Leasehold and Freehold Reform Act 2024

2024 CHAPTER 22

PROSPECTIVE

PART 1

LEASEHOLD HOUSES

Ban on grant or assignment of certain long residential leases of houses

1 Ban on grant or assignment of certain long residential leases of houses

(1) A person may not grant or enter into an agreement to grant a long residential lease of a house on or after the day on which this section comes into force, unless it is a permitted lease (see section 7).

(2) A person may not assign or enter into an agreement to assign the whole or a part of a lease which was granted on or after the day on which this section comes into force if—

(a) at the time of the assignment the lease is a long residential lease of a house, but

(b) at the time of the grant the lease was not a long residential lease of a house.

(3) This section does not affect—

(a) the validity of a lease granted, or an assignment entered into, in breach of this section, and does not affect the powers of a person to grant or assign such a lease (whether under section 23(1) of the Land Registration Act 2002 or otherwise);

(b) any contractual rights of a party to an agreement entered into in breach of this section.

Commencement Information

I1 S. 1 not in force at Royal Assent, see **s. 124(3)**

Key definitions

2 Long residential leases of houses

(1) A lease is a "long residential lease of a house" if conditions A to C are met in relation to the lease.

(2) Condition A: the lease has a long term (see sections 3 and 4).

(3) Condition B: the lease demises one house (see section 5), with or without appurtenant property, and nothing else.

(4) Condition C: the lease is a residential lease (see section 6).

Commencement Information
I2 S. 2 not in force at Royal Assent, see **s. 124(3)**

3 Leases which have a long term

(1) A lease has a "long term" in any of cases A to D.

(2) Case A: the lease is granted for a term certain exceeding 21 years.

(3) Case B: section 149(6) of the Law of Property Act 1925 applies to the lease (lease granted for life or until marriage or civil partnership) and the lease accordingly takes effect with a term fixed by law.

(4) Case C: the lease is granted with a covenant or obligation for perpetual renewal and accordingly takes effect with a term fixed by law - unless it is a sub-lease with a term fixed by law of 21 years or shorter.

(5) Case D: the lease is capable of forming part of a series of leases whose terms would extend beyond 21 years (see section 4).

(6) In determining whether a lease has a long term, it is irrelevant if the lease is, or may become, terminable by notice, re-entry or forfeiture.

Commencement Information
I3 S. 3 not in force at Royal Assent, see **s. 124(3)**

4 Series of leases whose term would extend beyond 21 years

(1) A lease ("the original lease") is "capable of forming part of a series of leases whose terms would extend beyond 21 years" if conditions A to C are met at the time when the original lease is granted.

(2) Condition A: the original lease does not have a long term under section 3(2), (3) or (4).

(3) Condition B: provision for the grant of another lease of the same house (the "new lease") is included in—

(a) the original lease, or

(b) any related arrangements.

(4) Condition C: the total duration of—

(a) the term of the original lease,

(b) the term of the new lease (if granted), and

(c) the term or terms of any subsequent leases (if granted),

would exceed 21 years.

(5) In a case where the provision for the grant of the new lease, or for the grant of any subsequent lease, allows for the possibility of the term of the lease being one of a number of differing durations, the reference in condition C to the term of the lease is to the longest of those possible durations.

(6) A lease is a "lease of the same house" if the lease demises one house, being the house comprised in the original lease, with or without any appurtenant property, and nothing else.

(7) Arrangements are "related arrangements" if they are entered into in connection with the grant of the original lease (whether or not they are entered into in writing).

(8) A lease is a "subsequent lease" if—

(a) it is not the new lease,

(b) it is a lease of the same house, and

(c) provision for the grant of the lease—

(i) is included in the original lease or any related arrangements,

(ii) would be included in the new lease (if granted), or

(iii) would be included in any other lease that (if granted) would itself be a subsequent lease.

Commencement Information

I4 S. 4 not in force at Royal Assent, see **s. 124(3)**

5 Houses

(1) A "house" is a separate set of premises (on one or more floors) which—

(a) forms the whole, or part, of a building, and

(b) is constructed or adapted for use for the purposes of a dwelling.

(2) But where the separate set of premises forms part of a building, it is not a house if the whole of or a material part of the set of premises lies above or below some other part of the building.

Commencement Information

I5 S. 5 not in force at Royal Assent, see **s. 124(3)**

6 Residential leases

A lease is a "residential lease" if it is a lease of a house and the terms of the lease do not prevent the house from being occupied under that lease as a separate dwelling.

Commencement Information
I6 S. 6 not in force at Royal Assent, see **s. 124(3)**

7 Permitted leases

A lease is a "permitted lease" if—

(a) it is a long residential lease of a house, and

(b) it falls into one or more of the categories set out in Schedule 1.

Commencement Information
I7 S. 7 not in force at Royal Assent, see **s. 124(3)**

Regulation of permitted leases

8 Permitted leases: certification by the appropriate tribunal

(1) The appropriate tribunal must, on an application by a person, issue a certificate (a "permitted lease certificate") in relation to a new long residential lease of a house, where the tribunal is satisfied that the lease is or will be a permitted lease falling within Part 1 of Schedule 1.

(2) An application under this section may be made and determined whether or not the application includes a draft of the instrument creating the new lease.

(3) The appropriate tribunal may issue a permitted lease certificate on such terms and conditions as it considers appropriate, but the certificate must—

(a) identify the house or the land on which the house will be built, and

(b) state the category or categories set out in Part 1 of Schedule 1 into which the lease will fall.

(4) If an application under this section relates to two or more leases, the appropriate tribunal may issue just one certificate relating to some or all of those leases.

Commencement Information
I8 S. 8 not in force at Royal Assent, see **s. 124(3)**

9 Permitted leases: marketing restrictions

(1) This section applies in relation to the marketing of a house where—

(a) the house is to be comprised in a new lease, and

(b) the lease will be a long residential lease of the house.

(2) A person ("a promoter") may not make any material marketing the house to be comprised in the lease available to any person, unless the permitted lease information relating to the lease is included in or provided with that material.

(3) The "permitted lease information", in relation to a lease, means—

(a) if the lease falls or will fall into one or more of the categories set out in Part 1 of Schedule 1, a copy of the permitted lease certificate together with a statement identifying that category or those categories,

(b) if to the best of the knowledge and belief of the promoter at the time the material is made available the lease falls or will fall into one or more of the categories set out in Part 2 of Schedule 1, a statement identifying that category or those categories, or

(c) if both paragraphs (a) and (b) apply to the lease, the information required under both those paragraphs.

(4) "Marketing" includes any form of advertising or promotion.

Commencement Information

I9 S. 9 not in force at Royal Assent, see **s. 124(3)**

10 Permitted leases: transaction warning conditions

(1) A person may not, on or after the day on which section 1 comes into force—

(a) enter into an agreement to grant a permitted lease unless the transaction warning conditions are met in relation to the agreement, or

(b) subject to subsection (5), grant a permitted lease unless the transaction warning conditions are met in relation to the lease.

(2) The "transaction warning conditions" are as follows—

(a) at least 7 days before the relevant date the grantor must give a warning notice relating to the permitted lease—

(i) to the proposed tenant, or

(ii) where there is more than one proposed tenant, to each of them;

(b) a notice of receipt of the warning notice must be given to the grantor—

(i) by the proposed tenant, or

(ii) where there is more than one proposed tenant, jointly by all of the proposed tenants;

(c) a reference to the warning notice and the notice of receipt must be included in or endorsed on the relevant instrument in the specified manner.

(3) A "warning notice" is a notice provided in a specified form and manner and containing—

(a) sufficient information to identify the house to be comprised in the lease,

(b) if the lease falls within Part 1 of Schedule 1, a copy of the permitted lease certificate,

(c) if the lease falls into one or more of the categories set out in Part 2 of Schedule 1, a statement identifying that category or those categories,

(d) if both paragraphs (b) and (c) apply to the lease, the information required under both those paragraphs, and

(e) such other information as may be specified.

(4) A "notice of receipt" is a notice provided in a specified form and manner and containing such information as may be specified.

(5) A person does not breach subsection (1) in relation to the grant of a lease if—

(a) the person previously entered into an agreement to grant that lease,

(b) the transaction warning conditions were met in relation to that agreement, and

(c) a reference to the warning notice and the notice of receipt relating to that agreement is included in or endorsed on the instrument creating the lease.

(6) This section does not apply to the grant of a permitted lease which falls within paragraph 6 of Schedule 1 (leases agreed before commencement).

(7) This section does not affect—

(a) the validity of a lease granted in breach of subsection (1), and does not affect the powers of a person to grant such a lease (whether under section 23(1) of the Land Registration Act 2002 or otherwise);

(b) any contractual rights of a party to an agreement entered into in breach of subsection (1).

(8) In this section—

"grantor", in relation to a lease, means the person proposing to grant the lease (whether or not that person holds the freehold or leasehold title out of which the lease will be granted);

"proposed tenant", in relation to a lease, means the proposed tenant of the house to be comprised in the lease;

"relevant date" means—

(a) in the case of an agreement to grant a lease, the day on which the agreement is entered into, and

(b) in the case of a grant of a lease, the day on which the lease is granted;

"relevant instrument" means—

(a) in the case of an agreement to grant a lease, that agreement, and

(b) in the case of a grant of a lease, the instrument creating that lease;

"specified" means specified or described in regulations made—

(a) in relation to a lease of a house in England, by the Secretary of State;

(b) in relation to a lease of a house in Wales, by the Welsh Ministers.

(9) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I10 S. 10 not in force at Royal Assent, see **s. 124(3)**

Land registration

11 Prescribed statements in new long leases

(1) This section applies to a lease of land which—

(a) has a long term, and

(b) is granted on or after the day on which section 1 comes into force.

(2) If the lease is not a long residential lease of a house, the lease must include a statement to that effect.

(3) If the lease is a permitted lease, the lease must include a statement to that effect.

(4) A statement under subsection (2) or (3) must comply with such requirements as may be prescribed by land registration rules under the Land Registration Act 2002.

(5) This section does not apply to—

(a) a lease with a long term only by virtue of falling within section 3(5);

(b) a lease which takes effect as a deemed surrender and regrant of a lease.

Commencement Information

I11 S. 11 not in force at Royal Assent, see **s. 124(3)**

12 Restriction on title

(1) Subsection (3) applies where—

(a) the Chief Land Registrar approves an application for registration of a lease (the "registered lease"),

(b) section 11 applies to the registered lease, but

(c) the registered lease does not contain a statement made in accordance with subsection (2) or (3) of that section.

(2) An "application for registration of a lease" is an application for—

(a) completion by registration of a disposition of registered land, if that disposition is the grant of a lease, or

(b) registration of a lease within section 4(1)(c) of the Land Registration Act 2002.

(3) The Chief Land Registrar must enter in the register a restriction that no registrable disposition, other than the grant of a legal charge, of the registered lease is to be completed by registration.

(4) The restriction under subsection (3) may be removed if the registered lease is varied to include a statement made in accordance with section 11(2) or (3).

(5) Subsection (6) applies where—

(a) a restriction has been entered in the register in accordance with subsection (3) in relation to a registered lease, and

(b) the Chief Land Registrar approves an application for registration of a deed of variation relating to the lease by virtue of which a new lease takes effect as a deemed surrender and regrant of the lease.

(6) The Chief Land Registrar must enter in the register a restriction that no registrable disposition, other than the grant of a legal charge, of the new lease is to be completed by registration.

(7) The restriction under subsection (6) may be removed if the Chief Land Registrar is satisfied that the new lease—

(a) is not a long residential lease of a house, or

(b) is a permitted lease.

(8) An expression used in this section and in the Land Registration Act 2002 has the same meaning in this section as in that Act.

Commencement Information
I12 S. 12 not in force at Royal Assent, see **s. 124(3)**

Redress

13 Redress: right to acquire a freehold or superior leasehold estate

(1) This section applies where a long residential lease of a house is granted or assigned in breach of section 1.

(2) The rights holder in relation to the lease has the right to acquire (for no consideration) —

(a) the freehold estate in the land comprised in the lease, and
(b) any superior leasehold estate or estates in that land.

(3) References in the rest of this section, and in sections 14 to 16, to the right to acquire are to be construed in accordance with subsection (2).

(4) The right to acquire the freehold or leasehold estate is exercisable against the person holding that estate for the time being (the "landlord").

(5) The "rights holder", in relation to a lease, means—

(a) in a case where a mortgagee or chargee has for the time being the right to deal with the house comprised in the lease, that person, or
(b) in any other case the tenant for the time being under the lease.

(6) In this section, "superior leasehold estate", in relation to a long residential lease of a house, means a leasehold estate that is superior to the long residential lease.

Commencement Information
I13 S. 13 not in force at Royal Assent, see **s. 124(3)**

14 Redress: application of the right to acquire

(1) Section 13 ceases to apply in relation to a long residential lease of a house if—

(a) the term of the lease expires (but see subsection (2)), or
(b) the lease otherwise ceases to exist.

(2) Where the term of the lease expires, section 13 continues to apply for as long as the lease is continued under a relevant enactment.

