



Reverter of Sites Act 1987

1987 CHAPTER 15

An Act to amend the law with respect to the reverter of sites that have ceased to be used for particular purposes; and for connected purposes. [9th April 1987]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Right of reverter replaced by trust for sale.

- (1) Where any relevant enactment provides for land to revert to the ownership of any person at any time, being a time when the land ceases, or has ceased for a specified period, to be used for particular purposes, that enactment shall have effect, and (subject to subsection (4) below) shall be deemed always to have had effect, as if it provided (instead of for the reverter) for the land to be vested after that time, on the trust arising under this section, in the persons in whom it was vested immediately before that time.
- (2) Subject to the following provisions of this Act, the trust arising under this section in relation to any land is a trust to sell the land and to stand possessed of the net proceeds of sale (after payment of costs and expenses) and of the net rents and profits until sale (after payment of rates, taxes, costs of insurance, repairs and other outgoings) upon trust for the persons who but for this Act would from time to time be entitled to the ownership of the land by virtue of its reverter.
- (3) Where—
 - (a) a trust in relation to any land has arisen or is treated as having arisen under this section at such a time as is mentioned in subsection (1) above; and
 - (b) immediately before that time the land was vested in any persons in their capacity as the minister and churchwardens of any parish,those persons shall be treated as having become trustees for sale under this section in that capacity and, accordingly, their interest in the land shall pass and, if the case so requires, be treated as having passed to their successors from time to time.
- (4) This section shall not confer any right on any person as a beneficiary—

- (a) in relation to any property in respect of which that person's claim was statute-barred before the commencement of this Act, or in relation to any property derived from any such property; or
- (b) in relation to any rents or profits received, or breach of trust committed, before the commencement of this Act;

and anything validly done before the commencement of this Act in relation to any land which by virtue of this section is deemed to have been held at the time on trust for sale shall, if done by the beneficiaries, be deemed, so far as necessary for preserving its validity, to have been done by the trustees.

- (5) Where any property is held by any persons as trustees of a trust which has arisen under this section and, in consequence of subsection (4) above, there are no beneficiaries of that trust, the trustees shall have no power to act in relation to that property except—
 - (a) for the purposes for which they could have acted in relation to that property if this Act had not been passed; or
 - (b) for the purpose of securing the establishment of a scheme under section 2 below or the making of an order under section 2 of the Education Act 1973 (special powers as to trusts for religious education).

- (6) In this section—

"churchwardens" includes chapel wardens;

"minister" includes a rector, vicar or perpetual curate; and

"parish" includes a parish of the Church in Wales;

and the reference to a person's claim being statute-barred is a reference to the Limitation Act 1980 providing that no proceedings shall be brought by that person to recover the property in respect of which the claim subsists.

2 Charity Commissioners' schemes.

- (1) Subject to the following provisions of this section and to sections 3 and 4 below, where any persons hold any property as trustees of a trust which has arisen under section 1 above, the Charity Commissioners may, on the application of the trustees, by order establish a scheme which—
 - (a) extinguishes the rights of beneficiaries under the trust; and
 - (b) requires the trustees to hold the property on trust for such charitable purposes as may be specified in the order.
- (2) Subject to subsections (3) and (4) below, an order made under this section—
 - (a) may contain any such provision as may be contained in an order made by the High Court for establishing a scheme for the administration of a charity; and
 - (b) shall have the same effect as an order so made.
- (3) The charitable purposes specified in an order made under this section on an application with respect to any trust shall be as similar in character as the Charity Commissioners think is practicable in all the circumstances to the purposes (whether charitable or not) for which the trustees held the relevant land before the cesser of use in consequence of which the trust arose; but in determining the character of the last-mentioned purposes the Commissioners, if they think it appropriate to do so, may give greater weight to the persons or locality benefited by the purposes than to the nature of the benefit.
- (4) An order made under this section on an application with respect to any trust shall be so framed as to secure that if a person who—

