenants of the block, and

(b) so amend its proposals with respect to the disposal as to exclude the house or block;

and in this subsection "house" and "block of flats" have the same meanings as in that section.

(5A) The housing action trust shall consider any other representations so made and, if it considers it appropriate to do so having regard to any of those representations—

(a) may amend (or further amend) its proposals with respect to the disposal, and

(b) in such a case, shall serve a further notice under subsection (4) above (in relation to which this subsection will again apply)."

(4) In subsection (6) of that section, after the words "subsection (5)" there shall be inserted the words " or subsection (5A) ".

(5) After that section there shall be inserted the following section—

"**84A Transfer by order of certain dwelling-houses let on secure tenancies.**

(1) This section applies in relation to any house or block of flats specified in a notice under subsection (2) of section 84 above if—

(a) in the case of a house, the tenant makes representations in accordance with paragraph (f) of subsection (4) of that section to the effect that he wishes to become a tenant of the local housing authority in whose area the house is situated; or

(b) in the case of a block of flats, the majority of the tenants who make representations in accordance with that paragraph make representations to the effect that they wish to become tenants of the local housing authority in whose area the block is situated.

(2) The Secretary of State shall by order provide for the transfer of the house or block of flats from the housing action trust to the local housing authority.

(3) The Secretary of State may also by order transfer from the housing action trust to the local housing authority so much as appears to the Secretary of State to be appropriate of any property belonging to or usually enjoyed with the house or, as the case may be, the block or any flat contained in it; and

for this purpose "property" includes chattels of any description and rights and liabilities, whether arising by contract or otherwise.

(4) A transfer of any house, block of flats or other property under this section shall be on such terms, including financial terms, as the Secretary of State thinks fit; and an order under this section may provide that, notwithstanding anything in section 141 of the Law of Property Act 1925 (rent and benefit of lessee's covenants to run with the reversion), any rent or other sum which—

(a) arises under the tenant's tenancy or any of the tenants' tenancies, and

(b) falls due before the date of the transfer,

shall continue to be recoverable by the housing action trust to the exclusion of the authority.

(5) Without prejudice to the generality of subsection (4) above, the financial terms referred to in that subsection may include provision for payments to a local housing authority (as well as or instead of payments by a local housing authority); and the transfer from a housing action trust of any house, block of flats or other property by virtue of this section shall not be taken to give rise to any right to compensation.

(6) In this section—

"block of flats" means a building containing two or more flats;

"common parts", in relation to a building containing two or more flats, means any parts of the building which the tenants of the flats are entitled under the terms of their tenancies to use in common with each other;

"flat" and "house" have the meanings given by section 183 of the Housing Act 1985;

and any reference to a block of flats specified in a notice under section 84(2) above is a reference to a block in the case of which each flat which is let on a secure tenancy is so specified.

(7) For the purposes of subsection (6) above, a building which contains—

(a) one or more flats which are let, or available for letting, on secure tenancies by the housing action trust concerned, and

(b) one or more flats which are not so let or so available,

shall be treated as if it were two separate buildings, the one containing the flat or flats mentioned in paragraph (a) above and the other containing the flat or flats mentioned in paragraph (b) above and any common parts."

Commencement Information

I21 S. 125 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

Housing welfare services

126 Provision of housing welfare services.

Part II of the 1985 Act (provision of housing accommodation) shall have effect, and be deemed at all times on and after 1st April 1990 to have had effect, as if after section 11 there were inserted the following section—

"**11A Provision of welfare services.**

(1) A local housing authority may provide in connection with the provision of housing accommodation by them (whether or not under this Part) such welfare services, that is to say, services for promoting the welfare of the persons for whom the accommodation is so provided, as accord with the needs of those persons.

(2) The authority may make reasonable charges for welfare services provided by virtue of this section.

(3) In this section "welfare services" does not include the repair, maintenance, supervision or management of houses or other property.

(4) The powers conferred by this section shall not be regarded as restricting those conferred by section 137 of the Local Government Act 1972 (powers to incur expenditure for purposes not authorised by any other enactment) and accordingly the reference to any other enactment in subsection (1)(a) of that section shall not include a reference to this section."

127 Accounting for housing welfare services.

Schedule 4 to the [M5]Local Government and Housing Act 1989 (the keeping of the Housing Revenue Account) shall have effect, and be deemed always to have had effect, as if—

(a) at the end of paragraph (b) of item 2 of Part I (credits to the account) there were inserted the words " or income in respect of services provided under section 11A of that Act (power to provide welfare services) "; and

(b) after paragraph 3 of Part III (special cases) there were inserted the following paragraph—

"3A **Provision of welfare services**

(1) This paragraph applies where in any year a local housing authority provide welfare services (within the meaning of section 11A of the [M6]Housing Act 1985) for persons housed by them in houses or other property within their Housing Revenue Account.

(2) The authority may carry to the credit of the account—

(a) an amount equal to the whole or any part of the income of the authority for the year from charges in respect of the provision of those services;

(b) any sum from some other revenue account of theirs which represents the whole or any part of that income.

(3) The authority may carry to the debit of the account—

(a) an amount equal to the whole or any part of the expenditure of the authority for the year in respect of the provision of those services;

(b) any sum from some other revenue account of theirs which represents the whole or any part of that expenditure.”

Modifications etc. (not altering text)

C1 S. 127 restricted (12.1.1994) by S.I. 1994/42, art.2, **Sch.**; and (9.10.1995) by S.I. 1995/2720, art.2, **Sch.**

Marginal Citations

M5 1989 c. 42.

M6 1985 c. 68.

128 Power to repeal provisions made by sections 126 and 127.

(1) The Secretary of State may at any time by order made by statutory instrument provide that, on such day or in relation to such periods as may be appointed by the order, the provisions made by sections 126 and 127—

(a) shall cease to have effect; or

(b) shall cease to apply for such purposes as may be specified in the order.

(2) An order under this section—

(a) may appoint different days or periods for different provisions or purposes or for different authorities or descriptions of authority, and

(b) may contain such incidental, supplementary or transitional provisions as appear to the Secretary of State to be necessary or expedient.

Delegation of housing management

129 Management agreements.

(1) At the end of subsection (3) of section 27 of the 1985 Act (management agreements), there shall be inserted the words “ and shall contain such provisions as may be prescribed by regulations made by the Secretary of State ”.

(2) For subsection (5) of that section there shall be substituted the following subsection—

“(5) The Secretary of State’s approval may be given—

(a) either generally to all local housing authorities or to a particular authority or description of authority, and

(b) either in relation to a particular case or in relation to a particular description of case,

and may be given unconditionally or subject to conditions.”

(3) For subsection (6) of that section there shall be substituted the following subsections—

"(6) References in this section to the management functions of a local housing authority in relation to houses or land—

(a) do not include such functions as may be prescribed by regulations made by the Secretary of State, but

(b) subject to that, include functions conferred by any statutory provision and the powers and duties of the authority as holder of an estate or interest in the houses or land in question.

(7) Regulations under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas,

(b) may contain such incidental, supplementary or transitional provisions as appear to the Secretary of State to be necessary or expedient, and

(c) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament."

F2 130 . . . . . .

Textual Amendments

F2 S. 130 repealed (1.10.1996) by 1996 c. 52, s. 227, **Sch. 19 Pt.X**; S.I. 1996/2402, **art.3**

F3 131 . . . . . .

Textual Amendments

F3 S. 131 repealed (1.10.1996) by 1996 c. 52, s. 227, **Sch. 19 Pt.X**; S.I. 1996/2402, **art.3**

132 Management agreements with tenant management organisations.

(1) After section 27AA of the 1985 Act there shall be inserted the following section—

"**27AB Management agreements with tenant management organisations.**

(1) The Secretary of State may make regulations for imposing requirements on a local housing authority in any case where a tenant management organisation serves written notice on the authority proposing that the authority should enter into a management agreement with that organisation.

