



Leasehold Reform Act 1967

1967 CHAPTER 88

PART I

ENFRANCHISEMENT AND EXTENSION OF LONG LEASEHOLDS

Landlord's overriding rights

19 Retention of management powers for general benefit of neighbourhood.

- (1) Where, in the case of any area which is occupied directly or indirectly under tenancies held from one landlord (apart from property occupied by him or his licensees or for the time being unoccupied), the Minister on an application made within the two years beginning with the commencement of this Part of this Act grants a certificate that, in order to maintain adequate standards of appearance and amenity and regulate redevelopment in the area in the event of tenants acquiring the landlord's interest in their house and premises under this Part of this Act, it is in the Minister's opinion likely to be in the general interest that the landlord should retain powers of management in respect of the house and premises or have rights against the house and premises in respect of the benefits arising from the exercise elsewhere of his powers of management, then the High Court may, on an application made within one year of the giving of the certificate, approve a scheme giving the landlord such powers and rights as are contemplated by this

For purposes of this section " the Minister " means as regards areas within Wales and Monmouthshire the Secretary of State, and as regards other areas the Minister of Housing and Local Government.

- (2) The Minister shall not give a certificate under this section unless he is satisfied that the applicant has, by advertisement or otherwise as may be required by the Minister, given adequate notice to persons interested, informing them of the application for a certificate and its purpose and inviting them to make representations to the Minister for or against the application within a time which appears to the Minister to be reasonable; and before giving a certificate the Minister shall consider any representations so made within that time, and if from those representations it appears to him that there is among

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the persons making them substantial opposition to the application, he shall afford to those opposing the application, and on the same occasion to the applicant and such (if any) as the Minister thinks fit of those in favour of the application, an opportunity to appear and be heard by a person appointed by the Minister for the purpose, and shall consider the report of that person.

- (3) The Minister in considering whether to grant a certificate authorising a scheme for any area, and the High Court in considering whether to approve a scheme shall have regard primarily to the benefit likely to result from the scheme to the area as a whole (including houses likely to be acquired from the landlord under this Part of this Act), and the extent to which it is reasonable to impose, for the benefit of the area, obligations on tenants so acquiring their freeholds; but regard may also be had to the past development and present character of the area and to architectural or historical considerations, to neighbouring areas and to the circumstances generally.
- (4) If, having regard to the matters mentioned in subsection (3) above, to the provision which it is practicable to make by a scheme, and to any change of circumstances since the giving of the certificate under subsection (1), the High Court think it proper so to do, then the High Court may by order—
 - (a) exclude from the scheme any part of the area certified under that subsection ;
or
 - (b) declare that no scheme can be approved for the area;and before submitting for approval a scheme for an area so certified a person may, if he sees fit, apply to the High Court for general directions as to the matters proper to be included in the scheme and for a decision whether an order should be made under paragraph (a) or (b) above.
- (5) Subject to subsections (3) and (4) above, on the submission of a scheme to the High Court, the High Court shall approve the scheme either as originally submitted or with any modifications proposed or agreed to by the applicant for the scheme, if the scheme (with those modifications, if any) appears to the court to be fair and practicable and not to give the landlord a degree of control out of proportion to that previously exercised by him or to that required for the purposes of the scheme; and the High Court shall not dismiss an application for the approval of a scheme, unless either—
 - (a) the Court makes an order under subsection (4)(b) above; or
 - (b) in the opinion of the Court the applicant is unwilling to agree to a suitable scheme or is not proceeding in the matter with due despatch.
- (6) A scheme under this section may make different provision for different parts of the area, and shall include provision for terminating or varying all or any of the provisions of the scheme, or excluding part of the area, if a change of circumstances makes it appropriate, or for enabling it to be done by or with the approval of the High Court.
- (7) Except as provided by the scheme, the operation of a scheme under this section shall not be affected by any disposition or devolution of the landlord's interest in the property within the area or parts of that property; but the scheme—
 - (a) shall include provision for identifying the person who is for the purposes of the scheme to be treated as the landlord for the time being; and
 - (b) may include provision for transferring, or allowing the landlord for the time being to transfer, all or any of the powers and rights conferred by the scheme on the landlord for the time being to a local authority or other body, including a body constituted for the purpose.

In the following provisions of this section references to the landlord for the time being shall have effect, in relation to powers and rights transferred to a local authority or other body as contemplated by paragraph (b) above, as references to that authority or body.