- (a) but for the making of the order would have been a beneficiary under the trust; and
 - (b) has not consented to the establishment of a scheme under this section,notifies a claim to the trustees within the period of five years after the date of the making of the order, that person shall be paid an amount equal to the value of his rights at the time of their extinguishment.
- (5) The Charity Commissioners shall not make any order under this section establishing a scheme unless—
 - (a) the requirements of section 3 below with respect to the making of the application for the order are satisfied or, by virtue of subsection (4) of that section, do not apply;
 - (b) one of the conditions specified in subsection (6) below is fulfilled;
 - (c) public notice of the Commissioners' proposals has been given inviting representations to be made to them within a period specified in the notice, being a period ending not less than one month after the date of the giving of the notice; and
 - (d) that period has ended and the Commissioners have taken into consideration any representations which have been made within that period and not withdrawn.
- (6) The conditions mentioned in subsection (5)(b) above are—
 - (a) that there is no claim by any person to be a beneficiary in respect of rights proposed to be extinguished—
 - (i) which is outstanding; or
 - (ii) which has at any time been accepted as valid by the trustees or by persons whose acceptance binds the trustees; or
 - (iii) which has been upheld in proceedings that have been concluded;
 - (b) that consent to the establishment of a scheme under this section has been given by every person whose claim to be a beneficiary in respect of those rights is outstanding or has been so accepted or upheld.
- (7) The Charity Commissioners shall refuse to consider an application under this section unless it is accompanied by a statutory declaration by the applicants—
 - (a) that the requirements of section 3 below are satisfied with respect to the making of the application or, if the declaration so declares, do not apply; and
 - (b) that a condition specified in subsection (6) above and identified in the declaration is fulfilled;and the declaration shall be conclusive for the purposes of this section of the matters declared therein.
- (8) A notice given for the purposes of subsection (5)(c) above shall contain such particulars of the Commissioners' proposals, or such directions for obtaining information about them, and shall be given in such manner, as they think sufficient and appropriate; and a further such notice shall not be required where the Commissioners decide, before proceeding with any proposals of which notice has been so given, to modify them.

3 Applications for schemes.

- (1) Where an application is made under section 2 above by the trustees of any trust that has arisen under section 1 above, the requirements of this section are satisfied with respect to the making of that application if, before the application is made—
 - (a) notices under subsection (2) below have been published in two national newspapers and in a local newspaper circulating in the locality where the relevant land is situated;
 - (b) each of those notices specified a period for the notification to the trustees of claims by beneficiaries, being a period ending not less than three months after the date of publication of the last of those notices to be published;
 - (c) that period has ended;
 - (d) for a period of not less than twenty-one days during the first month of that period, a copy of one of those notices was affixed to some object on the relevant land in such a position and manner as, so far as practicable, to make the notice easy for members of the public to see and read without going on to the land; and
 - (e) the trustees have considered what other steps could be taken to trace the persons who are or may be beneficiaries and to inform those persons of the application to be made under section 2 above and have taken such of the steps considered by them as it was reasonably practicable for them to take.
- (2) A notice under this subsection shall—
 - (a) set out the circumstances that have resulted in a trust having arisen under section 1 above;
 - (b) state that an application is to be made for the establishment of a scheme with respect to the property subject to the trust; and
 - (c) contain a warning to every beneficiary that, if he wishes to oppose the extinguishment of his rights, he should notify his claim to the trustees in the manner, and within the period, specified in the notice.
- (3) Where at the time when the trustees publish a notice for the purposes of subsection (2) above—
 - (a) the relevant land is not under their control; and
 - (b) it is not reasonably practicable for them to arrange for a copy of the notice to be affixed as required by paragraph (d) of subsection (1) above to some object on the land,that paragraph shall be disregarded for the purposes of this section.
- (4) The requirements of this section shall not apply in the case of an application made in respect of any trust if—
 - (a) the time when that trust is treated as having arisen was before the commencement of this Act; and
 - (b) more than twelve years have elapsed since that time.

4 Provisions supplemental to ss.2 and 3.

- (1) Where an order is made under section 2 above—
 - (a) public notice of the order shall be given in such manner as the Charity Commissioners think sufficient and appropriate; and

- (b) a copy of the order shall, for not less than one month after the date of the giving of the notice, be available for public inspection at all reasonable times at the Commissioners' office and at some convenient place in the locality where the relevant land is situated;
- and a notice given for the purposes of paragraph (a) above shall contain such particulars of the order, or such directions for obtaining information about it, as the Commissioners think sufficient and appropriate.
- (2) Subject to subsection (3) below, an appeal against an order made under section 2 above may be brought in the High Court by any of the following, that is to say—
- (a) the Attorney General;
 - (b) the trustees of the trust established under the order;
 - (c) a beneficiary of, or the trustees of, the trust in respect of which the application for the order had been made;
 - (d) any person interested in the purposes for which the last-mentioned trustees or any of their predecessors held the relevant land before the cesser of use in consequence of which the trust arose under section 1 above;
 - (e) any two or more inhabitants of the locality where that land is situated.
- (3) An appeal shall not be brought under subsection (2) above against any order—
- (a) after the end of the period of three months beginning with the day following the date on which public notice of the order is given; or
 - (b) without either a certificate by the Charity Commissioners that it is a proper case for an appeal or the leave of the High Court,
- unless it is brought by the Attorney General.
- (4) Sections 40 and 42 of the Charities Act 1960 (supplemental provisions with respect to orders and appeals) shall apply in relation to, and to appeals against, orders under section 2 above as they apply in relation to, and to appeals against, orders under that Act.
- (5) Trustees of a trust which has arisen under section 1 above may pay or apply capital money for any of the purposes of section 2 or 3 above or of this section.