(2) The regulations may make provision requiring the authority—

(a) to provide or finance the provision of such office accommodation and facilities, and such training, as the organisation reasonably requires for the purpose of pursuing the proposal;

(b) to arrange for such feasibility studies with respect to the proposal as may be determined by or under the regulations to be conducted by such persons as may be so determined;

(c) to arrange for such ballots or polls with respect to the proposal as may be determined by or under the regulations to be conducted of such persons as may be so determined; and

(d) in such circumstances as may be prescribed by the regulations (which shall include the organisation becoming registered if it has not already done so), to enter into a management agreement with the organisation.

(3) The regulations may make provision with respect to any management agreement which is to be entered into in pursuance of the regulations—

(a) for determining the houses and land to which the agreement should relate, and the amounts which should be paid under the agreement to the organisation;

(b) requiring the agreement to be in such form as may be approved by the Secretary of State and to contain such provisions as may be prescribed by the regulations;

(c) requiring the agreement to take effect immediately after the expiry or other determination of any previous agreement; and

(d) where any previous agreement contains provisions for its determination by the authority, requiring the authority to determine it as soon as may be after the agreement is entered into.

(4) The regulations may also make such procedural, incidental, supplementary and transitional provisions as may appear to the Secretary of State necessary or expedient, and may in particular make provision—

(a) for particular questions arising under the regulations to be determined by the authority;

(b) for other questions so arising to be determined by an arbitrator agreed to by the parties or, in default of agreement, appointed by the Secretary of State;

(c) requiring any person exercising functions under the regulations to act in accordance with any guidance given by the Secretary of State; and

(d) for enabling the authority, if invited to do so by the organisation concerned, to nominate one or more persons to be directors or other officers of any tenant management organisation with whom the authority have entered into, or propose to enter into, a management agreement.

(5) Nothing in subsections (2) to (4) above shall be taken as prejudicing the generality of subsection (1).

(6) Regulations under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

(b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(7) Except as otherwise provided by regulations under this section—

(a) a local housing authority shall not enter into a management agreement with a tenant management organisation otherwise than in pursuance of the regulations; and

(b) the provisions of the regulations shall apply in relation to the entering into of such an agreement with such an organisation in place of—

(i) the provisions of section 27A (consultation with respect to management agreements),

(ii) in the case of secure tenants, the provisions of section 105 (consultation on matters of housing management), and

(iii) in the case of an organisation which is associated with the authority, the provisions of section 33 of the Local Government Act 1988 (restrictions on contracts with local authority companies).

(8) In this section—

"arbitrator" means a member of a panel approved for the purposes of the regulations by the Secretary of State;

"associated" shall be construed in accordance with section 33 of the Local Government Act 1988;

"previous agreement", in relation to an agreement entered into in pursuance of the regulations, means a management agreement previously entered into in relation to the same houses and land;

"registered" means registered under the Industrial and Provident Societies Act 1965 or the Companies Act 1985;

"tenant management organisation" means a body which satisfies such conditions as may be determined by or under the regulations."

(2) Section 27C of the 1985 Act (which is superseded by this section) shall cease to have effect.

Commencement Information

I22 S. 132 wholly in force; s. 132 not in force at Royal Assent see s. 188(2); s. 132 in force for certain purposes at 10.11.1993 by S.I. 1993/2762, **art. 3**; otherwise 1.4.1994 by S.I. 1994/935, **art. 3**

Priority of charges securing repayment of discount

133 Voluntary disposals by local authorities.

(1) For subsection (2) of section 36 of the 1985 Act (liability to repay discount is a charge on the premises) there shall be substituted the following subsections—

"(2) Subject to subsections (2A) and (2B), the charge has priority immediately after any legal charge securing an amount—

(a) left outstanding by the purchaser, or

(b) advanced to him by an approved lending institution for the purpose of enabling him to acquire the interest disposed of on the first disposal.

(2A) The following, namely—

(a) any advance which is made otherwise than for the purpose mentioned in subsection (2)(b) and is secured by a legal charge having priority to the charge taking effect by virtue of this section, and

(b) any further advance which is so secured,

shall rank in priority to that charge if, and only if, the local authority by written notice served on the institution concerned gives their consent; and the local authority shall so give their consent if the purpose of the advance or further advance is an approved purpose.

(2B) The local 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 any advance or further advance which—

(a) is made to the purchaser by that institution, and

(b) is secured by a legal charge not having priority to that charge;

and the local authority shall serve such a notice if the purpose of the advance or further advance is an approved purpose."

(2) After subsection (4) of that section there shall be inserted the following subsections—

"(5) The approved purposes for the purposes of this section are—

(a) to enable the purchaser to defray, or to defray on his behalf, any of the following—

(i) the cost of any works to the house,

(ii) any service charge payable in respect of the house for works, whether or not to the house, and

(iii) any service charge or other amount payable in respect of the house for insurance, whether or not of the house, and

(b) to enable the purchaser to discharge, or to discharge on his behalf, any of the following—

(i) so much as is still outstanding of any advance or further advance which ranks in priority to the charge taking effect by virtue of this section,

(ii) any arrears of interest on such an advance or further advance, and

(iii) any costs and expenses incurred in enforcing payment of any such interest, or repayment (in whole or in part) of any such advance or further advance.

(6) Where different parts of an advance or further advance are made for different purposes, each of those parts shall be regarded as a separate advance or further advance for the purposes of this section."

Commencement Information

I23 S. 133 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

F4 134 . . . . . .

Textual Amendments

F4 S. 134 repealed (1.10.1996) by 1996 c. 52, s. 227, **Sch. 19 Pt.I**; S.I. 1996/2402, **art. 3(a)**

Disposals of dwelling-houses by local authorities

135 Programmes for disposals.

(1) For the purposes of this section a disposal of one or more dwelling-houses by a local authority to any person (in this section referred to as a "disposal") is a qualifying disposal if—

(a) it requires the consent of the Secretary of State under section 32 of the 1985 Act (power to dispose of land held for the purposes of Part II), or section 43 of that Act (consent required for certain disposals not within section 32); and

(b) the aggregate of the following, namely—

(i) the number of dwelling-houses included in the disposal; and

(ii) the number of dwelling-houses which, within the relevant period, have been previously disposed of by the authority to that person, or that person and any associates of his taken together,

exceeds 499 or, if the Secretary of State by order so provides, such other number as may be specified in the order.

(2) In subsection (1) "the relevant period" means—

(a) the period of five years ending with the date of the disposal or, if that period begins before the commencement of this section, so much of it as falls after that commencement; or

(b) if the Secretary of State by order so provides, such other period ending with that date and beginning after that commencement as may be specified in the order.

[F5(2A) The Secretary of State may prepare a disposals programme for any financial year.**]**

(3) A local authority shall not make a qualifying disposal F6. . . unless the Secretary of State has included the disposal in a disposals programme prepared by him F6. . . .

[F7(3A) Where the Secretary of State has included a disposal in a disposals programme for a financial year, a local authority may make a qualifying disposal under that programme in that or the following financial year.**]**

(4) A disposal may be included in a disposals programme for a financial year either—

(a) by specifically including the disposal in the programme; or

(b) by including in the programme a description of disposal which includes the disposal.

(5) An application by a local authority for the inclusion of a disposal in a disposals programme for a financial year—

(a) shall be made in such manner and contain such information; and

(b) shall be made before such date,

as the Secretary of State may from time to time direct.

(6) In preparing a disposals programme for any financial year, the Secretary of State shall secure that the aggregate amount of his estimate of the exchequer costs of each of the disposals included in the programme does not exceed such amount as he may, with the approval of the Treasury, determine.