(3) Section 13 ceases to apply in relation to a long residential lease of a house if the tenant for the time being under the lease acquires the freehold estate and any superior leasehold estate or estates in the land comprised in the lease (whether or not by exercising the right to acquire).

(4) In subsection (2) "relevant enactment" means—

(a) Part 1 of the Landlord and Tenant Act 1954, or
(b) Schedule 10 to the Local Government and Housing Act 1989.

Commencement Information
I14 S. 14 not in force at Royal Assent, see **s. 124(3)**

15 Redress: general provision

(1) A lease to which section 13 applies is not as a result of any right to acquire—
(a) registrable under the Land Charges Act 1972, or
(b) to be taken to be an estate contract within the meaning of that Act.

(2) An agreement relating to a long residential lease of a house (whether or not contained in the instrument creating the lease or made before the grant of the lease) is of no effect to the extent that it makes provision—
(a) excluding or modifying the right to acquire, or
(b) providing for the surrender or termination of the lease, or for the imposition of any penalty, in the event of the rights holder taking steps to exercise the right to acquire.

(3) Subsection (2) does not prevent a tenant under a long residential lease of a house from—
(a) surrendering the lease,
(b) terminating the lease, or
(c) entering into an agreement to acquire the freehold estate in the land comprised in the lease, or any superior leasehold estate or estates in that land, other than by way of exercising the right to acquire.

(4) The right to acquire in relation to a long residential lease of a house is not capable of subsisting apart from the lease.

(5) In this section, "rights holder" has the meaning given by section 13.

Commencement Information
I15 S. 15 not in force at Royal Assent, see **s. 124(3)**

16 Redress regulations: exercising and giving effect to the right to acquire

(1) The Secretary of State may by regulations ("redress regulations") make provision for and in connection with the exercise of the rights holder's right to acquire in relation to a long residential lease of a house.

(2) Redress regulations may, in particular, include provision for or in connection with—
(a) the period within which the right to acquire must be exercised;
(b) the giving of notice by the rights holder to the landlord or any other specified person for the purpose of exercising the right to acquire (including the form and manner in which, and the period within which, any such notice must be given);
(c) registration under the Land Charges Act 1972 or the Land Registration Act 2002 of any notice given by virtue of paragraph (b);

(d) the giving of notice by the landlord to the rights holder or any other specified person for the purpose of accepting or rejecting the rights holder's right to acquire (including the form and manner in which, and the period within which, any such notice must be given);

(e) the making by the appropriate tribunal or a court of an order on an application by a specified person determining whether or not, in the absence of agreement between the rights holder and the landlord, the rights holder has the right to acquire (including provision for the order to be made subject to such terms and conditions as the tribunal or court considers appropriate, including terms about costs);

(f) further steps that must be taken by the rights holder (including the provision of specified information or specified documents), and any conditions that must be met in relation to the taking of those further steps (including conditions about timing), in order to exercise the right to acquire;

(g) requirements that must be met in relation to a conveyance executed to give effect to the right to acquire (a "relevant conveyance"), including requirements for the conveyance to include specified provisions in respect of specified easements or rights over property, rights of way or covenants (positive or restrictive);

(h) any other requirements that must be met in relation to a relevant conveyance, including a requirement that the conveyance is granted free of specified incumbrances, and subject to such burdens as may be specified;

(i) the effect of the execution of a relevant conveyance, including provision for the conveyance to have the effect of discharging the house comprised in the lease from any specified incumbrance (including a charge);

(j) any statement which must be included in a relevant conveyance, including a statement identifying the conveyance as executed for the purposes of this Part, and any requirements that must be met in relation to such a statement (including any requirements prescribed by land registration rules under the Land Registration Act 2002);

(k) the making by the appropriate tribunal or a court of an order (a "relevant order") on an application by a specified person for the purpose of giving effect to the right to acquire (whether or not in connection with an application to the appropriate tribunal or a court for a determination as described in paragraph (e));

(l) the modification of the right to acquire in relation to any appurtenant property comprised in the lease (including for the rights holder to continue to hold a lease of such property, or conferring on them a right to use the property);

(m) the circumstances in which the rights holder exercising the right to acquire is to be treated as a purchaser for value of the legal estate of the land comprised in the lease;

(n) the circumstances in which a mortgagee or chargee is to be treated for the purposes of section 13(5)(a) as having the right to deal with the house comprised in the lease;

(o) in a case where the rights holder is a tenant for the time being under the lease—

(i) the circumstances in which a representative of the rights holder has the right to acquire instead of that tenant, and

(ii) the exercise by such a representative of any powers or duties of a rights holder conferred or imposed by this Part or under redress regulations;

(p) the liability for specified costs in connection with the exercise of the right to acquire (including provision as to how to calculate such costs or for the amount of any costs payable to be determined, in the absence of agreement, by the appropriate tribunal or a court);

(q) proceedings for the recovery by specified persons from the landlord who granted the lease of compensation for any loss or damage resulting from the breach of section 1, including provision as to how to calculate the value of such loss or damage, and conferring powers on the appropriate tribunal or a court in connection with the recovery of such compensation (including provision as to costs).

(3) Provision under subsection (2)(k) may, in particular, include provision—

(a) for the making of a relevant order where the landlord cannot be found or identified, including where the rights holder has been unable to give notice for the purpose of exercising the right to acquire;

(b) for a relevant order to determine the content of a relevant conveyance and who may execute it, and to be made subject to such further terms and conditions as the appropriate tribunal or court considers appropriate, including terms about costs.

(4) Redress regulations may include provision about cases where the rights holder's right to acquire in relation to a lease is exercisable in relation to more than one landlord, including (but not limited to) provision—

(a) for or in connection with functions to be carried out by one landlord (the "reversioner") on behalf of the other landlords;

(b) for the landlord holding the freehold estate to be the reversioner;

(c) for another landlord to be the reversioner in specified circumstances;

(d) for or in connection with the appointment or removal of a reversioner by order of the appropriate tribunal or a court, on an application by a specified person;

(e) for things done by the reversioner to be binding on the other landlords and on their interests in the land comprised in the lease;

(f) for or in connection with the provision of information, documents or other assistance by other landlords to the reversioner for the purpose of enabling the reversioner to carry out functions under redress regulations;

(g) for the indemnification of the reversioner against any liability incurred by the reversioner in consequence of failure by other landlords to comply with any requirement imposed on them by redress regulations;

(h) excluding the reversioner from liability to any of the other landlords in specified circumstances;

(i) for or in connection with the making of an order by the appropriate tribunal or a court, on an application by the reversioner, directing how the right to acquire may be given effect if any of the other landlords cannot be found or identified, or in case of a dispute between the reversioner and any other landlord.

(5) Redress regulations may—

(a) apply or incorporate (with or without modifications) any provision made by or under any relevant enactment;

(b) amend or repeal any provision made by an Act.

(6) A statutory instrument containing redress regulations is subject to the negative procedure.

(7) In this section—

"incumbrances" has the same meaning as in section 9 of the LRA 1967;

"landlord" has the meaning given by section 13;

"relevant enactment" means—

(a) the LRA 1967;

(b) the LRHUDA 1993;

(c) the Tribunals, Courts and Enforcement Act 2007;

"representative", in relation to a rights holder, means the personal representative, trustee in bankruptcy, trustee in sequestration, receiver, liquidator or person otherwise acting in a representative capacity in relation to that person;

"rights holder" has the meaning given by section 13;

"specified" means specified or described in redress regulations.

Commencement Information

I16 S. 16 not in force at Royal Assent, see **s. 124(3)**

Enforcement

17 Enforcement by trading standards authorities

(1) It is the duty of every local weights and measures authority in England or Wales (an "enforcement authority") to enforce the leasehold house restrictions in its area.

(2) In this section and in sections 18 to 23 the "leasehold house restrictions" means—

(a) section 1(1) so far as it relates to an agreement to grant a lease,

(b) section 1(1) so far as it relates to the grant of a lease,

(c) section 1(2) so far as it relates to an agreement to assign a lease,

(d) section 1(2) so far as it relates to the assignment of a lease,

(e) section 9(2) (marketing restrictions on permitted leases),

(f) section 10(1)(a) (conditions on agreement to grant permitted lease), and

(g) section 10(1)(b) (conditions on grant of permitted lease).

(3) For the purposes of this section and sections 18 to 23, a breach of a leasehold house restriction is taken to occur in the area in which the house in question is located (and if the house is located in more than one area, the breach is taken to have occurred in each of those areas).

(4) The duty in subsection (1) is subject to sections 19(4) (enforcement by another enforcement authority) and 22 (enforcement by the lead enforcement authority).

Commencement Information

I17 S. 17 not in force at Royal Assent, see **s. 124(3)**

18 Financial penalties

(1) An enforcement authority may impose a financial penalty on a person if the authority is satisfied beyond reasonable doubt that the person has breached a leasehold house restriction.

(2) The amount of a penalty for a breach is to be such amount as the authority determines but—

(a) is not to be less than £500, and

(b) is not to be more than £30,000.

(3) Conduct within any one of the following paragraphs is to be regarded as a single breach of one leasehold house restriction—

(a) entering into an agreement to grant a lease in breach of section 1(1) and subsequently granting the lease in breach of that provision;

(b) entering into an agreement to assign a lease in breach of section 1(2) and subsequently assigning the lease in breach of that provision;

(c) entering into an agreement to grant a lease in breach of section 10(1)(a) and subsequently granting the lease in breach of section 10(1)(b).

Subsection (5) is to be read in accordance with this subsection.

(4) A person who makes marketing material available in relation to the same lease on more than one occasion in breach of section 9(2) is to be regarded as committing only one breach of that provision.

(5) The following are to be regarded as separate breaches—

(a) breaches by the same person of the same leasehold house restriction in relation to different leases, and

(b) breaches by the same person of different leasehold house restrictions in relation to the same lease,

and accordingly an enforcement authority may impose a separate penalty in relation to each breach (or may impose a single penalty of an amount equal to the total of the amounts of the penalties that could have been separately imposed).

(6) The Secretary of State may by regulations amend an amount for the time being specified in subsection (2) to reflect a change in the value of money.

(7) A statutory instrument containing regulations under subsection (6) is subject to the negative procedure.

(8) Schedule 2 contains further provision about financial penalties under this section.

Commencement Information

I18 S. 18 not in force at Royal Assent, see **s. 124(3)**

19 Financial penalties: cross-border enforcement

(1) An enforcement authority may impose a penalty under section 18 in respect of a breach of a leasehold house restriction which occurs outside that authority's area (as well as in respect of a breach which occurs within that area).

(2) If an enforcement authority ("LA1") proposes to impose a penalty in respect of a breach which occurred in the area of a different enforcement authority ("LA2"), LA1 must notify LA2 that it proposes to do so.

(3) If LA1 notifies LA2 under subsection (2) but does not impose the penalty, LA1 must notify LA2 of that fact.

(4) If an enforcement authority receives a notification under subsection (2), the authority is relieved of its duty under section 17(1) in relation to the breach unless the authority receives a notification under subsection (3).

(5) If an enforcement authority ("LA1") imposes a penalty in respect of a breach which occurred in the area of a different enforcement authority ("LA2"), LA1 must notify LA2 of that fact.

Commencement Information
I19 S. 19 not in force at Royal Assent, see **s. 124(3)**

20 Lead enforcement authority

(1) In this section and in sections 21 to 23 "lead enforcement authority" means—
(a) the Secretary of State, or
(b) a person whom the Secretary of State has arranged to be the lead enforcement authority in accordance with subsection (2).

(2) The Secretary of State may make arrangements for a local weights and measures authority in England or Wales to be the lead enforcement authority instead of the Secretary of State.

(3) The arrangements—
(a) may include provision for payments by the Secretary of State;
(b) may include provision about bringing the arrangements to an end.

(4) The Secretary of State may by regulations make transitional or saving provision which applies when there is a change in the lead enforcement authority.

(5) The regulations may relate to a specific change in the lead enforcement authority or to changes that might arise from time to time.

(6) A statutory instrument containing regulations under subsection (4) is subject to the negative procedure.

Commencement Information
I20 S. 20 not in force at Royal Assent, see **s. 124(3)**

21 General duties of lead enforcement authority

(1) It is the duty of the lead enforcement authority to oversee the operation of the relevant provisions of this Part in England and Wales.

(2) The "relevant provisions of this Part" means the provisions of this Part except sections 11 and 12 (statements in leases and restriction on title).

(3) It is the duty of the lead enforcement authority to issue guidance to enforcement authorities about their enforcement of the leasehold house restrictions (and if the lead enforcement authority is not the Secretary of State, the Secretary of State may give directions as to the content of the guidance).

(4) It is the duty of the lead enforcement authority to provide information and advice to the public in England and Wales about the operation of the relevant provisions of this Part, in such form and manner as it considers appropriate.

(5) The lead enforcement authority may disclose information to an enforcement authority for the purposes of enabling that authority to determine whether there has been a breach of a leasehold house restriction.

(6) If the lead enforcement authority is not the Secretary of State, the lead enforcement authority must keep under review and from time to time advise the Secretary of State about—

(a) the operation of the relevant provisions of this Part, and

(b) social and commercial developments relating to the grant or assignment of long residential leases of houses in England and Wales.