(8) Without prejudice to any other provision of this section, a scheme under it may provide for all or any of the following matters:—

- (a) for regulating the redevelopment, use or appearance of property of which tenants have acquired the landlord's interest under this Part of this Act; and
- (b) for empowering the landlord for the time being to carry out work for the maintenance or repair of any such property or carry out work to remedy a failure in respect of any such property to comply with the scheme, or for making the operation of any provisions of the scheme conditional on his doing so or on the provision or maintenance by him of services, facilities or amenities of any description; and
- (c) for imposing on persons from time to time occupying or interested in any such property obligations in respect of maintenance or repair of the property or of property used or enjoyed by them in common with others, or in respect of cost incurred by the landlord for the time being on any matter referred to in this paragraph or in paragraph (b) above ;
- (d) for the inspection from time to time of any such property on behalf of the landlord for the time being, and for the recovery by him of sums due to him under the scheme in respect of any such property by means of a charge on the property ;

and the landlord for the time being shall have, for the enforcement of any charge imposed under the scheme, the same powers and remedies under the Law of Property Act 1925 and otherwise as if he were a mortgagee by deed having powers of sale and leasing and of appointing a receiver.

(9) A scheme under this section may extend to property in which the landlord's interest is disposed of otherwise than under this Part of this Act (whether residential property or not), so as to make that property, or allow it to be made, subject to any such provision as is or might be made by the scheme for property in which tenants acquire the landlord's interest under this Part of this Act.

(10) A certificate given or scheme approved under this section shall be registered under the Land Charges Act 1925 as a local land charge ; and where a scheme is so registered—

- (a) the provisions of the scheme relating to property of any description shall, so far as they respectively affect the persons from time to time occupying or interested in that property, be enforceable by the landlord for the time being against them, as if each of them had covenanted with the landlord for the time being to be bound by the scheme ; and
- (b) in relation to a house and premises in the area section 10 above shall have effect subject to the provisions of the scheme, and the price payable under section 9 shall be adjusted accordingly.

(11) Subject to subsections (12) and (13) below, a certificate shall not be given nor a scheme approved under this section for any area except on the application of the landlord.

(12) Where, on a joint application made by two or more persons as landlords of neighbouring areas, it appears to the Minister—

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- (a) that a certificate could in accordance with subsection (1) above be given as regards those areas, treated as a unit, if the interests of those persons were held by a single person; and
- (b) that the applicants are willing to be bound by any scheme to co-operate in the management of their property in those areas and in the administration of the scheme ;

the Minister may give a certificate under this section for those areas as a whole; and where a certificate is given by virtue of this subsection, this section shall apply accordingly, but so that any scheme made by virtue of the certificate shall be made subject to conditions (enforceable in such manner as may be provided by the scheme) for securing that the landlords and their successors co-operate as aforesaid.

(13) Where it appears to the Minister—

- (a) that a certificate could be given under this section for any area or areas on the application of the landlord or landlords; and
- (b) that any body of persons is so constituted as to be capable of representing for purposes of this section the persons occupying or interested in property in the area or areas (other than the landlord or landlords), or such of them as are or may become entitled to acquire their landlord's interest under this Part of this Act, and is otherwise suitable;

then on an application made by that body either alone or jointly with the landlord or landlords a certificate may be granted accordingly; and where a certificate is so granted, whether to a representative body alone or to a representative body jointly with the landlord or landlords,—

- (i) an application for a scheme in pursuance of the certificate may be made by the representative body alone or by the landlord or landlords alone or by both jointly and, by leave of the High Court, may be proceeded with by the representative body or by the landlord or landlords though not the applicant or applicants ; and
- (ii) without prejudice to subsection (7)(b) above, the scheme may, with the consent of the landlord or landlords or on such terms as to compensation or otherwise as appear to the High Court to be just, confer on the representative body any such rights or powers under the scheme as might be conferred on the landlord or landlords for the time being, or enable the representative body to participate in the administration of the scheme or in the management by the landlord or landlords of his or their property in the area or areas.

(14) Where a certificate under this section has been given for an area, or an application for one is pending, then subject to subsection (15) below if (before or after the making of the application or the giving of the certificate) a tenant of a house in the area gives notice of his desire to have the freehold under this Part of this Act,—

- (a) no further proceedings need be taken in relation to the notice beyond those which appear to the landlord to be reasonable in the circumstances; but
- (b) the tenant may at any time withdraw the notice by a further notice in writing given to the landlord, and section 9(4) above shall not apply to require him to make any payment to the landlord in respect of costs incurred by reason of the notice withdrawn.

(15) Subsection (14) above shall cease to have effect by virtue of an application for a certificate if the application is withdrawn or the certificate refused, and shall cease to have effect as regards the whole or part of an area to which a certificate relates—

- (a) on the approval of a scheme for the area or that part of it; or

- (b) on the expiration of one year from the giving of the certificate without an application having been made to the High Court for the approval of a scheme for the area or that part of it, or on the withdrawal of an application so made without a scheme being approved ; or
- (c) on an order made under subsection (4) above with respect to the area or that part of it, or an order dismissing an application for the approval of a scheme for the area or that part of it, becoming final.