(7) In deciding whether to include a disposal in a disposals programme for a financial year or, having regard to subsection (6), which disposals to include in such a programme,

the Secretary of State may, in relation to the disposal or (as the case may be) each disposal, have regard in particular to—

(a) his estimate of the exchequer costs of the disposal;

(b) whether or not a majority of the secure tenants **[**F8and introductory tenants**]** who would be affected by the disposal are (in his opinion) likely to oppose it; and

(c) the matters mentioned in section 34(4A) or 43(4A) (as the case may be) of the 1985 Act;

and in this subsection "secure tenant" has the same meaning as in Part IV of that Act **[**F8and "introductory tenant" has the same meaning as in Chapter I of Part V of the Housing Act 1996**]**.

(8) In subsections (6) and (7) "the exchequer costs", in relation to a disposal, means any increase which is or may be attributable to the disposal in the aggregate of any subsidies payable under—

(a) **[**F9section 140A of the M7Social Security Administration Act 1992 (subsidy)**]**; or

(b) section 79 of the 1989 Act (Housing Revenue Account subsidy);

and the Secretary of State's estimate of any such increase shall be based on such assumptions (including assumptions as to the period during which such subsidies may be payable) as he may, with the approval of the Treasury, from time to time determine, regardless of whether those assumptions are or are likely to be borne out by events.

(9) The inclusion of a disposal in a disposals programme for a financial year shall not prejudice the operation of section 32 or 43 of the 1985 Act in relation to the disposal.

(10) The Secretary of State may prepare different disposals programmes under this section for different descriptions of authority; and any disposals programme may be varied or revoked by a subsequent programme.

(11) An order under this section—

(a) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament;

(b) may make different provision for different cases or descriptions of case, or for different authorities or descriptions of authority; and

(c) may contain such transitional and supplementary provisions as the Secretary of State considers necessary or expedient.

(12) Any direction or determination under this section—

(a) may make different provision for different cases or descriptions of case, or for different authorities or descriptions of authority; and

(b) may be varied or revoked by a subsequent direction or determination.

(13) In this section—

"the 1989 Act" means the M8Local Government and Housing Act 1989;

"dwelling-house" has the same meaning as in Part V of the 1985 Act except that it does not include a hostel (as defined in section 622 of that Act) or any part of a hostel;

"local authority" has the meaning given by section 4 of that Act;

"long lease" means a lease for a term of years certain exceeding 21 years other than a lease which is terminable before the end of that term by notice given by or to the landlord;

[[F10]"subsidiary" has the same meaning as in section 61 of the Housing Act 1996 but as if the references in subsection (2) of that section and section 60 of that Act to registered social landlords and landlords were references to housing associations (within the meaning of the [M9]Housing Associations Act 1985).**]**

(14) For the purposes of this section—

(a) a disposal of any dwelling-house shall be disregarded if at the time of the disposal the local authority's interest in the dwelling-house is or was subject to a long lease;

(b) two persons are associates of each other if—

(i) one of them is a subsidiary of the other;

(ii) they are both subsidiaries of some other person; or

(iii) there exists between them such relationship or other connection as may be specified in a determination made by the Secretary of State; and

(c) a description of authority may be framed by reference to any circumstances whatever.

Textual Amendments

F5 S. 135(2A) inserted (20.2.2002) by The Deregulation (Disposals of Dwelling-houses by Local Authorities) Order 2002 (S.I. 2002/367), **art. 2(2)**

F6 Words in s. 135(3) omitted (20.2.2002) by virtue of The Deregulation (Disposals of Dwelling-houses by Local Authorities) Order 2002 (S.I. 2002/367), **art. 2(3)**

F7 S. 135(3A) inserted (20.2.2002) by The Deregulation (Disposals of Dwelling-houses by Local Authorities) Order 2002 (S.I. 2002/367), **art. 2(4)**

F8 Words in s. 135(7) inserted (12.2.1997) by S.I. 1997/74, art. 2, **Sch. para. 9(c)(i)(ii)**

F9 Words in s. 135(8) substituted (1.4.1997) by 1996 c. 52, s. 123, **Sch. 13 para.4**; S.I. 1997/618, **art. 2(1)**

F10 Definition in s. 135(13) substituted (1.10.1996) by S.I. 1996/2325, art. 5(1), **Sch. 2 para. 21(2)**

Marginal Citations

M7 1992 c. 5.

M8 1989 c. 42.

M9 1985 c. 69.

136 Levy on disposals.

(1) For the purposes of this section a disposal of one or more dwelling-houses by a local authority to any person is a qualifying disposal if—

(a) it requires the consent of the Secretary of State under section 32 of the 1985 Act (power to dispose of land held for the purposes of Part II), or section 43 of that Act (consent required for certain disposals not within section 32); and

(b) the aggregate of the following, namely—

(i) the number of dwelling-houses included in the disposal; and

(ii) the number of dwelling-houses which, within any relevant period, have been previously or are subsequently disposed of by the authority to that person, or that person and any associates of his taken together,

exceeds 499 or, if the Secretary of State by order so provides, such other number as may be specified in the order.

(2) In subsection (1) "relevant period" means—

(a) any period of five years beginning after the commencement of this section and including the date of the disposal; or

(b) if the Secretary of State by order so provides, any such other period beginning after that commencement and including that date as may be specified in the order.

(3) A local authority which after the commencement of this section makes a disposal which is or includes, or which subsequently becomes or includes, a qualifying disposal shall be liable to pay to the Secretary of State a levy of an amount calculated in accordance with the formula—

$$L = (\mathrm{CR} - D) \times P$$

where—

L = the amount of the levy;

CR = the aggregate of—

(i) any sums received by the authority in respect of the disposal which are, by virtue of section 58 of the 1989 Act (capital receipts), capital receipts for the purposes of Part IV of that Act and do not fall within a description determined by the Secretary of State; and

(ii) where paragraph (a) or (c) of subsection (1) of section 61 of that Act (capital receipts not wholly in money paid to the authority) applies in relation to the disposal, any notional capital receipts determined in accordance with subsections (2) and (3) of that section;

D = such amount as may be calculated in accordance with such formula as the Secretary of State may determine;

P = 20 per cent. or, if the Secretary of State by order so provides, such other percentage as may be specified in the order.

(4) A formula determined for the purposes of item D in subsection (3) may include any variable which is included in a determination made for the purposes of section 80 of the 1989 Act (calculation of Housing Revenue Account subsidy).

[[F11](4A) The power of the Secretary of State to determine a formula for the purposes of item D in subsection (3) shall include power to determine that, in such cases as he may determine, item D is to be taken to be equal to item CR.**]**

(5) The administrative arrangements for the payment of any levy under this section shall be such as may be specified in a determination made by the Secretary of State, and such a determination may in particular make provision as to—

(a) the information to be supplied by authorities;

(b) the form and manner in which, and the time within which, the information is to be supplied;

(c) the payment of the levy in stages in such circumstances as may be provided in the determination;

(d) the date on which payment of the levy (or any stage payment of the levy) is to be made;

(e) the adjustment of any levy which has been paid in such circumstances as may be provided in the determination;

(f) the payment of interest in such circumstances as may be provided in the determination; and

(g) the rate or rates (whether fixed or variable, and whether or not calculated by reference to some other rate) at which such interest is to be payable;

and any such administrative arrangements shall be binding on local authorities.

(6) Any amounts by way of levy or interest which are not paid to the Secretary of State as required by the arrangements mentioned in subsection (5) shall be recoverable in a court of competent jurisdiction.

(7) For the purposes of Part IV of the 1989 Act (revenue accounts and capital finance of local authorities) any payment of levy by a local authority under this section shall be treated as expenditure for capital purposes.