Commencement Information

I21 S. 21 not in force at Royal Assent, see **s. 124(3)**

22 Enforcement by lead enforcement authority

(1) The lead enforcement authority may—

(a) take steps to enforce the leasehold house restrictions if it considers it is necessary or expedient to do so;

(b) for that purpose, exercise any powers that an enforcement authority may exercise for the purpose of the enforcement of the leasehold house restrictions.

(2) If the lead enforcement authority proposes to take steps in respect of a breach (or suspected breach) of a leasehold house restriction, it must notify the enforcement authority for the area in which the breach occurred (or may have occurred) that it proposes to do so.

(3) If the lead enforcement authority notifies an enforcement authority under subsection (2) but does not take the proposed steps, the lead enforcement authority must notify the enforcement authority of that fact.

(4) If an enforcement authority receives a notification under subsection (2), the authority is relieved of its duty under section 17(1) in relation to the breach unless the authority receives a notification under subsection (3).

(5) But the lead enforcement authority may require the enforcement authority to assist the lead enforcement authority in taking steps to enforce the leasehold house restriction referred to in subsection (2).

Commencement Information
I22 S. 22 not in force at Royal Assent, see **s. 124(3)**

23 Further powers and duties of enforcement authorities

(1) An enforcement authority must notify the lead enforcement authority if the enforcement authority believes that a breach of a leasehold house restriction has occurred in its area.

(2) An enforcement authority must report to the lead enforcement authority, whenever the lead enforcement authority requires and in such form and with such particulars as it requires, on that enforcement authority's enforcement of the leasehold house restrictions.

(3) An enforcement authority must have regard to the guidance issued under section 21(3).

(4) For the investigatory powers available to an enforcement authority for the purposes of enforcing a leasehold house restriction, see Schedule 5 to the Consumer Rights Act 2015 (investigatory powers of enforcers etc).

(5) In paragraph 10 of Schedule 5 to the Consumer Rights Act 2015 (duties and powers to which Schedule 5 applies), at the appropriate places insert—
(a) "section 17 of the Leasehold and Freehold Reform Act 2024;";
(b) "section 22 of the Leasehold and Freehold Reform Act 2024".

(6) See also paragraph 44 of Schedule 5 to the Consumer Rights Act 2015 (exercise of functions outside enforcer's area).

Commencement Information
I23 S. 23 not in force at Royal Assent, see **s. 124(3)**

General

24 Part 1: Crown application

This Part binds the Crown.

Commencement Information
I24 S. 24 not in force at Royal Assent, see **s. 124(3)**

25 Power to amend: permitted leases and definitions

(1) The Secretary of State may by regulations—
(a) amend the following definitions—
(i) "long residential lease of a house" in section 2;
(ii) a lease which has a "long term" in section 3;
(iii) "house" in section 5;

(b) amend Schedule 1.

(2) A statutory instrument containing (whether alone or with other provision)—

(a) regulations under subsection (1)(a), or

(b) regulations under subsection (1)(b) which add a category of lease to Schedule 1 or omit a category of lease from that Schedule,

is subject to the affirmative procedure.

(3) Any other statutory instrument containing regulations under subsection (1)(b) is subject to the negative procedure.

(4) See also the powers to make regulations under paragraphs 2(1)(b), 3(1)(b), 7(2) and 8(1)(b) of Schedule 1.

(5) The provision that may be made by regulations under this section by virtue of section 122(1) (consequential etc provision) includes provision amending or repealing any provision of this Part.

Commencement Information

I25 S. 25 not in force at Royal Assent, see **s. 124(3)**

26 Interpretation of Part 1

(1) In this Part—

"appropriate tribunal" means—

(a) in relation to a lease of a house in England, the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal; and

(b) in relation to a lease of a house in Wales, a leasehold valuation tribunal;

"appurtenant property", in relation to a house, means any garage, outhouse, garden, yard or appurtenances belonging to, or usually enjoyed with, the house;

"enforcement authority" means a local weights and measures authority in England or Wales;

"house": see section 5;

"lead enforcement authority" has the meaning given by section 20;

"lease"—

(a) means a lease at law or in equity (and references to the grant or assignment of a lease are to be construed accordingly);

(b) includes a sub-lease;

(c) does not include a mortgage term;

"leasehold house restrictions" has the meaning given by section 17(2);

"long residential lease of a house": see section 2;

"long term", in relation to a lease: see section 3;

"notify" means notify in writing, and "notification" is to be construed accordingly;

"permitted lease": see section 7;

"permitted lease certificate" means a certificate issued by the appropriate tribunal under section 8;

"residential lease": see section 6.

(2) In this Part, references to the grant of a lease in relation to a lease which takes effect as a deemed surrender and regrant of a lease are to the regrant of the lease.

Commencement Information
I26 S. 26 not in force at Royal Assent, see **s. 124(3)**

PROSPECTIVE

PART 2

LEASEHOLD ENFRANCHISEMENT AND EXTENSION

Eligibility for enfranchisement and extension

27 Removal of qualifying period before enfranchisement and extension claims

(1) In section 1 of the Leasehold Reform Act 1967 ("the LRA 1967") (tenants entitled to enfranchisement or extension)—

(a) in subsection (1), omit paragraph (b) and the "and" preceding it;

(b) in subsection (1ZC), in the words before paragraph (a), for "(1)(a) and (b)" substitute "(1)".

(2) In section 39 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the LRHUDA 1993") (right of qualifying tenant of flat to acquire new lease)—

(a) in subsection (1)—

(i) after "conferring on a" insert "qualifying";

(ii) omit ", in the circumstances mentioned in subsection (2),";

(b) omit subsection (2) (requirement to have been a qualifying tenant for last two years);

(c) omit subsection (3A) (right of personal representatives).

(3) Omit section 42(4A) of the LRHUDA 1993 (notices given by personal representatives).

Commencement Information
I27 S. 27 not in force at Royal Assent, see **s. 124(3)**

28 Removal of restrictions on repeated enfranchisement and extension claims

(1) In the LRA 1967—

(a) omit section 9(3)(b) and the "and" preceding it (prohibition on further claim);

(b) in section 16, omit subsections (1)(b), (2) and (3) (prohibition of further extension of lease);

(c) in section 20, omit subsections (5) and (6) (power of court to void further claims);

(d) in section 23 (agreements excluding or modifying rights of tenant), in subsection (2)(b), omit the words from "or any provision" to "or any part of it";

(e) in Schedule 3, omit paragraph 4(3) (power of court to void further claims).

(2) In the LRHUDA 1993—

(a) omit section 13(9) (prohibition of further claim for collective enfranchisement);

(b) omit section 42(7) (prohibition of further claim for new lease).

Commencement Information

I28 S. 28 not in force at Royal Assent, see **s. 124(3)**

29 Change of non-residential limit on collective enfranchisement claims

In section 4(1)(b) of the LRHUDA 1993 (non-residential limit on collective enfranchisement claims), for "25 per cent." substitute "50%".

Commencement Information

I29 S. 29 not in force at Royal Assent, see **s. 124(3)**

30 Eligibility for enfranchisement and extension: specific cases

Schedule 3 makes provision about the availability of rights to enfranchisement and extension under the LRA 1967 and the LRHUDA 1993 in certain specific cases.

Commencement Information

I30 S. 30 not in force at Royal Assent, see **s. 124(3)**

Effects of enfranchisement

31 Acquisition of intermediate interests in collective enfranchisement

(1) The LRHUDA 1993 is amended as follows.

(2) In section 1 (the right to collective enfranchisement), for subsection (2)(b) substitute—

"(b) Schedule A1 has effect with respect to the acquisition of certain leasehold interests."

(3) Before Schedule 1 insert—

"SCHEDULE A1 Section 1(2)(b)

ACQUISITION OF INTERMEDIATE INTERESTS ON COLLECTIVE ENFRANCHISEMENT

Application of this Schedule

1 (1) This Schedule applies where the right to collective enfranchisement is exercised in relation to premises ("the relevant premises").

(2) Paragraphs 2(4), 4(1) and (2) and 5(1) and (2) require the nominee purchaser to acquire the whole or part of certain intermediate leases.

(3) Paragraphs 2(5) and 3(2) enable the nominee purchaser to acquire the whole or part of certain intermediate leases.

(4) Any reference in this Act to the acquisition by the nominee purchaser of the whole or part of a lease under this Schedule is a reference to its acquisition by the nominee purchaser on behalf of the participating tenants.

Acquisition of a lease that is superior to the lease of a qualifying tenant

2 (1) This paragraph applies to a lease (the "superior lease") that is superior to a lease of a qualifying tenant (the "inferior lease") if, and to the extent that, the superior lease demises relevant residential property (whether or not either lease also demises any other property of any kind).

(2) Residential property demised by the superior lease is "relevant" if it—

(a) is also demised by the inferior lease, and

(b) has the required connection with the collective enfranchisement.

(3) Residential property demised by the inferior lease has the required connection with the collective enfranchisement if—

(a) the residential property is a flat or part of a flat, and the tenant under the inferior lease is a qualifying tenant by virtue of the inferior lease demising that flat or part, or

(b) the property is appurtenant property, and the tenant under the inferior lease is a qualifying tenant by virtue of the inferior lease demising the related flat.

The "related flat" is the flat to which the appurtenant property relates.

(4) If the tenant under the inferior lease is a participating tenant, the nominee purchaser must acquire—

(a) the superior lease, if all of the property demised by it is relevant residential property, or

(b) the superior lease to the extent that it demises relevant residential property.

(5) If the tenant under the inferior lease is not a participating tenant, the nominee purchaser may acquire—

(a) the superior lease, if all of the property demised by it is relevant residential property, or

(b) the superior lease to the extent that it demises relevant residential property.

(6) But if the superior lease demises two or more flats, the nominee purchaser may either—

(a) make the acquisition permitted by sub-paragraph (5), or

(b) acquire the superior lease to the extent that it demises one or more of those flats and any appurtenant property relating to the flat or flats acquired.

(7) The whole or a part of a superior lease is not to be acquired under this paragraph if—

(a) the superior lease is immediately superior to the inferior lease,

(b) the term of the superior lease ends after the term of the inferior lease, and

(c) the qualifying tenant is also the tenant under the superior lease.

(8) This paragraph is subject to paragraph 6.

Acquisition of a lease of common parts or section 1(3)(b) addition

3 (1) This paragraph applies to a lease if, and to the extent that, the property demised by the lease consists of common parts of the relevant premises or a section 1(3)(b) addition.

(2) If the necessity test is met, the nominee purchaser may acquire—

(a) the lease, if all the property demised by it is common parts of the relevant premises or a section 1(3)(b) addition (or both),

(b) the lease to the extent that it demises common parts of the relevant premises or a section 1(3)(b) addition (or both), or

(c) a smaller portion of the lease than is allowed by paragraph (a) or (b).

(3) The necessity test is met if the acquisition of common parts or a section 1(3)(b) addition under sub-paragraph (2) is reasonably necessary for the proper management or maintenance of those common parts or that addition on behalf of the participating tenants.

(4) A lease or a part of a lease which demises common parts or a section 1(3)(b) addition is not to be acquired under this paragraph if the tenant under the lease grants for the remainder of the term of the lease such rights over the common parts or section 1(3)(b) addition as will enable the proper management or maintenance of it on behalf of the participating tenants.

(5) This paragraph is subject to paragraph 6.

(6) In this paragraph "section 1(3)(b) addition" means property—

(a) of the kind described in section 1(3)(b) (property which there is an entitlement to use in common with other tenants), and

(b) of which the freehold is to be acquired on the collective enfranchisement under section 1(2)(a).

Acquisition of leases superior to a lease being acquired under paragraph 2(5) or 3

4 (1) This paragraph applies if the nominee purchaser acquires the whole, or a part, of a lease under paragraph 2(5) or 3 (the "inferior lease").

(2) The nominee purchaser must also acquire any lease or leases superior to the inferior lease if, and to the extent that, the superior lease or leases demise property that is demised by the inferior lease or the part acquired.

Acquisition of leases superior to a lease being acquired under section 21(4)

5 (1) If—

(a) the nominee purchaser acquires the whole of a lease under section 21(4) (the "inferior lease"), and

(b) some or all of the property that is demised by the inferior lease is paragraph 2(5) or 3(1) property,

the nominee purchaser must also acquire any lease or leases superior to the inferior lease if, and to the extent that, the superior lease or leases demise paragraph 2(5) or 3(1) property that is demised by the inferior lease.

(2) If—

(a) the nominee purchaser acquires a part of a lease under section 21(4) (the "inferior lease"), and

(b) some or all of the property that is demised by part of the inferior lease that is acquired is paragraph 2(5) or 3(1) property,

the nominee purchaser must also acquire any lease or leases superior to the inferior lease if, and to the extent that, the superior lease or leases demise paragraph 2(5) or 3(1) property that is demised by the part of the inferior lease acquired.