5 Orders under the Education Act 1973.

- (1) An order made under section 2 of the Education Act 1973 (special powers as to certain trusts for religious education) with respect to so much of any endowment as consists of—
- (a) land in relation to which a trust under section 1 above has arisen or will arise after the land ceased or ceases to be used for particular purposes; or
 - (b) any other property subject to a trust under that section,
- may extinguish any rights to which a person is or may become entitled as a beneficiary under the trust.
- (2) The Secretary of State shall not by an order under section 2 of the said Act of 1973 extinguish any such rights unless he is satisfied that all reasonably practicable steps to trace the persons who are or may become entitled to any of those rights have been taken and either—
- (a) that there is no claim by any person to be a person who is or may become so entitled—
 - (i) which is outstanding; or

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- (ii) which has at any time been accepted as valid by the trustees or by persons whose acceptance binds or will bind the trustees; or
 - (iii) which has been upheld in proceedings that have been concluded; or
 - (b) that consent to the making of an order under section 2 of the said Act of 1973 has been given by every person whose claim to be such a person is outstanding or has been so accepted or upheld.
- (3) Where applications for the extinguishment of the rights of any beneficiaries are made with respect to the same trust property both to the Secretary of State under section 2 of the said Act of 1973 and to the Charity Commissioners under section 2 above, the Commissioners shall not consider, or further consider, the application made to them, unless the Secretary of State either—
- (a) consents to the application made to the Charity Commissioners being considered before the application made to him; or
 - (b) disposes of the application made to him without extinguishing the rights of one or more of the beneficiaries.
- (4) Trustees of a trust which has arisen under section 1 above may pay or apply capital money for the purposes of any provision of this section or section 2 of the said Act of 1973.

6 Clarification of status etc. of land before reverter.

- (1) Nothing in this Act shall require any land which is or has been the subject of any grant, conveyance or other assurance under any relevant enactment to be treated as or as having been settled land.
- (2) It is hereby declared—
- (a) that the power conferred by section 14 of the School Sites Act 1841 (power of sale etc.) is exercisable at any time in relation to land in relation to which (but for the exercise of the power) a trust might subsequently arise under section 1 above; and
 - (b) that the exercise of that power in respect of any land prevents any trust from arising under section 1 above in relation to that land or any land representing the proceeds of sale of that land.

7 Construction.

- (1) In this Act—
- "relevant enactment" means any enactment contained in—
 - (a) the School Sites Acts;
 - (b) the Literary and Scientific Institutions Act 1854; or
 - (c) the Places of Worship Sites Act 1873;
 - "relevant land", in relation to a trust which has arisen under section 1 above, means the land which but for this Act would have reverted to the persons who are the first beneficiaries under the trust.
- (2) In this Act references to land include references to—
- (a) any part of any land which has been the subject of a grant, conveyance or other assurance under any relevant enactment; and

- (b) any land an interest in which (including any future or contingent interest arising under any such enactment) belongs to the Crown, the Duchy of Lancaster or the Duchy of Cornwall.
- (3) For the purposes of this Act a claim by any person to be a beneficiary under a trust is outstanding if—
 - (a) it has been notified to the trustees;
 - (b) it has not been withdrawn; and
 - (c) proceedings for determining whether it should be upheld have not been commenced or (if commenced) have not been concluded.
- (4) For the purposes of this Act proceedings shall not, in relation to any person's claim, be treated as concluded where the time for appealing is unexpired or an appeal is pending unless that person has indicated his intention not to appeal or, as the case may be, not to continue with the appeal.

8 Consequential amendments, repeals and saving.

- (1) The Secretary of State shall not make a determination under paragraph 7 of Schedule 1 to the Education Act 1946 (payment to local education authority of proceeds of sale of voluntary school) in respect of any property subject to a trust which has arisen under section 1 above unless he is satisfied that adequate steps have been taken to protect the interests of the beneficiaries under the trust.
- (2) In section 3(3) of the Law of Property Act 1925 (right of certain persons to creation of legal estate), the words "of a statutory or other right of reverter, or" (which are unnecessary) shall be omitted.
- (3) The enactments mentioned in the Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule.
- (4) The repeals contained in the Schedule to this Act shall not affect the operation at any time after the commencement of this Act of so much of any order made before the commencement of this Act under section 2 of the Education Act 1973 as has excluded the operation of the third proviso to section 2 of the School Sites Act 1841.

9 Short title, commencement and extent.

- (1) This Act may be cited as the Reverter of Sites Act 1987.
- (2) This Act shall come into force on such day as the Lord Chancellor may by order made by statutory instrument appoint.
- (3) This Act shall extend to England and Wales only.

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SCHEDULE

Section 8.

REPEALS

<i>Chapter</i>	<i>Short Title</i>	<i>Extent of Repeal</i>
15 & 16 Geo. 5. c. 20.	The Law of Property Act 1925.	In section 3(3), the words "of a statutory or other right of reverter, or".
1973 c. 16.	The Education Act 1973.	In section 7(1), the words "the School Sites Acts". In section 2(3) the words from "and in the case of onwards.