(8) Notwithstanding the provisions of section 64 of the 1989 Act (use of amounts set aside to meet credit liabilities) but subject to subsection (9), amounts for the time being set aside by a local authority (whether voluntarily or pursuant to a requirement under Part IV of that Act) as provision to meet credit liabilities may be applied to meet any liability of the authority in respect of any levy payable under this section, other than a liability in respect of interest.

(9) The Secretary of State may by regulations provide that the amounts which may by virtue of subsection (8) be applied as mentioned in that subsection shall not exceed so much of the levy concerned as may be determined in accordance with the regulations.

(10) Any sums received by the Secretary of State under this section shall be paid into the Consolidated Fund; and any sums paid by the Secretary of State by way of adjustment of levies paid under this section shall be paid out of money provided by Parliament.

(11) Before making an order or determination under this section, the Secretary of State shall consult such representatives of local government as appear to him to be appropriate.

(12) An order or regulations under this section—

(a) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament;

(b) may make different provision for different cases or descriptions of case, or for different authorities or descriptions of authority; and

(c) may contain such transitional and supplementary provisions as the Secretary of State considers necessary or expedient.

(13) Any determination under this section—

(a) may make different provision for different cases or descriptions of case, or for different authorities or descriptions of authority; and

(b) may be varied or revoked by a subsequent determination.

(14) Subsections (13) and (14) of section 135 shall apply for the purposes of this section as they apply for the purposes of that section.

Textual Amendments

F11 S. 136(4A) inserted (*retrospectively*) by 1997 c. 16, **s.109**

Modifications etc. (not altering text)

C2 S. 136 amended (28.11.1994) by S.I. 1994/2825, **reg. 53**

137 Disposals: transitional provisions.

(1) The period beginning with the commencement of section 135 and ending with 31st March 1994 (in this section referred to as "the first financial year") shall be treated as a financial year for the purposes of that section; but in relation to that period subsection (5) of that section shall not apply.

(2) If before the commencement of section 135 any statement was made by or on behalf of the Secretary of State—

(a) that, if that section were then in force, he would prepare under that section such disposals programmes for the first financial year as are set out in the statement, and

(b) that, when that section comes into force, he is to be regarded as having prepared under that section the programmes so set out,

those programmes shall have effect as if they had been validly made under that section at the time of the statement.

(3) Any determination or estimate made, or any approval given—

(a) before the commencement of section 135,

(b) before the making of such a statement as is mentioned in subsection (2), and

(c) in connection with the disposals programmes proposed to be set out in the statement,

shall be as effective, in relation to those programmes, as if that section had been in force at the time the determination or estimate was made, or the approval was given.

(4) If before the commencement of section 136 any statement was made by or on behalf of the Secretary of State—

(a) that, if that section were then in force, he would make under that section such determinations as are set out in the statement, and

(b) that, when that section comes into force, he is to be regarded as having made under that section the determinations set out in the statement,

those determinations shall have effect as if they had been validly made under that section at the time of the statement.

(5) Any consultation undertaken—

(a) before the commencement of section 136,

(b) before the making of such a statement as is mentioned in subsection (4), and

(c) in connection with determinations proposed to be set out in the statement,

shall be as effective, in relation to those determinations, as if that section had been in force at the time the consultation was undertaken.

Expenses on defective housing

138 Contributions in respect of certain post-March 1989 expenses.

(1) In section 157 of the [M10]Local Government and Housing Act 1989 (commutation of and interest on periodic payments of grants etc.), in subsection (8) (which changes certain contributions under section 569 of the 1985 Act from annual payments to lump sums), for paragraph (b) there shall be substituted the following paragraph—

"(b) so much of any contributions in respect of an expense incurred on or after 1st April 1989 and before 1st April 1990 as have not been made before 1st April 1990".

(2) This section shall be deemed to have come into force on 1st January 1993.

Marginal Citations

M10 1989 c. 42.

139 Contributions in respect of certain pre-April 1989 expenses.

(1) Where—

(a) before 1st April 1989 a local housing authority incurred any such expense as is referred to in subsection (1) of section 569 of the 1985 Act (assistance by way of reinstatement grant, repurchase or payments for owners of defective housing); and

(b) before 1st January 1993, the Secretary of State has not made in respect of that expense any contribution of such a description as is referred to in subsection (2) of that section, as amended by section 157(8) of the Local Government and Housing Act 1989 (single commuted contributions),

any contributions in respect of that expense which are made under section 569 on or after 1st January 1993 shall be annual payments calculated and payable in accordance with the following provisions of this section.

(2) The amount of the annual payment in respect of any relevant financial year shall be a sum equal to the relevant percentage of the annual loan charges referable to the amount of the expense incurred.

(3) Notwithstanding that annual loan charges are calculated by reference to a 20 year period, annual payments made by virtue of this section shall be made only in respect of relevant financial years ending at or before the end of the period of 20 years beginning with the financial year in which, as the case may be—

(a) the work in respect of which the reinstatement grant was payable was completed;

(b) the acquisition of the interest concerned was completed; or

(c) the payment referred to in subsection (1)(c) of section 569 was made.

(4) Subsections (3) and (4) of section 569 (which determine the relevant percentage and the amount of the expense incurred) apply for the purposes of the preceding provisions of this section as they apply for the purposes of that section.

(5) Nothing in this section affects the operation of subsection (6) of section 569 (terms etc. for payment of contributions).

(6) In this section—

"the annual loan charges referable to the amount of the expense incurred" means the annual sum which, in the opinion of the Secretary of State, would fall to be provided by a local housing authority for the payment of interest on, and the repayment of, a loan of that amount repayable over a period of 20 years;

"relevant financial year" means the financial year beginning on 1st April 1991 and each successive financial year.

(7) This section shall be deemed to have come into force on 1st January 1993.

Housing Revenue Account subsidy

140 Calculation of Housing Revenue Account subsidy.

In subsection (1) of section 80 of the [M11]Local Government and Housing Act 1989 (determination of formulae for calculating Housing Revenue Account subsidy), the words "and for any year the first such determination shall be made before the 25th December immediately preceding that year" shall cease to have effect.

Marginal Citations
M11 1989 c. 42.

CHAPTER II

SCOTLAND

Rent to loan scheme

141 Eligibility for rent to loan scheme.

After section 62 of the [M12]Housing (Scotland) Act 1987 (in this Chapter referred to as "the 1987 Act") there shall be inserted the following section—

"**62A Eligibility for rent to loan scheme.**

(1) Subject to subsection (2), a tenant who has the right under section 61 to purchase a house may exercise the right by way of the rent to loan scheme.

(2) Subsection (1) does not apply—

(a) to the tenant of a house which is designated as defective under Part XIV; or

(b) to a tenant—

(i) in respect of whom a determination has been made that he is entitled to housing benefit in respect of any part of the relevant period; or

(ii) by or on behalf of whom a claim for housing benefit has been made (or is treated as having been made) and has not been determined or withdrawn.

(3) In subsection (2), "the relevant period" means the period—

(a) beginning twelve months before the date of the application to purchase the house; and

(b) ending on the day when the contract of sale of the house is constituted under section 66(2)."

Marginal Citations

M12 1987 c. 26.

142 The rent to loan scheme.

After section 73 of the 1987 Act there shall be inserted the following sections—

" Rent to loan scheme

73A The rent to loan scheme.

(1) Under the rent to loan scheme, the price fixed for a house under section 62 shall be payable in two elements, viz—

(a) the initial capital payment; and

(b) the deferred financial commitment.

(2) In the application of subsection (3) of section 62 to the price of a house being purchased by way of the rent to loan scheme, each of the percentage figures specified in that subsection shall be reduced by 15 or such other number as may, with the consent of the Treasury, be prescribed.

(3) The conditions which are, under section 64, to be contained in an offer to sell under section 63(2) shall, in the case of a house which is to be purchased by way of the rent to loan scheme, include a condition providing that the tenant will be entitled to ownership of the house in exchange for the initial capital payment.