(3) Property is "paragraph 2(5) or 3(1) property" if—

(a) under paragraph 2(5) the nominee purchaser is entitled to acquire the whole of a lease, or a part of a lease, which demises the property, or

(b) under paragraph 3 the nominee purchaser is entitled, or would be entitled if the necessity test were met, to acquire the whole of a lease, or a part of a lease, which demises the property.

No entitlement to acquire property with certain public sector interests

6 (1) This paragraph applies to a lease if—

(a) the tenant is a public sector landlord,

(b) some or all of the property demised by the lease is residential property that is also demised by a public sector occupational tenancy, and

(c) either—

(i) the lease is immediately superior to the public sector occupational tenancy, or

(ii) a public sector landlord is the tenant under every other lease which is inferior to the lease and superior to the public sector occupational lease and which demises any of the residential property that is also demised by the public sector occupational tenancy.

(2) The lease is not to be acquired under this Schedule if, and to the extent that, it demises the residential property that is also demised by the public sector occupational tenancy.

(3) Where this paragraph applies to a lease in a case that is within sub-paragraph (1)(c)(ii), this paragraph also applies (by virtue of sub-paragraph (1)) to every other intermediate lease referred to in that sub-paragraph.

(4) In this paragraph "public sector occupational tenancy" means—

(a) a secure tenancy,

(b) an introductory tenancy,

(c) a secure contract, or

(d) an introductory standard contract.

Severance

7 If the nominee purchaser is required or entitled to acquire only part of a lease under this Schedule, the lease is to be severed to enable that part to be acquired.

Application of this Schedule to different parts of the same lease

8 Different parts of the same lease may be acquired in accordance with this Schedule (whether under the same or different provisions).

Interpretation

9 In this Schedule—

"appurtenant property", in relation to a flat, means any garage, outhouse, garden, yard and appurtenances belonging to, or usually enjoyed with, the flat;

"residential property" means—

(a) the whole or a part of a flat in the relevant premises, or

(b) property that is appurtenant property in relation to a flat in the relevant premises."

(4) Omit section 2 (acquisition of leasehold interests).

(5) In section 9 (the reversioner and other relevant landlords), in subsections (2) and (2A), for "section 2(1)(a) or (b)" substitute "Schedule A1".

(6) In section 13 (notice by qualifying tenants of claim to exercise right), in subsection (3)(c), for sub-paragraph (i) substitute—

"(i) any leasehold interest which it is proposed to acquire under or by virtue of Schedule A1, and".

(7) In section 19 (effect of initial notice as respects subsequent transactions by freeholder etc), in subsection (1)(a)(ii), for "by virtue of section 2(1)(a) or (b)" substitute "under or by virtue of Schedule A1".

(8) In section 21 (reversioner's counter-notice), in subsection (3), after paragraph (b) insert—

"(ba) if (in a case where any property specified in the initial notice under section 13(3)(c)(i) is property falling within paragraph 3 of Schedule A1) any such counter-proposal relates to the grant of rights in pursuance of paragraph 3(4) of Schedule A1, specify the nature of those rights and the property over which it is proposed to grant them;"

(9) In section 26 (applications where relevant landlord cannot be found), in subsection (1)(i), for "section 2(1)" substitute "Schedule A1".

(10) In Schedule 3 (initial notice: supplementary provisions), in paragraph 15 (inaccuracies or misdescription in initial notice)—

(a) for the heading substitute "initial notice: inaccuracies or misdescription and variation";

(b) in sub-paragraph (2)(a), for "or 2" substitute "or Schedule A1";

(c) after sub-paragraph (2), insert—

"(2A) The notice may, with the permission of the appropriate tribunal, be amended so as to—

(a) include a lease which the nominee purchaser has become required to acquire under paragraph 2(4) of Schedule A1 by virtue of the tenant under the lease becoming a participating tenant;

(b) exclude a lease which the nominee purchaser has ceased to be required to acquire under paragraph 2(4) of Schedule A1 by virtue of the lease no longer being held by a participating tenant;".

Commencement Information

I31 S. 31 not in force at Royal Assent, see **s. 124(3)**

32 Right to require leaseback by freeholder after collective enfranchisement

(1) The LRHUDA 1993 is amended as follows.

(2) In section 13(3) (contents of initial notice), after paragraph (c) insert—

"(ca) specify any flats or other units contained in the specified premises which it is proposed will be leased back to the freeholder under section 36 and Part 3A of Schedule 9;".

(3) In section 21(3)(a) (contents of counter-notice), in sub-paragraph (ii), after "leaseback proposals" insert "under Part 2 or 3 of Schedule 9".

(4) In section 36 (nominee purchaser required to grant leases back to former freeholder in certain circumstances)—

(a) after subsection (1) insert—

"(1A) In connection with the acquisition by the nominee purchaser of a freehold interest in the specified premises, the person from whom the interest is acquired must accept a grant of a lease of a flat or other unit contained in the specified premises, or part of such a flat or other unit, where required to do so by Part 3A of Schedule 9.";

(b) in subsection (2), for "such lease" substitute "lease required under this section and Schedule 9 to be granted or accepted";

(c) in subsection (4), for "II or III" substitute "2, 3 or 3A";

(d) for the heading substitute "Required grant and acceptance of leasebacks in certain circumstances".

(5) In Schedule 9 (grant of leases back to former freeholder)—

(a) in paragraph 1(1), in the definition of "the demised premises", for "II or III" substitute "2, 3 or 3A";

(b) after Part 3 insert—

"**PART 3A**

RIGHT OF NOMINEE PURCHASER TO
REQUIRE LEASEBACK OF CERTAIN UNITS

Flats and other units without participating tenants

7A (1) This paragraph applies where a flat or other unit contained in the specified premises is not let to a participating tenant immediately before the appropriate time.

(2) This paragraph does not apply to a flat or other unit to which paragraph 2 or 3 applies.

(3) This paragraph does not apply where—

(a) a flat is leased to a qualifying tenant immediately before the appropriate time,

(b) a lease of the flat that is superior to the lease held by the qualifying tenant exists at that time, and

(c) the nominee purchaser has decided, in accordance with paragraph 2(5) of Schedule A1, to acquire the superior lease insofar as it comprises the flat.

(4) Where this paragraph applies, the freeholder must, if the nominee purchaser by notice requires them to do so, accept a lease of the flat or other unit in accordance with section 36 and paragraph 7B below.

(5) If, immediately before the appropriate time, the flat or other unit in question is comprised in two or more different freehold titles—

(a) a grant of a lease to a freeholder under this paragraph may only provide for so much of the flat or other unit as was comprised in the freehold title owned by the freeholder immediately before the appropriate time to be leased to that freeholder;

(b) a grant of a lease under this paragraph for part of a flat or other unit does not have to be accepted by the freeholder unless a separate lease under this paragraph is granted to the freeholder of every other freehold title in which the flat or unit in question is comprised.

Provisions as to terms of lease

7B (1) Any lease granted to the freeholder under paragraph 7A, and any agreement collateral to it, must conform with the provisions of Part 4 of this Schedule except to the extent that any departure from those provisions—

(a) is agreed to by the nominee purchaser and the freeholder, or

(b) is directed by the appropriate tribunal on an application made by either of those persons.

(2) The appropriate tribunal may not direct any such departure from those provisions unless it appears to the tribunal that it is reasonable in the circumstances.

(3) In determining whether any such departure is reasonable in the circumstances, the tribunal must—

(a) have particular regard to the interests of any person who will be the tenant of the flat or other unit in question under a lease inferior to the lease to be granted to the freeholder;

(b) where the flat or other unit in question is comprised in two or more different freehold titles immediately before the appropriate time, take that into account.

(4) Subject to the preceding provisions of this paragraph, any such lease or agreement as is mentioned in sub-paragraph (1) may include such terms as are reasonable in the circumstances.";

(c) in paragraph 10, after sub-paragraph (2) insert—

"(3) In the application of this paragraph or paragraph 11 to a lease under paragraph 7A for part of a flat or other unit where that flat or other unit is comprised in two or more different freehold titles immediately before the appropriate time—

(a) a reference to "other property" in this paragraph or paragraph 11 includes any other part of the flat or other unit in question, and

(b) an obligation under this paragraph or paragraph 11 to include in the lease a particular kind of provision in relation to other property is to be construed accordingly.";

(d) in paragraph 16(2), for "4 or 7" substitute "4, 7 or 7B".

Commencement Information

I32 S. 32 not in force at Royal Assent, see **s. 124(3)**

Effects of extension

33 Longer lease extensions

(1) In section 14(1) of the LRA 1967 (obligation to grant extended lease), for "fifty years" substitute "990 years".

(2) In section 56(1) of the LRHUDA 1993 (obligation to grant new lease), in the words after paragraph (b), for "90 years" substitute "990 years".

Commencement Information
I33 S. 33 not in force at Royal Assent, see **s. 124(3)**

34 Lease extensions under the LRA 1967 on payment of premium at peppercorn rent

(1) The LRA 1967 is amended as follows.

(2) In section 14 (obligation to grant extended lease)—

(a) in subsection (1), for ", in substitution for the existing tenancy" substitute "—

(a) in substitution for the existing tenancy, and

(b) on paying the price payable (see section 14A) in respect of the grant,";

(b) omit subsection (2)(c);

(c) in subsection (3), in the words before paragraph (a), after "otherwise than on tender" insert ", in addition to the price payable,";

(d) after subsection (7) insert—

"(8) The right to an extended lease may be exercised in relation to a lease previously granted under this section; and the provisions of this Part are to apply, with any necessary modifications, for the purposes of or in connection with any claim to exercise that right in relation to a lease so granted as they apply for the purposes of or in connection with any claim to exercise that right in relation to a lease which has not been so granted."

Section 14A (referred to in subsection (2)(a)) is inserted by section 35 of this Act.

(3) In section 15 (terms of tenancy to be granted on extension)—

(a) for subsection (2) substitute—

"(2) The new tenancy must provide that as from the date it is granted the rent payable for the house and premises is a peppercorn rent.

(2A) But if the existing tenancy is a shared ownership lease, the rent payable for the house and premises under the new tenancy is as follows (and subsection (2) does not apply)—

(a) if the existing tenancy provides for rent to be payable in respect of the landlord's share in the house and premises, subsection (1) applies to the terms of the new tenancy relating to that rent;

(b) whether or not the existing tenancy provides for rent to be payable in respect of the tenant's share in the house and premises, the new tenancy must provide that, as from the date it is granted, a peppercorn rent is payable in respect of the tenant's share;

and a reference in any enactment (whenever passed or made) to rent payable in accordance with subsection (2) includes a reference to the rent payable in accordance with this subsection.

(2B) For the purposes of subsection (2A), if the existing tenancy does not reserve separate rents in respect of the tenant's share in the house and premises and the landlord's share in the house and premises, any rent reserved is to be treated as reserved in respect of the landlord's share.

(2C) In this section "peppercorn rent" has the same meaning as in the Leasehold Reform (Ground Rent) Act 2022 — see section 4(3) of that Act.";

(b) in subsection (3)—

(i) for "rent", in the first place it occurs, substitute "peppercorn rent";

(ii) for "the time when rent becomes payable in accordance with subsection (2) above" substitute "the original term date";

(c) in subsection (6)—

(i) omit "the first reference in subsection (2) above to that date shall have effect as a reference to the grant of the new tenancy; but";

(ii) omit "(after making any necessary apportionment)";

(iii) omit "rent and" in both places it occurs;

(iv) after "section 14(3)(a) above shall apply" insert "in respect of those matters".

(4) In section 21(1) (jurisdiction of tribunals), omit paragraph (b).

(5) In section 31(2)(a) (ecclesiastical property), omit "or rent".

(6) In Schedule 1 (enfranchisement or extension by sub-tenants), in paragraph 10(4)—

(a) omit the words from the first "shall give effect to" to "intermediate landlord, and";

(b) for "any of those landlords" substitute "the landlord granting the new tenancy, the immediate landlord of whom the new tenancy will be held and any intermediate landlord".

Commencement Information

I34 S. 34 not in force at Royal Assent, see **s. 124(3)**

Price payable on enfranchisement or extension

35 LRA 1967: determining price payable for freehold or lease extension

(1) The LRA 1967 is amended as follows.

(2) In section 9 (purchase price and costs of enfranchisement)—

(a) before subsection (1) insert—

"(A1) The price payable for a house and premises on a conveyance under section 8 is to be determined in accordance with section 37 of the Leasehold and Freehold Reform Act 2024.";

(b) omit subsections (1) to (2).

(3) After section 14 insert—

"**14A Extension of lease: determining the price payable**

The price payable for an extended lease granted under section 14 is to be determined in accordance with section 37 of the Leasehold and Freehold Reform Act 2024."

Commencement Information

I35 S. 35 not in force at Royal Assent, see **s. 124(3)**

36 LRHUDA 1993: determining price payable for collective enfranchisement or new lease

(1) The LRHUDA 1993 is amended as follows.

(2) In section 32 (determination of price for collective enfranchisement), for subsection (1) substitute—

"(1) The price payable on the acquisition of a freehold and other interests under this Chapter is to be determined in accordance with section 37 of the Leasehold and Freehold Reform Act 2024."