(4) The deferred financial commitment shall be secured by a standard security over the house.

73B The initial capital payment.

(1) The initial capital payment in respect of a house is a sum determined by the tenant, being of an amount not less than the maximum amount of loan which could be repaid at the statutory rate of interest over the loan period by weekly payments each equal to the adjusted weekly rent for the house.

(2) In this section—

(a) the "statutory rate of interest" is the rate of interest which would be charged under section 219(4) on the application date by the local authority for the area in which the house is situated;

(b) the "loan period" is the period beginning on the application date and ending on whichever of the following is the earlier—

(i) the expiry of a period of 25 years starting on that date; and

(ii) the date when the applicant will (if he survives) reach pensionable age within the meaning of the Social Security Act 1975 or, in the case of joint applicants, the date when the one who will (if they both or all survive) reach pensionable age later than the other or the others reaches that age,

but if the period arrived at under sub-paragraph (ii) is less than 10 years, then the loan period shall be a period of 10 years beginning on the application date;

(c) the "adjusted weekly rent" is an amount equal to 90 per cent of the weekly rent for the house payable as at the application date; and

(d) the "application date" is the date of the application to purchase the house.

73C The deferred financial commitment.

(1) The deferred financial commitment in respect of a house is the sum arrived at by—

(a) finding the difference between—

(i) the price which was fixed for the purchase of the house under section 62(1); and

(ii) the initial capital payment;

(b) expressing that difference as a percentage of the market value which was determined under section 62(2) for the purpose of fixing the price of the house;

(c) reducing that percentage figure by—

(i) 7 or such other number as may, with the consent of the Treasury, be prescribed; and

(ii) in a case where payment has been made under subsection (4), the percentage figure which the amount so paid represents in relation to the market value mentioned in paragraph (b);

(d) finding the sum which is equal to that resultant percentage of the resale value of the house; and

(e) in a case to which subsection (5) of section 73D applies, adding to that sum the amount which falls to be added under subsection (6) of that section.

(2) No interest shall accrue on the deferred financial commitment.

(3) Payment of the deferred financial commitment—

(a) shall, subject to section 73D, be made to the original seller of the house—

(i) on the sale or other disposal of the house by the rent to loan purchaser; or

(ii) if the rent to loan purchaser does not sell or dispose of it, on his death; and

(b) may be so made in whole at any earlier time.

(4) Subject to section 73D(3), payment may be made at any time for the purpose of reducing the deferred financial commitment in accordance with subsection (1)(c)(ii).

(5) Subject to subsection (6), payment of the deferred financial commitment shall be made as soon as may be after the destruction of or damage to the house by fire, tempest, flood or any other cause against the risk of which it is normal practice to insure.

(6) Subsection (5) does not apply where, following the destruction of or damage to a house, it is rebuilt or reinstated.

(7) A standard security granted in security of the deferred financial commitment shall, notwithstanding section 13 of the Conveyancing and Feudal Reform (Scotland) Act 1970, have priority before any standard security securing the liability to make a repayment under section 72(1) but immediately after—

(a) any standard security granted in security of any amount advanced by a recognised lending institution—

(i) to enable payment of the initial capital payment or payment under subsection (4);

(ii) for the improvement of the house; or

(iii) for any combination of those purposes,

(together with any interest, expenses and outlays payable thereunder); and

(b) with the consent of the original seller, a standard security over the house granted in security of any other loan (together with any such interest, expenses and outlays).

In this subsection—

a "recognised lending institution" is one which is recognised for the purposes of section 222;

references to interest payable under a standard security are references both to present and future interest payable thereunder including interest which has accrued or may accrue; and

references to expenses and outlays include interest thereon.

(8) In this section—

(a) the "resale value" of a house is, subject to subsections (9) and (10)—

(i) where it is being sold by the rent to loan purchaser on the open market with vacant possession and a good and marketable title, the price at which it is being so sold;

(ii) where the rent to loan purchaser has died not having sold or disposed of it, its value for the purpose of confirmation to his estate;

(iii) in any other case, such amount as is agreed for the purposes of this sub-paragraph between the rent to loan purchaser and the original seller or, failing such agreement, such amount as is determined for those purposes by an independent valuer as the value of the house, assuming it to be available for sale in the circumstances specified in sub-paragraph (i) on a date as near as may be to the date when payment of the deferred financial commitment is to be made; and

(b) the "original seller" of a house is the body which, as the landlord of the house, sold it in pursuance of this Part to the rent to loan purchaser or, where another body has succeeded to the rights and duties of that body in relation to the house, that other body.

(9) In arriving at the resale value of a house no account shall be taken of—

(a) anything done by the rent to loan purchaser (or any predecessor of his as secure tenant of the house) which has added to the value of the house; or

(b) any failure by him (but not by any such predecessor) to keep the house in good repair (including decorative repair).

(10) For the purposes of agreeing or determining the amount of the resale value of a house under subsection (8)(a)(iii) in a case where it has been destroyed or damaged by a cause referred to in subsection (5), that value shall be taken as including the value of any sums paid or falling to be paid to the rent to loan purchaser under a policy insuring against the risk of the cause of destruction of or damage to the house except to the extent that they have been or fall to be applied in meeting the cost of any rebuilding or reinstatement which has been carried out.

73D Deferred financial commitment: further provisions.

(1) This subsection applies where—

(a) the person who has purchased a house by way of the rent to loan scheme sells or otherwise disposes of it to his spouse or any other person with whom he is living as if they were husband and wife and the house is, at the time of the sale or disposal, the spouse's or other person's only or principal home;

(b) the person who has so purchased the house dies and there succeeds to the house, by operation of the law of succession, a person for whom or persons for whom or for one or more of whom the house was, for the period of 12 months immediately preceding the death, his or their only or principal home; or

(c) in the case of a house which was so purchased jointly, one of the joint purchasers dies and, at the time of the death, the house was the only or principal home of the survivor or the survivors or one or more of them.

(2) Where subsection (1) applies—

(a) the deferred financial commitment shall not be payable on the sale, disposal or death referred to in paragraph (a) of subsection (3) of section 73C but on the sale or other disposal of the house by the person or persons acquiring it, succeeding to it or surviving in the circumstances whereby subsection (1) applies or on the death of such person or of the last of them for whom the house was, both at the time of such acquisition, succession or survival and at the time of his death, his only or principal home; and

(b) paragraph (b) of the said subsection (3) shall have effect accordingly.

(3) A payment made under section 73C(4) shall not—

(a) be less than £1500 or such other sum as may, with the consent of the Treasury, be prescribed;

(b) exceed the statutory maximum; or

(c) be made within the period of one year after any previous such payment in respect of the same transaction.

(4) In subsection (3)(b), the "statutory maximum" is the amount by which the initial capital payment would be required to be augmented so as to produce, by operation of the calculations specified in paragraphs (a) to (c) of section 73C(1), a resultant percentage of 7.5% or such other percentage as may, with the consent of the Treasury, be prescribed.

(5) This subsection applies where—

(a) the subtraction of discount for the purposes of section 62(1) falls to be limited or excluded by operation of subsection (6A) of that section; and

(b) any part of those costs which, in accordance with that subsection, are to be represented by an amount arrived at under that subsection, was incurred in the period commencing with the beginning of the financial year of the landlord which was current 5 years prior to the date of payment in whole of the deferred financial commitment.

(6) Where subsection (5) applies, the amount which is, under section 73C(1)(e), to be added is an amount equal to the difference between the aggregate of the amounts mentioned in paragraph (a) and the amount mentioned in paragraph (b) —

(a) the initial capital payment and the deferred financial commitment (including any payment under section 73C(4)) which would be payable apart from this subsection;

(b) the price which would have been payable under section 62 had the purchase of the house proceeded otherwise than by way of the rent to loan scheme."

143 Rent to loan scheme: related amendments.

(1) The 1987 Act shall have effect subject to the following amendments (being amendments related to the rent to loan scheme).

(2) In section 63—

(a) in subsection (1), after paragraph (c) there shall be inserted the following "; and

(d) in the case of a tenant who is entitled to purchase the house by way of the rent to loan scheme, a statement whether he wishes to proceed so to purchase the house.";

(b) in subsection (2), after paragraph (c), there shall be inserted the following paragraph—

"(cc) where the application to purchase contains a statement under subsection (1)(d) that the applicant wishes to proceed by way of the rent to loan scheme and the statement has not been withdrawn, the minimum amount of the initial capital payment, a statement that the applicant, if so minded, may make an initial capital payment greater than the minimum and a description of the deferred financial commitment including—

(i) the amount of the deferred financial commitment calculated as if due to be paid as at the date of the offer to sell;

(ii) an explanation of why and how the amount of the deferred financial commitment when payable under section 73C(3)(a) can vary from its amount as calculated under sub-paragraph (i); and

(iii) the procedure for paying the deferred financial commitment."

(c) at the end there shall be inserted the following subsection—

"(3) Where, in response to an offer to sell containing the matters referred to in paragraph (cc) of subsection (2), an applicant has informed a landlord in writing of his intention to make an initial capital payment of an amount greater than the minimum, the landlord shall, before the end of the period specified in subsection (2) or, if later, the expiry of one month from the date when the landlord was so informed of the tenant's intention, serve an amended offer to sell in which the calculation of the deferred financial commitment is revised accordingly."

(3) In section 67, there shall be inserted at the end the following subsection—

"(4) This section does not apply where the tenant is exercising his right to purchase under section 61 by way of the rent to loan scheme."

(4) In section 71—

(a) in subsection (1)—

(i) in paragraph (a), after "offer", in both places where it occurs, there shall be inserted " or amended offer ";

(ii) in paragraph (d), after "offer" there shall be inserted " or amended offer " and there shall be added at the end " and, in the case of an amended offer, they do not conform with the requirements of section 63(3) "; and

(b) in subsection (2)—

(i) in paragraph (b), after "offer" there shall be inserted " or amended offer "; and

(ii) after "63(2)"there shall be inserted " and, in the case of an amended offer, under section 63(3) ".

(5) In section 82—

(a) after "20" there shall be inserted " 214 "; and

(b) the following definitions shall be inserted at the appropriate places—

"the "rent to loan purchaser" of a house is the person who exercised his right to purchase it under section 61 by way of the rent to loan scheme or, where section 73D(1) applies, the person whose selling or otherwise disposing of the house or whose death is, by virtue of subsection (2) of that section, the occasion for payment of the deferred financial commitment, that person;

"rent to loan scheme" means the provisions of sections 62A and 73A to 73D."

(6) In section 214, there shall be inserted at the end the following subsection—

"(9) This section applies to the deferred financial commitment as it applies to an advance and references in it and in section 215 to the making of advances shall be construed as references to such functions of a local authority under the rent to loan scheme as relate to the creation of the deferred financial commitment, but Schedule 17 shall not so apply."

(7) In section 216, there shall be inserted at the end the following subsection—

"(10) This section does not apply in the case of the purchase of a house by way of the rent to loan scheme."

Right to purchase

144 Abatement of purchase price.

After section 66 of the 1987 Act there shall be inserted the following sections—

"**66A Abatement of purchase price on landlord's failure before contract of sale.**

(1) Where a tenant who seeks to exercise a right to purchase a house under section 61 has served an application to purchase on the landlord and the landlord—

(a) not having served a notice of refusal, has failed to serve an offer to sell on the tenant within 2 months of the application or, where an amended offer to sell falls to be served on the tenant under subsection (3) of section 63, has failed to do so within the time limit specified in that subsection;

(b) having agreed to serve an amended offer to sell on the tenant in response to a request under section 65(1), has failed to do so within one month of the request;

(c) following an order by the Lands Tribunal to serve an amended offer to sell on the tenant under section 65(3), has failed to do so within 2 months of the date of the order;

(d) following a finding by the Lands Tribunal under section 68(4), has failed to serve an offer to sell within 2 months of the date of the finding; or

(e) following an order by the Lands Tribunal under section 71(2)(b), has failed to serve an offer or amended offer to sell within the time specified in the order,

the tenant may serve on the landlord a notice in writing requiring the landlord to serve on him, within one month of the date of the notice, the offer to sell or (as the case may be) the amended offer to sell which the landlord has failed to serve.

(2) Where the landlord fails to serve the offer to sell or the amended offer to sell within one month of the date of the notice in writing under subsection (1), the price fixed under section 62 shall be reduced by the amount of rent paid by the tenant during the period commencing with the date on which the one month period expired and ending with the date on which the offer is served.

66B Abatement of purchase price on landlord's failure after contract of sale.

(1) Where the landlord has failed and continues to fail to deliver a good and marketable title to the tenant in accordance with the contract of sale, the tenant may at any time serve on the landlord a notice (the "initial notice of delay") setting out the landlord's failure and specifying—

(a) the most recent action of which the tenant is aware which has been taken by the landlord in fulfilment of his duties under this Part;

(b) a period (the "response period"), of not less than one month beginning on the date of service of the notice, within which the service by the landlord of a counter notice under subsection (2) will have the effect of cancelling the initial notice of delay.

(2) If there is no action under this Part which, at the beginning of the response period it was for the landlord to take in order to grant a good and marketable title to the tenant in implementation of the contract of sale, the landlord may serve on the tenant a counter notice either during or after the response period.

(3) At any time when—

(a) the response period specified in the initial notice of delay has expired; and

(b) the landlord has not served a counter notice under subsection (2),

the tenant may serve on the landlord a notice (the "operative notice of delay") that this subsection shall apply to the price fixed under section 62; and thereupon the price fixed under section 62 shall be reduced by the amount of rent paid by the tenant during the period commencing with the date of service of the operative notice of delay and ending with whichever is the earlier of the following dates—

(i) the date of service by the landlord of a counter notice; or

(ii) the date of delivery by the landlord of a good and marketable title in implementation of the contract of sale.

(4) Where the landlord has served a counter notice under subsection (2) the tenant (together with any joint purchaser) may, by serving on the clerk to the Lands Tribunal a copy of the initial notice of delay and of the landlord's counter notice together with a request for the matter to be so referred, refer the matter to the Tribunal for its consideration under subsection (5).

(5) Where the matter has been so referred to the Lands Tribunal it shall consider whether or not in its opinion action which would have enabled a good and marketable title to be delivered in implementation of the contract of sale could have been taken by the landlord and shall find accordingly.

(6) Where the Lands Tribunal finds that action could have been taken by the landlord the tenant shall be entitled to serve an operative notice of delay as if the landlord had not served a counter notice and in that event the commencement date for the purposes of subsection (3) shall be the date on which an operative notice of delay could first have been served if no counter notice had been served.

66C Provisions relating to sections 66A and 66B.

(1) Where there is more than one period in respect of which the price fixed under section 62 can be reduced under section 66A(2) or 66B(3), the periods may be aggregated and the price reduced by the total amount of the rent.

(2) If the period in respect of which the price fixed can be so reduced is, or if the periods aggregated under subsection (1) together amount to, more than twelve months, the amount by which the price fixed under section 62 would, apart from this subsection, fall to be reduced shall be increased by 50% or such other percentage as the Secretary of State may by order made by statutory instrument and subject to annulment in pursuance of a resolution of either House of Parliament provide."