(3) In section 56 (obligation to grant new lease)—

(a) in subsection (1), for paragraph (b) substitute—

"(b) on payment of the price payable in respect of the grant as determined in accordance with section 37 of the Leasehold and Freehold Reform Act 2024,";

(b) after subsection (1) insert—

"(1A) But if the existing lease is a shared ownership lease, the rent payable under the new lease of the flat is as follows (and subsection (1) does not apply for the purpose of specifying the rent under the new lease)—

(a) whether or not the existing lease provides for rent to be payable in respect of the tenant's share in the flat, the new lease must provide for a peppercorn rent to be payable in respect of the tenant's share;

(b) if the existing lease provides for rent to be payable in respect of the landlord's share in the flat, section 57(1) applies to the terms of the new lease relating to that rent;

and a reference in any enactment (whenever passed or made) to rent payable in accordance with subsection (1) includes a reference to the rent payable in accordance with this subsection.

(1B) For the purposes of subsection (1A), if the existing lease does not reserve separate rents in respect of the tenant's share in the flat and the landlord's share in the flat, any rent reserved is to be treated as reserved in respect of the landlord's share."

(4) Omit Schedule 6 (purchase price payable by nominee purchaser).

(5) Omit Schedule 13 (premium and other amounts payable by tenant on grant of new lease).

Commencement Information

I36 S. 36 not in force at Royal Assent, see **s. 124(3)**

37 Enfranchisement or extension: new method for calculating price payable

(1) Where this section applies to the acquisition of a freehold or grant of a lease, the price payable is—

(a) the market value, and

(b) the other compensation (if any).

(2) Schedule 4 sets out—

(a) how the market value is to be determined — see Parts 1 to 5 and 7 of the Schedule, and

(b) how to divide the market value into shares (where loss is suffered by certain landlords other than the landlord transferring the freehold or granting the lease) — see Part 6 of the Schedule.

(3) Schedule 5 sets out when other compensation is payable and how to determine its amount.

(4) Schedule 6 contains interpretation provision applicable to Schedules 4 and 5.

(5) Schedule 7 contains amendments of the LRA 1967 and the LRHUDA 1993 that are consequential on sections 35 and 36, this section and Schedules 4 to 6.

(6) These are the provisions under which this section applies to the acquisition of a freehold or grant of a lease—

(a) section 9(A1) of the LRA 1967 (transfer of a freehold house under the LRA 1967);

(b) section 14A(1) of the LRA 1967 (grant of an extended lease of a house under the LRA 1967);

(c) section 32(1) of the LRHUDA 1993 (collective enfranchisement of a building under the LRHUDA 1993);

(d) section 56(1)(b) of the LRHUDA 1993 (grant of a new lease of a flat under the LRHUDA 1993).

(7) This section has effect subject to the following provisions (which provide for the adjustment of the price payable where property is in the area of a management scheme) —

(a) section 19(10)(b) of the LRA 1967;

(b) section 70(12)(b) and (c) of the LRHUDA 1993.

(8) In this Part—

(a) "transfer of a freehold house under the LRA 1967" means the conveyance or transfer of the freehold of a house and any other premises under Part 1 of the LRA 1967;

(b) "grant of an extended lease of a house under the LRA 1967" means the grant of an extended lease of a house and any other premises under Part 1 of the LRA 1967;

(c) "collective enfranchisement of a building under the LRHUDA 1993" means the acquisition by a nominee purchaser of a freehold and any other interests under Chapter 1 of Part 1 of the LRHUDA 1993;

(d) "grant of a new lease of a flat under the LRHUDA 1993" means the grant of a new lease under Chapter 2 of Part 1 of the LRHUDA 1993.

Commencement Information

I37 S. 37 not in force at Royal Assent, see **s. 124(3)**

Costs of enfranchisement or extension

38 Costs of enfranchisement and extension under the LRA 1967

(1) The LRA 1967 is amended as follows.

(2) In section 9 (costs of enfranchisement)—

(a) in the heading, omit "and costs of enfranchisement,";

(b) omit subsections (4) and (4A);

(c) omit subsection (5)(b).

(3) In section 10(1A) (landlord's covenants on enfranchisement), omit the words from "and in the absence" to "assurance)".

(4) In section 14 (costs of extension)—

(a) omit subsections (2) and (2A);

(b) omit subsection (3)(b).

(5) In section 15(9) (landlord's covenants on extension), omit the words from "and in the absence" to "assurance)".

(6) After section 19 insert—

"Costs

19A Liability for costs associated with enfranchisement and extension claims

(1) A tenant is not liable for any costs incurred by any other person as a result of the tenant's claim to acquire a freehold or extended lease under this Part, except as referred to in—

(a) subsection (4),

(b) section 19B (liability where claim ceases to have effect), and

(c) section 19C (liability where tenant acquires the freehold or lease).

(2) A former tenant is not liable for any costs incurred by any other person as a result of the former tenant's claim to acquire a freehold or extended lease under this Part, except as referred to in subsections (4) and (5).

(3) A lease, transfer, contract or other arrangement is accordingly of no effect to the extent it would provide to the contrary.

(4) A tenant or former tenant is liable for costs incurred by another person in connection with proceedings before a court or tribunal if—

(a) the court or tribunal has power under this Part or another enactment to order that the tenant or former tenant pay those costs, and

(b) the court or tribunal makes such an order.

(5) A former tenant is liable for costs incurred by a successor in title to the extent agreed between the former tenant and that successor in title.

(6) In this section and sections 19B to 19E—

(a) "claim" includes an invalid claim;

(b) "costs" does not include—

(i) anything for which the tenant is required to pay compensation under this Part, or

(ii) anything for which the tenant is required to pay under section 9(A1) (price payable for freehold) or section 14A (price payable for extended lease).

(7) In this section, "former tenant" means a person who was a tenant making a claim to acquire a freehold or extended lease under this Part, but is no longer a tenant.

(8) See also sections 20CA and 20J of the Landlord and Tenant Act 1985, which prevent costs in connection with a claim under this Part being recovered by way of a variable service charge (within the meaning of section 18 of that Act).

19B Liability for costs: failed claims

(1) A tenant is liable to the landlord for a prescribed amount in respect of non-litigation costs if—

(a) the tenant's claim to acquire a freehold or extended lease of a house and premises under this Part ceases to have effect, and

(b) the reason why the claim ceases to have effect is not a permitted reason.

(2) The permitted reasons are—

(a) the claim ceasing to have effect under regulations under section 4B (landlord certified as community housing provider);

(b) the claim ceasing to have effect under section 5(6) (compulsory acquisition);

(c) an order being made under section 17(2) (landlord's redevelopment rights);

(d) an order being made under section 18(4) (landlord's residential rights);

(e) the claim ceasing to have effect under section 28(1)(a) (land required for public purposes etc);

(f) the claim ceasing to have effect under section 32A (property transferred for public benefit etc);

(g) the claim ceasing to have effect under section 74(2) of the Leasehold Reform, Housing and Urban Development Act 1993 (estate management schemes).

(3) For the purposes of this section—

(a) where Schedule 1 (enfranchisement or extension by sub-tenants) applies to the claim, "the landlord" means the reversioner (see paragraph 1(1)(b) of that Schedule);

(b) "prescribed" means prescribed by, or determined in accordance with, regulations made—

(i) in relation to England, by the Secretary of State;

(ii) in relation to Wales, by the Welsh Ministers;

(c) "non-litigation costs" are costs that are or could be incurred by a landlord as a result of a claim under this Part other than in connection with proceedings before a court or tribunal;

(d) a reference to a claim "ceasing to have effect" includes—

(i) the claim having been withdrawn or deemed withdrawn;

(ii) the claim having been set aside by the court or the appropriate tribunal;

(iii) the claim ceasing to have effect by virtue of the tenant failing to comply with an obligation arising from the claim;

(e) a claim does not cease to have effect if it results in the acquisition of the freehold or extended lease;

(f) where a claim ceases to have effect by virtue of a person who was a tenant assigning their lease without assigning the claim under section 5(2), "tenant" includes that person.

(4) Regulations under this section are to be made by statutory instrument.

(5) A statutory instrument containing regulations under this section is—

(a) where it contains regulations made by the Secretary of State, subject to annulment in pursuance of a resolution of either House of Parliament;

(b) where it contains regulations made by the Welsh Ministers, subject to annulment in pursuance of a resolution of Senedd Cymru.

19C Liability for costs: successful claims

(1) A tenant is liable to the landlord for the amount referred to in subsection (2) if—

(a) the tenant makes a claim to acquire a freehold or extended lease of a house and premises under this Part,

(b) the tenant acquires the freehold or extended lease,

(c) the price payable by the tenant for the freehold under section 9(A1), or for the extended lease under section 14A, is less than a prescribed amount,

(d) the landlord incurs costs as a result of the claim,

(e) the costs are incurred other than in connection with proceedings before a court or tribunal,

(f) the costs incurred by the landlord are reasonable, and

(g) the costs are more than the price payable.

(2) The amount is the difference between—

(a) the price payable by the tenant, and

(b) the costs incurred by the landlord, or, if those costs exceed a prescribed amount, that prescribed amount.

(3) In this section—

(a) where Schedule 1 (enfranchisement or extension by sub-tenants) applies to the claim, "the landlord" in this section means the reversioner (see paragraph 1(1)(b) of that Schedule);

(b) "prescribed" means prescribed by, or determined in accordance with, regulations made—

(i) in relation to England, by the Secretary of State;

(ii) in relation to Wales, by the Welsh Ministers.

(4) Regulations under this section are to be made by statutory instrument.

(5) A statutory instrument containing regulations under this section is—

(a) where it contains regulations made by the Secretary of State, subject to annulment in pursuance of a resolution of either House of Parliament;

(b) where it contains regulations made by the Welsh Ministers, subject to annulment in pursuance of a resolution of Senedd Cymru.

19D Power to require allocation of amounts paid under section 19B or 19C

(1) The appropriate authority may by regulations provide for circumstances in which, if—

(a) Schedule 1 (enfranchisement or extension by sub-tenants) applies to a claim, and

(b) the reversioner (see paragraph 1(1)(b) of Schedule 1) receives an amount under section 19B or 19C,

the reversioner is required to pay a proportion of that amount to one or more of the other landlords (see paragraph 1(3) of Schedule 1).

(2) In this section, "appropriate authority" means—

(a) in relation to England, the Secretary of State;

(b) in relation to Wales, the Welsh Ministers.

(3) Regulations under this section—

(a) may make provision for the appropriate tribunal to order payment;

(b) are to be made by statutory instrument.

(4) A statutory instrument containing regulations under this section is—

(a) where it contains regulations made by the Secretary of State, subject to annulment in pursuance of a resolution of either House of Parliament;

(b) where it contains regulations made by the Welsh Ministers, subject to annulment in pursuance of a resolution of Senedd Cymru.

19E Security for costs

A lease, transfer, contract or other arrangement is of no effect to the extent it requires a tenant to pay another person an amount in anticipation of the tenant being liable to a person in respect of their costs as a result of a claim under this Part."

(7) In section 20 (jurisdiction of county court), omit subsections (4) and (4A).

(8) In section 22(3)(a) (deposits), omit "and landlord's costs".

(9) In consequence of the amendments made by subsections (2) to (8)—

(a) in section 9(5)(c) (landlord's lien as vendor), for "him" substitute "the tenant";

(b) in section 14(3)(c) (conditions for grant of extended lease), for "him" substitute "the tenant";

(c) in section 17(4)(b) (redevelopment rights), omit the words from "but" to "the notice";

(d) in section 18(6)(b) (residential rights), omit the words from "but" to "the notice";

(e) in section 19(14)(b) (management powers), omit the words from "and" to "withdrawn";

(f) in section 27A(5) (compensation for ineffective claim in certain cases), for paragraph (b) substitute—

"(b) a permitted reason within the meaning of section 19B(2);";

(g) in section 32A(5) (property transferred for public benefit), omit paragraph (a).

Commencement Information

I38 S. 38 not in force at Royal Assent, see **s. 124(3)**

39 Costs of enfranchisement and extension under the LRHUDA 1993

(1) The LRHUDA 1993 is amended as follows.

(2) In section 28 (withdrawal of acquisition), omit subsections (4) to (7).

(3) In section 29 (deemed withdrawal), omit subsections (6) to (8).

(4) In section 32(2) (vendor's lien), omit paragraph (c).

(5) Omit section 33 (costs of enfranchisement).

(6) In section 56(3) (conditions of grant of new lease), omit paragraph (b).

(7) In section 57(8) (landlord's covenants on extension), omit the words from "and in the absence" to "assurance)".

(8) Omit section 60 (costs of extension) and the italic heading preceding it.

(9) Before section 90 insert—

"**89A Liability for costs arising under Chapters 1 and 2**

(1) A tenant is not liable for any costs incurred by any other person as a result of the tenant's claim under Chapter 1 or 2, except as referred to in—
(a) subsections (5) and (8),
(b) section 89B (liability where a claim under Chapter 1 ceases to have effect),
(c) section 89E (liability where a claim under Chapter 2 ceases to have effect), and
(d) section 89F (liability where a new lease of a flat is acquired under Chapter 2).