145 Effect of abatement of purchase price on recovery of discount.

In section 72 of the 1987 Act (recovery of discount on early resale), after subsection (1) there shall be inserted the following subsection—

"(1A) Where a tenant has served on the landlord a notice under section 66A(1), the commencement of the period of 3 years referred to in subsection (1) shall be backdated by a period equal to the time (or, where section 66C(1) applies, the aggregate of the times) during which, by virtue of section 66A(2), any payment of rent falls to be taken into account."

Other rights of secure tenants

146 Right to have repairs carried out.

For section 60 of the 1987 Act there shall be substituted the following section—

"**60 Right to have repairs carried out.**

(1) The Secretary of State may make regulations for entitling a secure tenant of a landlord prescribed by the Secretary of State, subject to and in accordance with the regulations, to have qualifying repairs carried out to the house which is the subject of the secure tenancy.

(2) Those regulations shall prescribe—
  (a) the maximum amount which will be paid in respect of any single qualifying repair;
  (b) the maximum time within which a qualifying repair is to be completed.

(3) The regulations may also provide that—
  (a) a landlord which has been prescribed under subsection (1) shall—
    (i) maintain a list of contractors who are prepared to carry out qualifying repairs;
    (ii) take such steps as may be prescribed to make its secure tenants aware of the provisions of the regulations and of the list of contractors;

(iii) where the tenant makes an application to him for a qualifying repair to be carried out, issue a works order to the usual contractor specifying the nature of the repair and the last day of the maximum time prescribed under subsection (2)(b);

(b) where the usual contractor has not started the repair work by the last day specified in the works order, the tenant shall have the right to instruct one of the other listed contractors to carry out the repair;

(c) where the repair work is carried out by that other listed contractor, the landlord shall be liable to pay for the work carried out;

(d) a listed contractor who is instructed by a tenant shall notify the landlord that he has been so instructed as soon as he receives the instruction;

(e) if the usual contractor fails to carry out the repair within the specified maximum time, the landlord shall pay to the tenant such sum by way of compensation as may be determined by or under the regulations;

(f) the landlord may set off against any compensation payable under the regulations any sums owed to it by the tenant.

(4) The regulations may—

(a) make different provision with respect to different cases or descriptions of case, including different provision for different areas;

(b) make such procedural, incidental, supplementary and transitional provision as appears to the Secretary of State necessary or expedient.

(5) Nothing in subsections (2) to (4) above shall be taken as prejudicing the generality of subsection (1).

(6) Regulations under this section shall be made by statutory instrument.

(7) In this section—

"listed contractor" means any contractor (including the usual contractor) specified in the landlord's list of contractors;

"qualifying repair" means a repair prescribed as such in the regulations;

"usual contractor" means the direct services organisation of the landlord or the contractor to whom the landlord has contracted its repairs."

147 Right to compensation for improvements.

After section 58 of the 1987 Act there shall be inserted the following section—

"**58A Right to compensation for improvements.**

(1) For the purposes of this section—

(a) "qualifying improvement work" is improvement work which is prescribed as such by the Secretary of State and which is begun not earlier than the commencement of section 147 of the Leasehold Reform, Housing and Urban Development Act 1993;

(b) "qualifying person" is a person who is, at the time the tenancy comes to an end, the tenant of a landlord named in sub-paragraphs (i) to (iv) of section 61(2)(a); and—

(i) is the tenant by whom the qualifying work was carried out; or

(ii) is a tenant of a joint tenancy which existed at the time the improvement work was carried out; or

(iii) succeeded to the tenancy under section 52 on the death of the tenant who carried out the work and the tenancy did not cease to be a secure tenancy on his succession;

(c) a tenancy is terminated when—

(i) any of the circumstances of subsection (1) of section 46 apply and, in a case where the termination is under paragraph (c) or (f) of that subsection, the house which is the subject of the secure tenancy is vacated;

(ii) there is a change of landlord;

(iii) it is assigned to a new tenant.

(2) Where the tenant of a landlord specified in sub-paragraphs (i) to (iv) of section 61(2)(a) has carried out qualifying improvement work with the consent of that landlord under section 57, the qualifying person or persons shall on the termination of the tenancy be entitled to be paid compensation by the landlord in respect of the improvement work.

(3) Compensation shall not be payable if—

(a) the improvement is not of a prescribed description; or

(b) the tenancy comes to an end in prescribed circumstances; or

(c) compensation has been paid under section 58 in respect of the improvement; or

(d) the amount of any compensation which would otherwise be payable is less than such amount as may be prescribed,

and for the purposes of this subsection a prescribed description may be framed by reference to any circumstances whatever.

(4) Regulations under this section may provide that—

(a) any compensation payable shall be—

(i) determined by the landlord in such manner and taking into account such matters as may be prescribed; or

(ii) calculated in such manner and taking into account such matters as may be prescribed,

and shall not exceed such amount, if any, as may be prescribed; and

(b) the landlord may set off against any compensation payable under this section any sums owed to it by the qualifying person or persons.

(5) Where, in the case of two or more qualifying persons, one of them ("the missing person") cannot be found—

(a) a claim for compensation under this section may be made by, and compensation may be paid to, the other qualifying person or persons; but

(b) the missing person shall be entitled to recover his share of any compensation so paid from that person or those persons.

(6) The Secretary of State may by regulations made under this section make such procedural, incidental, supplementary and transitional provisions as appear to him to be necessary or expedient, and may in particular—

(a) provide for the manner in which and the period within which claims for compensation under this section are to be made, and for the procedure to be followed in determining such claims;

(b) prescribe the form of any document required to be used for the purposes of or in connection with such claims; and

(c) provide for the determination of questions arising under the regulations.

(7) Regulations under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas;

(b) shall be made by statutory instrument which (except in the case of regulations which are made only under subsection (6)(b)) shall be subject to annulment in pursuance of a resolution of either House of Parliament."

148 Right to information.

After section 75 of the 1987 Act there shall be inserted the following section—

"**75A Duty of local authority landlord to provide information about right to buy.**

(1) A landlord which is one of those mentioned in section 61(2)(a)(i) or (ii) shall supply each of its secure tenants at least once every year with information about his right to purchase his house under this Part.

(2) The information supplied under subsection (1) shall be in such form as the landlord considers best suited to explain in simple terms and so far as it considers appropriate the right referred to in that subsection."

Housing welfare services

149 Provision of housing welfare services.

Part I of the 1987 Act shall have effect, and be deemed always to have had effect, as if after section 5 there were inserted the following section—

"**5A Power of local authority to provide welfare services.**

(1) A local authority may provide in connection with housing accommodation provided by them (whether or not under this Part) such welfare services, that is to say services for promoting the welfare of the persons for whom the accommodation is so provided, as accord with the needs of those persons.

(2) The local authority may make reasonable charges for welfare services provided by virtue of this section.

(3) Notwithstanding the provisions of section 203, a local authority may attribute the income from and the expenditure on the welfare services provided under subsection (1) to a revenue account other than their housing revenue account.

(4) In this section "welfare services" does not include the repair, maintenance, supervision or management of houses or other property.

(5) The powers conferred by this section shall not be regarded as restricting those conferred by section 83 of the Local Government (Scotland) Act 1973 (power to incur expenditure for purposes not otherwise authorised) and accordingly the reference in subsection (1) of that section to any other enactment shall not include a reference to this section."

150 Accounting for housing welfare services.

Schedule 15 to the 1987 Act (the housing revenue account) shall have effect, and be deemed always to have had effect, as if after paragraph 4 there were inserted the following paragraph—

"4A **Provision of welfare services**

Where in any year a local authority provide welfare services under section 5A, they may—

(a) carry to the credit of the housing revenue account an amount equal to the whole or any part of the income of the authority for the year from charges in respect of the provision of those services;

(b) carry to the debit of the account an amount equal to the whole or any part of the expenditure of the authority for the year in respect of the provision of those services."