(2) A former tenant is not liable for any costs incurred by any other person as a result of the tenant's claim under Chapter 1 or 2, except as referred to in subsections (5), (7) and (8).

(3) A nominee purchaser in relation to a claim under Chapter 1 is not liable for any costs incurred by any other person as a result of the claim, except as referred to in—
(a) subsections (5), (8) and (9),
(b) section 89B (liability where a claim ceases to have effect),
(c) section 89C (liability where a freehold of premises is acquired), and
(d) section 89D (liability where a leaseback is required).

(4) A lease, transfer, contract or other arrangement is accordingly of no effect to the extent it would provide to the contrary.

(5) A participant is liable to another participant in respect of costs incurred as a result of a claim under Chapter 1 to the extent agreed between the two participants.

(6) "Participant", in relation to a claim under Chapter 1, means—
(a) a tenant or former tenant that is or has been a participating tenant;
(b) a nominee purchaser in relation to the claim.

(7) A former tenant is liable for costs incurred by a successor in title to the extent agreed between the former tenant and that successor in title.

(8) A tenant, former tenant or nominee purchaser is liable for costs incurred by another person in connection with proceedings before a court or tribunal if—
(a) the court or tribunal has power under Chapter 1 or 2 or another enactment to order that those costs are paid, and
(b) the court or tribunal makes such an order.

(9) A nominee purchaser is liable for costs in relation to a claim under Chapter 1 as set out in section 15(7) (liability after termination of appointment).

(10) In this section and sections 89B to 89H—
(a) "claim" includes an invalid claim;

(b) "costs" does not include—

(i) anything for which the tenant or nominee purchaser is required to pay compensation under Chapter 1 or 2, or

(ii) anything for which the tenant or nominee purchaser is required to pay under section 32 (price payable for collective enfranchisement) or section 56 (price payable for new lease).

(11) In this section—

(a) "former tenant" means a person who was a tenant making a claim under Chapter 1 or 2, but is no longer a tenant;

(b) a reference to the "nominee purchaser" includes a reference to—

(i) where more than one person constitutes the nominee purchaser, each person constituting the nominee purchaser;

(ii) a person whose appointment as nominee purchaser has terminated in accordance with section 15(3) or 16(1).

(12) See also sections 20CA and 20J of the Landlord and Tenant Act 1985, which prevent costs in connection with a claim under Chapter 1 or 2 being recovered by way of a variable service charge (within the meaning of section 18 of that Act).

89B Liability for costs: failed claims under Chapter 1

(1) A tenant is liable to the reversioner for a prescribed amount in respect of non-litigation costs if—

(a) the tenant's claim to acquire a freehold of premises under Chapter 1 ceases to have effect, and

(b) the reason why the claim ceases to have effect is not a permitted reason.

(2) The permitted reasons are—

(a) the claim ceasing to have effect under regulations under section 8B (landlord certified as community housing provider);

(b) an order being made under section 23(1) (landlord's redevelopment rights);

(c) the claim ceasing to have effect under section 30 (compulsory acquisition procedures);

(d) the claim ceasing to have effect under section 31 (designation for public benefit);

(e) the claim ceasing to have effect under section 74(3) (estate management schemes).

(3) If a tenant is liable under this section, the nominee purchaser in relation to the claim (if any) is also liable.

(4) If more than one person is liable under this section, each of those persons is jointly and severally liable.

(5) In this section—

"nominee purchaser"—

(a) includes each person constituting the nominee purchaser at the relevant time;

(b) does not include any person whose appointment as nominee purchaser has, before the relevant time, terminated in accordance with section 15(3) or 16(1);

"non-litigation costs" means costs that are or could be incurred by a landlord as a result of a claim under Chapter 1 other than in connection with proceedings before a court or tribunal;

"prescribed" means prescribed by, or determined in accordance with, regulations made—

(a) in relation to England, by the Secretary of State;

(b) in relation to Wales, by the Welsh Ministers;

"relevant time" means the time the claim ceases to have effect;

"tenant"—

(a) includes a person that is not a participating tenant in relation to the claim at the relevant time but that has at any time been such a tenant, but

(b) does not include such a person if, before the relevant time, the person assigned the lease in respect of which they were a participating tenant to another person that became a participating tenant in accordance with section 14(4).

(6) For the purposes of this section—

(a) a reference to a claim "ceasing to have effect" includes—

(i) the claim having been withdrawn or deemed withdrawn;

(ii) the claim having been set aside by the court or the appropriate tribunal;

(iii) the claim ceasing to have effect by virtue of the tenant failing to comply with an obligation arising from the claim;

(b) a claim does not cease to have effect if it results in the acquisition of the freehold.

89C Liability for costs: successful claims under Chapter 1

(1) A nominee purchaser in relation to a claim to acquire a freehold of premises under Chapter 1 is liable to the reversioner for the amount referred to in subsection (2) if—

(a) the nominee purchaser acquires the freehold,

(b) the price payable by the nominee purchaser for the freehold under section 32 is less than a prescribed amount,

(c) the reversioner incurs costs as a result of the claim,

(d) the costs are incurred other than in connection with proceedings before a court or tribunal,

(e) the costs incurred by the reversioner are reasonable, and

(f) the costs are more than the price payable.

(2) The amount is the difference between—

(a) the price payable by the nominee purchaser, and

(b) the costs incurred by the reversioner, or, if those costs exceed a prescribed amount, that prescribed amount.

(3) In this section—

"nominee purchaser"—

(a) includes each person constituting the nominee purchaser at the relevant time;

(b) does not include any person whose appointment as nominee purchaser has, before the relevant time, terminated in accordance with section 15(3) or 16(1);

"prescribed" means prescribed by, or determined in accordance with, regulations made—

(a) in relation to England, by the Secretary of State;

(b) in relation to Wales, by the Welsh Ministers;

"relevant time" means the time the nominee purchaser acquires the freehold.

89D Liability for costs: leasebacks under Chapter 1

(1) A nominee purchaser in relation to a claim to acquire a freehold of premises under Chapter 1 is liable to a freeholder for a prescribed amount in respect of non-litigation costs if—

(a) the nominee purchaser acquires a freehold of premises under Chapter 1, and

(b) in connection with the acquisition, the nominee purchaser grants the freeholder a lease of a flat or other unit in accordance with section 36 and Part 3A of Schedule 9.

(2) In this section—

"nominee purchaser"—

(a) includes each person constituting the nominee purchaser at the relevant time;

(b) does not include any person whose appointment as nominee purchaser has, before the relevant time, terminated in accordance with section 15(3) or 16(1);

"non-litigation costs" means costs that are or could be incurred by a freeholder as a result of the grant of a lease of a flat or other unit in accordance with section 36 and Part 3A of Schedule 9, other than in connection with proceedings before a court or tribunal;

"prescribed" means prescribed by, or determined in accordance with, regulations made—

(a) in relation to England, by the Secretary of State;

(b) in relation to Wales, by the Welsh Ministers;

"relevant time" means the time the nominee purchaser acquires the freehold.

89E Liability for costs: failed claims under Chapter 2

(1) A tenant is liable to the competent landlord for a prescribed amount in respect of non-litigation costs if—

(a) the tenant's claim to acquire a new lease of a flat under Chapter 2 ceases to have effect, and

(b) the reason why the claim ceases to have effect is not a permitted reason.

(2) The permitted reasons are—

(a) an order being made under section 47(1) (landlord's redevelopment rights);

(b) the claim ceasing to have effect under section 55 (compulsory acquisition procedures).

(3) For the purposes of this section—

(a) "prescribed" means prescribed by, or determined in accordance with, regulations made—

(i) in relation to England, by the Secretary of State;

(ii) in relation to Wales, by the Welsh Ministers;

(b) "non-litigation costs" are costs that are or could be incurred by a landlord as a result of a claim under Chapter 2 other than in connection with proceedings before a court or tribunal;

(c) a reference to a claim "ceasing to have effect" includes—

(i) the claim having been withdrawn or deemed withdrawn;

(ii) the claim having been set aside by the court or the appropriate tribunal;

(iii) the claim ceasing to have effect by virtue of the tenant failing to comply with an obligation arising from the claim;

(d) a claim does not cease to have effect if it results in the acquisition of the new lease;

(e) where a claim ceases to have effect by virtue of a person who was a tenant assigning their lease without assigning the claim (see section 43), "tenant" includes that person.

89F Liability for costs: successful claims under Chapter 2

(1) A tenant is liable to the competent landlord for the amount referred to in subsection (2) if—

(a) the tenant makes a claim to acquire a new lease under Chapter 2,

(b) the tenant acquires the new lease,

(c) the price payable by the tenant for the new lease under section 56 is less than a prescribed amount,

(d) the competent landlord incurs costs as a result of the claim,

(e) the costs are incurred other than in connection with proceedings before a court or tribunal,

(f) the costs incurred by the competent landlord are reasonable, and

(g) the costs are more than the price payable.

(2) The amount is the difference between—

(a) the price payable by the tenant, and

(b) the costs incurred by the competent landlord, or, if those costs exceed a prescribed amount, that prescribed amount.

(3) In this section, "prescribed" means prescribed by, or determined in accordance with, regulations made—

(a) in relation to England, by the Secretary of State;

(b) in relation to Wales, by the Welsh Ministers.

89G Powers to require allocation of amounts paid under sections 89B to 89F

(1) The appropriate authority may by regulations provide for circumstances in which, if the reversioner receives an amount under section 89B or 89C (liability for costs arising under Chapter 1), the reversioner is required to pay a proportion of that amount to one or more of the other relevant landlords.

See section 9 for the meanings of "reversioner" and "other relevant landlord".

(2) The appropriate authority may by regulations provide for circumstances in which, if the competent landlord receives an amount under section 89E or 89F (liability for costs arising under Chapter 2), the competent landlord is required to pay a proportion of that amount to one or more of the other landlords.

See section 40 for the meanings of "competent landlord" and "other landlord".

(3) Regulations under this section may make provision for the appropriate tribunal to order payment.

(4) In this section, "appropriate authority" means—
(a) in relation to England, the Secretary of State;
(b) in relation to Wales, the Welsh Ministers.

89H Security for costs under Chapters 1 and 2

(1) A lease, transfer, contract or other arrangement is of no effect to the extent it requires a tenant or nominee purchaser to pay another person an amount in anticipation of the tenant or nominee purchaser being liable to a person in respect of their costs as a result of a claim under Chapter 1 or 2.

(2) The appropriate tribunal may, on the application of a person (the "applicant") to which a nominee purchaser in relation to a claim under Chapter 1 may be liable by virtue of section 89D (leasebacks), order the nominee purchaser to pay an amount—
(a) to the applicant, or
(b) into the tribunal,
in anticipation of the nominee purchaser being so liable."

(10) In Schedule 7, in paragraph 2(2) (terms of enfranchisement), omit the words from "and in the absence" to "assurance)".

(11) In consequence of the amendments made by subsections (2) to (10)—
(a) in section 15(7) (appointment and replacement of nominee purchaser)—
(i) for the words from "he shall not be liable" to "but if" substitute "and";
(ii) for "under section 33" substitute "as otherwise referred to in section 89A";
(b) in section 31(5) (designation for inheritance tax purposes), omit paragraph (a);
(c) in the italic heading before section 32, omit "and costs of enfranchisement";
(d) in section 52 (withdrawal from acquisition of new lease), omit subsection (3);
(e) in section 74 (effect of estate management schemes on freehold claims), omit subsection (4).

Commencement Information

I39 S. 39 not in force at Royal Assent, see **s. 124(3)**

Jurisdiction of the county court and tribunals

40 Replacement of sections 20 and 21 of the LRA 1967

For sections 20 and 21 of the LRA 1967 (jurisdiction of county court and tribunals) substitute—

"**20 Jurisdiction of the county court**

(1) Any jurisdiction conferred on the court by this Part is to be exercised by the county court unless a contrary intention appears (and subject to section 41 of the County Courts Act 1984).

(2) Proceedings for determining the amount of a sub-tenant's share under Schedule 2 in compensation payable to a tenant under section 17, or for establishing or giving effect to a sub-tenant's right to such a share, are to be brought in the county court (but see section 21(8)).

21 Jurisdiction of tribunals

(1) The following matters are, in default of agreement, to be determined by the appropriate tribunal—

(a) whether a person is entitled to acquire the freehold or an extended lease of a house and premises, or to what property that right extends;

(b) the price payable for a house and premises in accordance with section 9 or an extended lease in accordance with section 14A;

(c) what provisions should be contained in a conveyance in accordance with section 10 or 29(1), or in a lease granting a new tenancy under section 14;

(d) the amount of any compensation payable to a tenant under section 17 for the loss of a house and premises;

(e) whether (and what) costs are payable under section 19B or 19C;

(f) the amount of any other costs payable by virtue of any provision of Part 1;

(g) the amount of the appropriate sum to be paid into the tribunal under section 27(5);

(h) the amount of any compensation payable under section 27A;

(i) any matter arising under paragraph 12A of Schedule 1 (reduction of rent under intermediate leases on grant of an extended lease), including what rent under an intermediate lease is apportioned to the house and premises;

(j) whether a person is entitled to be paid a share of the market value, and what share of the market value a person is entitled to be paid, in accordance with Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024;

(k) any matter arising under Schedule 10 to the Leasehold and Freehold Reform Act 2024 (variation of lease to reduce rent to peppercorn).

(2) No application may be made to the appropriate tribunal under subsection (1) to determine the price payable for a house and premises or an extended lease unless—

(a) the landlord has informed the tenant of the price they are asking, or

(b) two months have elapsed without the landlord doing so since the tenant gave notice of their desire to have the freehold or extended lease under this Part.

(3) Where in connection with any acquisition by a tenant of the freehold or an extended lease under this Part it is necessary to apportion between the house and premises (or part of them) and other property the rent payable under the immediate tenancy or any superior or reversionary tenancy, the apportionment must be made by the appropriate tribunal.

(4) Where the appropriate tribunal has determined that costs are payable under section 19B or 19C or the amount of any other costs payable by virtue of any provision of Part 1, it may make an order requiring a person to pay those costs.

(5) Where the appropriate tribunal has determined the amount of compensation payable under section 27A, it may make an order requiring the tenant concerned to pay that amount to the person entitled to it.

(6) In relation to paragraph 12A of Schedule 1—

(a) if the landlord under a qualifying intermediate lease cannot be found or their identity cannot be ascertained, the appropriate tribunal may make such order as it thinks fit, including—

(i) an order dispensing with the requirement to give notice under paragraph 12A(3) of Schedule 1 to that landlord, or

(ii) an order that such a notice has effect and has been properly served even though it has not been served on that landlord;

(b) the appropriate tribunal may make an order appointing a person to vary a lease in accordance with paragraph 12A of Schedule 1 on behalf of the landlord or tenant;

(c) if the appropriate tribunal makes a determination that a notice under paragraph 12A(3) of Schedule 1 was of no effect, it may—

(i) determine whether another landlord or tenant could have given such a notice, and

(ii) if it determines that they could have done so, order that paragraph 12A of Schedule 1 is to apply as if they had done so.

(7) The variation of a lease on behalf of a party in consequence of an order under subsection (6)(b) has the same force and effect (for all purposes) as if it had been executed by that party.

(8) The appropriate tribunal has jurisdiction, either by agreement or in a case where an application is made to the tribunal under subsection (1) with reference to the same transaction, to determine the amount of a sub-tenant's share under Schedule 2 in compensation payable to a tenant under section 17.

(9) For the purposes of this Part a matter is to be treated as determined by (or on appeal from) the appropriate tribunal—

(a) if the decision on the matter is not appealed against, at the end of the period for bringing an appeal, or

(b) if that decision is appealed against, at the time when the appeal is disposed of.

(10) An appeal is disposed of—

(a) if it is determined and the period for bringing any further appeal has ended, or

(b) if it is abandoned or otherwise ceases to have effect.

(11) See section 44 of the Leasehold and Freehold Reform Act 2024, which restricts the first-instance jurisdiction of the High Court in respect of tribunal matters.

21A Jurisdiction for other proceedings

(1) This section applies to proceedings—

(a) relating to the performance or discharge of obligations arising out of a tenant's notice of their desire to have the freehold or an extended lease under this Part, and

(b) for which jurisdiction has not otherwise been conferred under or by virtue of this Part.

(2) Jurisdiction is conferred on the appropriate tribunal for proceedings to which this section applies.

(3) But jurisdiction is instead conferred on the court where a purpose of the proceedings is to obtain a remedy that could not be granted by the appropriate tribunal but could be granted by the court.

(4) If, in proceedings before the court to which this section applies, it appears to the court that—

(a) the remedy (or remedies) sought could be granted by the appropriate tribunal, it must by order transfer the proceedings to the appropriate tribunal;

(b) a remedy sought could be granted by the appropriate tribunal and another remedy sought could only be granted by the court, it may by order transfer the proceedings to the appropriate tribunal insofar as the proceedings relate to the remedy that could be granted by the appropriate tribunal.

(5) Following a transfer of proceedings under subsection (4)(b)—

(a) the court may dispose of all or any remaining proceedings pending the determination of the transferred proceedings by the appropriate tribunal,

(b) the appropriate tribunal may determine the transferred proceedings, and

(c) when the appropriate tribunal has done so, the court may give effect to the determination in an order of the court.

(6) Rules of court may prescribe the procedure to be followed in a court in connection with or in consequence of a transfer under this section.

(7) A reference in this Part to the jurisdiction conferred on the appropriate tribunal or the court includes that conferred by this section.

(8) This section does not prevent the bringing of proceedings in a court other than the county court where the claim is for damages or pecuniary compensation only.

21B Power to order compliance

(1) The court or appropriate tribunal may, on the application of any person interested, make an order requiring any person who has failed to comply with any requirement imposed on them under or by virtue of any provision of this Part to make good the default within such time as is specified in the order.

(2) An application may not be made under subsection (1) unless—

(a) a notice has been previously given to the person in question requiring them to make good the default, and

(b) more than 14 days have elapsed since the date of the giving of that notice without their having done so.

(3) An application may not be made under subsection (1) to the court unless the application relates to proceedings in respect of which the court has jurisdiction under or by virtue of any provision of this Part (including section 21A).

(4) Where an order other than an order to pay a sum of money has been made under subsection (1) by the appropriate tribunal—

(a) a person may apply to the court for enforcement of the order;

(b) the appropriate tribunal may by order transfer proceedings to the court for enforcement of the order,

and the order is to be enforceable by the court in the same way as an order of the court.

(5) See section 176C of the Commonhold and Leasehold Reform Act 2002 for general provision about the enforcement of tribunal decisions and section 27 of the Tribunals, Courts and Enforcement Act 2007 for provision about the enforcement of an order to pay a sum of money.

21C Power relating to completion of Part 1 claims

(1) This section applies where—

(a) all of the terms related to a conveyance or grant of a lease under this Part, including the price and other sums payable under this Part or section 37 of the Leasehold and Freehold Reform Act 2024, have been agreed between the tenant and the landlord or determined by the appropriate tribunal,

(b) the time fixed for the completion of the conveyance or grant of the lease has passed without that completion or grant taking place,

(c) the completion or grant has not taken place because—

(i) a party to the transaction has failed to execute the conveyance or lease, or

(ii) the tenant has failed to pay the price and other sums payable, and

(d) that failure is in breach of an obligation arising under this Part;

and the fact that any matter dealt with in Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024 has not been determined does not stop this section from applying.

(2) Where this section applies, the appropriate tribunal may, on the application of the tenant or the landlord, make an order—

(a) appointing a person to execute the conveyance or lease on behalf of a party to the transaction;

(b) requiring the tenant to pay the price and other sums payable into the tribunal or to a person specified in the order.

(3) A conveyance or lease executed on behalf of a party in consequence of an order under this section has the same force and effect (for all purposes) as if it had been executed by that party.

(4) This section does not prevent a party to a transaction seeking other remedies in connection with a breach of an obligation."

Commencement Information

I40 S. 40 not in force at Royal Assent, see **s. 124(3)**

41 References to "the court" in Part 1 of the LRA 1967

(1) The LRA 1967 is amended as follows.

(2) In the following provisions, for "the court" substitute "the appropriate tribunal" in each place it occurs—

(a) section 2;

(b) section 27;

(c) in Schedule 1—

(i) paragraph 3;

(ii) paragraph 4;

(d) in Schedule 3—

(i) paragraph 6(3);

(ii) paragraph 7(5);

(e) in Schedule 4A—

(i) paragraph 3(3);

(ii) paragraph 3A(3);

(iii) paragraph 4A(6).

(3) In the following provisions, for "into court" substitute "into the tribunal" in each place it occurs—

(a) sections 11 to 13, including the heading of section 13;

(b) section 27;

(c) in Schedule 1, paragraph 4(3)(c).

(4) In the following provisions, after "court" insert "or tribunal"—

(a) section 5(7);

(b) section 13(3)(b);

(c) section 37(7);

(d) in Schedule 3, paragraph 5, in both places it occurs.

(5) In section 11(5), for "in court" substitute "in the tribunal".

(6) In section 13(3), in the words after paragraph (b)—

(a) after "a court" insert "or tribunal";

(b) omit "other than the county court";

(c) after "the court" insert "or tribunal".

(7) In section 27A(7)(b)—

(a) after "the court" insert "or the appropriate tribunal";

(b) after "court order" insert "or order of a tribunal".

Commencement Information

I41 S. 41 not in force at Royal Assent, see **s. 124(3)**

42 Amendment of Part 1 of the LRHUDA 1993

(1) The LRHUDA 1993 is amended as follows.

(2) After section 27 insert—

"**27A Power relating to completion of Chapter 1 claims**

(1) This section applies where—

(a) the completion of a conveyance has not taken place in accordance with the terms of a binding contract entered into in pursuance of an initial notice because—

(i) a party to the transaction has failed to execute the conveyance, or

(ii) the nominee purchaser has failed to pay the price and other sums payable or due under the contract, and

(b) that failure is in breach of an obligation arising under the contract.

(2) Where this section applies, the appropriate tribunal may, on the application of the nominee purchaser or the reversioner, make an order—

(a) appointing a person to execute the conveyance on behalf of a party to the transaction;

(b) requiring the nominee purchaser to pay the price and other sums payable or due under the contract into the tribunal or to a person specified in the order.

(3) A conveyance executed on behalf of a party in consequence of an order under this section has the same force and effect (for all purposes) as if it had been executed by that party.

(4) This section does not prevent a party to a transaction seeking other remedies in connection with a breach of an obligation."

(3) In section 48 (applications where terms in dispute or failure to enter into new lease)—

(a) after subsection (3) insert—

"(3A) An order under subsection (3) may—

(a) appoint a person to execute the new lease on behalf of a party to the transaction;

(b) require that the price and other sums payable are paid into the tribunal or to a person specified in the order.

A lease executed on behalf of a party to a transaction in consequence of an order under subsection (3) has the same force and effect (for all purposes) as if it had been executed by that party.";

(b) in subsection (4), for "Any such order" substitute "An order under subsection (3)".

(4) In section 49 (applications where landlord fails to give counter-notice or further counter-notice)—

(a) after subsection (4) insert—

"(4A) An order under subsection (4) may—

(a) appoint a person to execute the new lease on behalf of a party to the transaction;

(b) require that the price and other sums payable are paid into the tribunal or to a person specified in the order.

A lease executed on behalf of a party to a transaction in consequence of an order under subsection (4) has the same force and effect (for all purposes) as if it had been executed by that party.";

(b) in subsection (5), for "Any such order" substitute "An order under subsection (4)".

(5) In section 90 (jurisdiction of county courts)—

(a) omit subsection (2);

(b) in subsection (3), for "or (2)" substitute "or section 91A";

(c) omit subsection (4).

(6) For section 91 (jurisdiction of tribunals) substitute—

"**91 Jurisdiction of tribunals**

(1) Any question arising in relation to any of the following matters is, in default of agreement, to be determined by the appropriate tribunal—

(a) the terms of acquisition relating to—

(i) any interest which is to be acquired by a nominee purchaser in pursuance of Chapter 1, or

(ii) any new lease which is to be granted to a tenant in pursuance of Chapter 2,

including in particular any matter which needs to be determined in accordance with section 37 of, or Schedule 4 to, the Leasehold and Freehold Reform Act 2024;

(b) the terms of any lease which is to be granted in accordance with section 36 and Schedule 9;

(c) the amount of any payment falling to be made by virtue of section 18(2);

(d) the amount of any compensation payable under section 37A or 61A;

(e) the amount of any costs payable by virtue of any provision of Chapter 1 or 2;

(f) the apportionment between two or more persons of any amount (whether of costs or otherwise) payable by virtue of any such provision;

(g) whether (and what) costs are payable under any of sections 89B to 89F;

(h) the terms on which a lease is to be severed under paragraph 7 of Schedule A1;

(i) any matter arising under paragraph 12 of Schedule 11 (reduction of rent under intermediate leases on grant of a new lease), including what rent under an intermediate lease is apportioned to the flat;

(j) whether a person is entitled to be paid a share of the market value, and what share of the market value a person is entitled to be paid, in accordance with Part 6 of Schedule 4 to the Leasehold and Freehold Reform Act 2024;

(k) any matter arising under Schedule 10 to the Leasehold and Freehold Reform Act 2024 (variation of lease to reduce rent to peppercorn).

(2) Where in connection with—

(a) any exercise of the right to collective enfranchisement under Chapter 1, or

(b) any acquisition of a new lease under Chapter 2,

it is necessary to apportion the rent payable under a tenancy (whether immediate, superior or reversionary), the apportionment must be made by the appropriate tribunal.

(3) The appropriate tribunal may, when determining the property in which any interest is to be acquired in pursuance of a notice under section 13 or 42, specify in its determination property which is less extensive than that specified in that notice.

(4) Where the appropriate tribunal has determined the amount of compensation payable under section 37A or 61A, it may make an order requiring the tenant concerned to pay that amount to the person entitled to it.