151 Power to repeal provisions relating to housing welfare services.

After section 5A of the 1987 Act there shall be inserted the following section—

"**5B Power to repeal provisions relating to welfare services.**

(1) The Secretary of State may at any time by order made by statutory instrument provide that, on such day or in relation to such periods as may be appointed by the order, section 5A, this section and paragraph 4A of Schedule 15 shall—

(a) cease to have effect; or

(b) cease to apply for such purposes as may be specified in the order.

(2) An order under this section may—

(a) appoint different days or periods for different provisions or purposes or for different authorities or descriptions of authority; and

(b) contain such incidental, supplementary or transitional provisions as appear to the Secretary of State to be necessary or expedient."

Miscellaneous

152 Management agreements with housing co-operatives.

After section 22 of the 1987 Act there shall be inserted the following section—

"**22A Management agreements with housing co-operatives.**

(1) In this section "housing co-operative" has the meaning given in subsection (1) of section 22 except that the reference in that subsection to the Secretary of State's approval shall be construed as a reference to his approval in relation to the purposes of this section.

(2) On an application by a housing co-operative a local authority shall make an agreement with them for the performance by that housing co-operative, on such terms as may be provided in the agreement, of the local authority's functions under section 17(1) relating to the management of houses which are subject to the agreement.

(3) Before making such an agreement the local authority shall satisfy themselves that the housing co-operative—

(a) have the approval of the Secretary of State;

(b) are able to perform the functions competently and efficiently;

(c) are representative of the tenants of the houses.

(4) Where the local authority refuse to enter into an agreement on the grounds that the housing co-operative do not satisfy paragraph (b) or (c) of subsection (3), the housing co-operative may appeal to the Secretary of State who may confirm or reverse the decision of the local authority.

(5) Where the Secretary of State reverses the decision of the local authority, the authority and the housing co-operative shall make the agreement.

(6) Where the local authority and the housing co-operative are unable to agree on the terms of the agreement, the housing co-operative may appeal to the Secretary of State who may determine the terms of the agreement.

(7) An agreement to which this section applies shall be made only with the approval of the Secretary of State, which may be given either generally or to any local authority or description of local authority or in any particular case, and may be given unconditionally or subject to any conditions."

153 Standards and performance in housing management.

After section 17 of the 1987 Act there shall be inserted the following sections—

" Standards and performance in housing management

17A Publication of information.

(1) A local authority shall, in relation to their management of the houses which they hold for housing purposes, publish each year such information as—

(a) may be prescribed by the Secretary of State about—

(i) the standard of service of management which the authority undertake to provide;

(ii) the authority's performance in the past in the achievement of that standard;

(iii) the authority's intentions for the future in relation to the achievement of that standard;

(iv) any other matter which he thinks should be included in the information to be published;

(b) the authority consider it appropriate to publish in relation to the matters mentioned in paragraph (a) above, either as a result of having consulted tenants or otherwise;

(c) the authority consider it appropriate to publish in relation to any other matter, either as a result of consulting tenants or otherwise.

(2) Before publishing such information, a local authority shall consult their tenants as to the information to be published under subsection (1) and shall take account of the characteristics of the different parts of their districts or areas and of the difference in information which may be appropriate in relation to these parts.

(3) The Secretary of State may direct a local authority to consult tenants or groups of tenants representing less than the whole of their district or area.

17B Power of Secretary of State to direct local authority.

At the same time as the information is published, the local authority shall send a copy of the document in which it is published to the Secretary of State who may, if he considers that the publication is unsatisfactory, direct the local authority to publish the information in such manner as he specifies in the direction.

17C Management plan.

A local authority shall, if the Secretary of State gives them notice to do so, prepare and submit to him within 3 months after such notice, a plan for the management of the houses which they hold for housing purposes."

154 Further provision as to allocation of housing.

In section 20 of the 1987 Act (persons to have priority on housing list and allocation of housing) at the end there shall be added the following subsection—

"(3) A member of a local authority shall be excluded from a decision on the allocation of local authority housing, or of housing in respect of which the local authority may nominate the tenant, where—

(a) the house in question is situated; or

(b) the applicant for the house in question resides,

in the electoral division or ward for which that member is elected."

155 Rules relating to housing list.

(1) For subsection (1) of section 21 of the 1987 Act (publication of rules relating to the housing list) there shall be substituted the following subsection—

"(1) It shall be the duty—

(a) of every local authority to make and to publish in accordance with subsection (4), and again within 6 months of any alteration thereof, rules governing—

(i) the admission of applicants to any housing list;

(ii) the priority of allocation of houses;

(iii) the transfer of tenants from houses owned by the landlord to houses owned by other bodies;

(iv) exchanges of houses;

(b) of Scottish Homes and development corporations (including urban development corporations) to publish in accordance with subsection (4), and again within 6 months of any alteration thereof, any rules they may have governing the matters set out in sub-paragraphs (i) to (iv) of paragraph (a) above."

(2) F12 . . . . . .

Textual Amendments

F12 S. 155(2) repealed (1.4.2002) by 2001 (asp 10), s. 112, Sch. 10 para. 20; S.S.I. 2002/168, **art. 2(2)**, Sch. (subject to transitional provisions in art. 3)

156 Defective dwellings: damages for landlord's failure to notify.

After subsection (3) of section 299 of the 1987 Act (jurisdiction of sheriff) there shall be added the following subsections—

"(4) Where damages are awarded in proceedings commenced before 1st December 1994 which arise out of a failure on the part of the public sector authority to give a person acquiring a relevant interest in a dwelling notice in writing under section 291, the amount of damages for the purposes of this subsection shall be equal to the difference between—

(a) the market value of the dwelling assessed as if it were not a defective dwelling and were available for sale on the open market with vacant possession; and

(b) the market value of the dwelling assessed as a defective dwelling and as if available for sale on the open market with vacant possession.

(5) Subsection (4) applies in relation to proceedings which arise out of a failure by the authority before the coming into force of section 156 of the Leasehold Reform, Housing and Urban Development Act 1993 as it does to proceedings which arise out of a failure by the authority after that date."

157 Other amendments of 1987 Act.

(1) In section 17 of the 1987 Act (management of local authority houses), in subsection (1), the words "and exercised by" shall cease to have effect.

(2) In section 61 of that Act (secure tenant's right to purchase), in subsection (10), subparagraphs (i) and (ii) of paragraph (b) shall cease to have effect.

(3) In section 62 of that Act (price)—

(a) in subsection (3)(b), the words "continuous" and "immediately" shall cease to have effect;

(b) after subsection (3) there shall be inserted—

"(3A) There shall be deducted from the discount an amount equal to any previous discount, or the aggregate of any previous discounts, received by the appropriate person on any previous purchase of a house by any of these persons from a landlord who is a person specified in subsection (11) of section 61 or prescribed in an order made under that subsection, reduced by any amount of such previous discount recovered by such a landlord.";

(c) in subsection (4)—

(i) for paragraph (a) there shall be substituted—

"(a) the "appropriate person" is whoever of—

(i) the tenant; or

(ii) the tenant's spouse if living with him at the date of service of the application to purchase; or

(iii) a deceased spouse if living with the tenant at the time of death; or

(iv) any joint tenant who is a joint purchaser of the house,

has the longer or longest such occupation; " and

(ii) at the end there shall be inserted— " and, for the purposes of subsection (3A), the "appropriate person" is any of the persons mentioned in sub-paragraphs (i) to (iv) of paragraph (a). "

(4) In section 248 of that Act (repairs grants), the proviso to subsection (5) shall be amended as follows—

(a) after the words "shall not apply" there shall be inserted " (a) "; and

(b) at the end there shall be added—

"(b) in relation to an application for a repairs grant in respect of works intended to reduce exposure to radon gas."

Status:
Point in time view as at 01/04/2002.

Changes to legislation:
Leasehold Reform, Housing and Urban Development Act 1993, Part II is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.