(5) Where the appropriate tribunal has determined the amount of any costs payable by virtue of any provision of Chapter 1 or 2 or that costs are payable under any of sections 89B to 89F, it may make an order requiring a person to pay those costs.

(6) In relation to paragraph 12 of Schedule 11—

(a) if the landlord under a qualifying intermediate lease cannot be found or their identity cannot be ascertained, the appropriate tribunal may make such order as it thinks fit, including—

(i) an order dispensing with the requirement to give notice under paragraph 12(3) of Schedule 11 to that landlord, or

(ii) an order that such a notice has effect and has been properly served even though it has not been served on that landlord;

(b) the appropriate tribunal may make an order appointing a person to vary a lease in accordance with paragraph 12 of Schedule 11 on behalf of the landlord or tenant;

(c) if the appropriate tribunal makes a determination that a notice under paragraph 12(3) of Schedule 11 was of no effect, it may—

(i) determine whether another landlord or tenant could have given such a notice, and

(ii) if it determines that they could have done so, order that paragraph 12 of Schedule 11 is to apply as if they had done so.

(7) The variation of a lease on behalf of a party in consequence of an order under subsection (6)(b) has the same force and effect (for all purposes) as if it had been executed by that party.

(8) In this section—

"nominee purchaser" has the same meaning as in Chapter 1;

"terms of acquisition" is to be construed in accordance with section 24(8) or section 48(7), as appropriate.

(9) For the purposes of this Chapter "appropriate tribunal" means—

(a) in relation to property in England, the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal;

(b) in relation to property in Wales, a leasehold valuation tribunal.

(10) See section 44 of the Leasehold and Freehold Reform Act 2024, which restricts the first-instance jurisdiction of the High Court in respect of tribunal matters.

91A Jurisdiction for other proceedings

(1) This section applies to proceedings—

(a) in relation to any matter arising under or by virtue of Chapter 1 or 2 or this Chapter, and

(b) for which jurisdiction has not otherwise been conferred under or by virtue of this Act.

(2) Jurisdiction is conferred on the appropriate tribunal for proceedings to which this section applies.

(3) But jurisdiction is instead conferred on the court where a purpose of the proceedings is to obtain a remedy that could not be granted by the appropriate tribunal but could be granted by the court.

(4) If, in proceedings before the court to which this section applies, it appears to the court that—

(a) the remedy (or remedies) sought could be granted by the appropriate tribunal, it must by order transfer the proceedings to the appropriate tribunal;

(b) a remedy sought could be granted by the appropriate tribunal and another remedy sought could only be granted by the court, it may by order transfer the proceedings to the appropriate tribunal insofar as the proceedings relate to the remedy that could be granted by the appropriate tribunal.

(5) Following a transfer of proceedings under subsection (4)(b)—

(a) the court may dispose of all or any remaining proceedings pending the determination of the transferred proceedings by the appropriate tribunal,

(b) the appropriate tribunal may determine the transferred proceedings, and

(c) when the appropriate tribunal has done so, the court may give effect to the determination in an order of the court.

(6) Rules of court may prescribe the procedure to be followed in a court in connection with or in consequence of a transfer under this section.

(7) A reference in Chapter 1 or 2 or this Chapter to the jurisdiction conferred on the appropriate tribunal or the court includes that conferred by this section."

(7) In section 92 (enforcement of obligations under Chapters 1 and 2)—

(a) in the heading, for "Enforcement of" substitute "Power to order compliance with";

(b) in subsection (1), after "The court" insert "or appropriate tribunal";

(c) after subsection (2) insert—

"(3) An application may not be made under subsection (1) to the court unless the application relates to proceedings in respect of which the court has jurisdiction under or by virtue of any provision of Chapter 1, 2 or 7 (including section 91A).

(4) Where an order other than an order to pay a sum of money has been made under subsection (1) by the appropriate tribunal—

(a) a person may apply to the court for enforcement of the order;

(b) the appropriate tribunal may by order transfer proceedings to the court for enforcement of the order,

and the order is to be enforceable by the court in the same way as an order of the court.

(5) See section 176C of the Commonhold and Leasehold Reform Act 2002 for general provision about the enforcement of tribunal decisions and section 27 of the Tribunals, Courts and Enforcement Act 2007 for provision about the enforcement of an order to pay a sum of money.".

Commencement Information

I42 S. 42 not in force at Royal Assent, see **s. 124(3)**

43 References to "the court" in Part 1 of the LRHUDA 1993

(1) The LRHUDA 1993 is amended as follows.

(2) In the following provisions, for "the court" substitute "the appropriate tribunal" in each place it occurs—

(a) sections 22 to 27;
(b) sections 46 to 51;
(c) section 74(3)(c);
(d) in Schedule 1—
(i) paragraphs 2 to 5;
(ii) paragraphs 5B to 5E;
(iii) paragraph 6(3);
(e) in Schedule 3, paragraph 15(2);
(f) in Schedule 5—
(i) paragraph 1(1);
(ii) paragraph 2(1);
(g) in Schedule 11, paragraph 6(3);
(h) in Schedule 12, paragraph 9(2).

(3) In the following provisions, for "into court" substitute "into the tribunal" in each place it occurs—

(a) section 27;
(b) section 51;
(c) in Schedule 1, paragraph 6(3)(c);
(d) in Schedule 5, paragraphs 2 to 4, including the heading of paragraph 4;
(e) in Schedule 8, paragraphs 2 and 4, including the heading of paragraph 4.

(4) In section 19(6), after "any court" insert "or tribunal".

(5) In section 26(9), for "Rules of court" substitute "Tribunal Procedure Rules, and regulations under Schedule 12 to the Commonhold and Leasehold Reform Act 2002 (leasehold valuation tribunals: procedure),".

(6) In section 37A(8)(b)—

(a) after "the court" insert "or the appropriate tribunal";
(b) after "court order" insert "or order of a tribunal".

(7) In section 61A(7)(b)—

(a) after "the court" insert "or the appropriate tribunal";
(b) after "court order" insert "or order of a tribunal".

(8) In section 101(9), in the words before paragraph (a), after "a decision" insert "or order".

(9) In Schedule 1, in paragraph 6(2), in the words after paragraph (b), for "the court" substitute "the appropriate tribunal".

(10) In Schedule 3—

(a) in paragraph 10(1)(d)(ii), after "the court" insert "or the appropriate tribunal";
(b) in paragraph 10(2), after "a court" insert "or tribunal".

(11) In Schedule 8, in paragraph 4(3)—

(a) in paragraph (b), after "any court" insert "or tribunal";

(b) in the words after paragraph (b)—

(i) after "a court" insert "or tribunal";

(ii) omit "other than the county court";

(iii) after "the court" insert "or tribunal".

(12) In Schedule 11, in paragraph 6(1), in the words after paragraph (c), for "the court" substitute "the appropriate tribunal".

(13) In Schedule 12—

(a) in paragraph 8(1)(c)(ii), after "the court" insert "or the appropriate tribunal";

(b) in paragraph 8(2), after "a court" insert "or tribunal".

(14) In the headings before sections 22 and 46, omit "court or".

Commencement Information

I43 S. 43 not in force at Royal Assent, see **s. 124(3)**

Jurisdiction of the High Court

44 No first-instance applications to the High Court in tribunal matters

(1) Where jurisdiction in respect of a matter is conferred on the appropriate tribunal exclusively under the LRA 1967 or a specified provision of the LRHUDA 1993, a person may not apply to the High Court in respect of that matter.

(2) Subsection (1) has no effect in relation to any proceedings that may be brought in the High Court for the purpose of challenging a decision, declaration, direction or order of the appropriate tribunal.

(3) The specified provisions of the LRHUDA 1993 are—

(a) Chapters 1, 2, 4 and 7 of Part 1;

(b) section 88.

(4) In subsection (1) "appropriate tribunal" has the same meaning as in the LRA 1967 or the specified provision of the LRHUDA 1993 (whichever is relevant).

(5) For the purposes of this section, jurisdiction in respect of a matter is conferred on the appropriate tribunal exclusively where—

(a) a provision of the LRA 1967 or the LRHUDA 1993 provides for the matter to be determined by the appropriate tribunal alone (and not by a court or the appropriate tribunal), or

(b) proceedings in respect of the matter fall within the jurisdiction of the appropriate tribunal by virtue of section 21A of the LRA 1967 or section 91A of the LRHUDA 1993.

Commencement Information
I44 S. 44 not in force at Royal Assent, see **s. 124(3)**

Enfranchisement and extension: miscellaneous amendments

45 Miscellaneous amendments

Schedule 8 contains miscellaneous further amendments to existing legislation relating to enfranchisement and extension.

Commencement Information
I45 S. 45 not in force at Royal Assent, see **s. 124(3)**

Preservation of existing law for certain purposes

46 LRA 1967: preservation of existing law for certain enfranchisements

After section 7 of the LRA 1967 insert—

"**7A Tenant's right to choose that pre-2024 Act law is to apply to freehold acquisition**

(1) The tenant of a leasehold house may choose that this Act is to have effect in relation to the acquisition of the freehold of the house and premises without the amendments made by the Leasehold and Freehold Reform Act 2024, if the house and premises would be valued under section 9(1) (as it would have effect without those amendments).

(2) If—

(a) a person makes a claim to acquire a freehold under the preserved law, and

(b) as a result of that claim, further notices by that person are void by virtue of a statutory bar under the preserved law,

only further notices making claims under the preserved law are void by virtue of that statutory bar.

(3) In subsection (2)—

"preserved law" means this Part as it has effect (by virtue of subsection (1)) without the amendments made by the Leasehold and Freehold Reform Act 2024;

"statutory bar" means—

(a) section 9(3)(b), or

(b) an order under section 20(6) or paragraph 4(3) of Schedule 3.

(4) Subsection (1) does not apply in any of the following cases—

(a) the tenancy was created by the grant of a lease under Part 5 of the Housing Act 1985 (a "right to buy lease");

(b) the tenancy is, by virtue of section 3(3), treated as a single tenancy with a tenancy created by the grant of a right to buy lease;

(c) the tenancy is a sub-tenancy directly or indirectly derived out of a tenancy falling within paragraph (a) or (b);

(d) the tenancy was granted under this Part in substitution for a tenancy or sub-tenancy falling within paragraph (a), (b) or (c).”

Commencement Information

I46 S. 46 not in force at Royal Assent, see **s. 124(3)**

Consequential amendments to other legislation

47 Part 2: consequential amendments to other legislation

Schedule 9 contains amendments to other legislation that are consequential on this Part.

Commencement Information

I47 S. 47 not in force at Royal Assent, see **s. 124(3)**

PROSPECTIVE

PART 3

OTHER RIGHTS OF LONG LEASEHOLDERS

New right to replace rent with peppercorn rent

48 Right to vary long lease to replace rent with peppercorn rent

Schedule 10 confers on certain leaseholders the right to a variation of their leases so that the whole or part of the rent payable becomes and will remain a peppercorn rent.

Commencement Information

I48 S. 48 not in force at Royal Assent, see **s. 124(3)**

The right to manage

49 Change of non-residential limit on right to manage claims

In Schedule 6 to the Commonhold and Leasehold Reform Act 2002 ("the CLRA 2002"), in paragraph 1(1) (non-residential limit on right to manage claims), for "25 per cent." substitute "50%".

Commencement Information
I49 S. 49 not in force at Royal Assent, see **s. 124(3)**

50 Costs of right to manage claims

(1) The CLRA 2002 is amended as follows.

(2) In section 82 (right to obtain information before right to manage claim)—
- (a) in subsection (2)(b), omit "on payment of a reasonable fee";
- (b) after subsection (3) insert—

"(4) The RTM company is liable for the reasonable costs incurred by a person in complying (in accordance with this section) with a notice under this section.

(5) Any question arising in relation to the amount of the costs payable by the RTM company is, in default of agreement, to be determined by the appropriate tribunal."

(3) After section 87 insert—

"**87A Costs: general**

(1) An RTM company and a member of an RTM company are not liable for any costs incurred by any other person in consequence of a claim notice given by the company in relation to any premises, except as set out in this section.

(2) A lease, transfer, contract or other arrangement is accordingly of no effect to the extent it would provide to the contrary.

(3) An RTM company is liable to a member of the company in respect of costs incurred by the member to the extent agreed between the company and the member.

(4) A member of an RTM company—
- (a) is liable to the company in respect of costs incurred by the company to the extent agreed between the member and the company;
- (b) is liable to another member of the company in respect of costs incurred by that other member to the extent agreed between the two members.

(5) An RTM company or a member of an RTM company are liable for costs incurred by another person in connection with proceedings before a court or tribunal if—

(a) the court or tribunal has power under another enactment to order that they pay those costs, and

(b) the court or tribunal makes such an order.

(6) An RTM company and a member of an RTM company are liable for costs incurred by another person in the circumstances referred to in section 87B.

(7) For the purposes of this section, "member", in relation to an RTM company, means each person who is or has been a member of the RTM company.

(8) See also sections 20CA and 20J of the Landlord and Tenant Act 1985, which prevent costs in connection with a claim under this Chapter being recovered by way of a variable service charge (within the meaning of section 18 of that Act).

87B Power of tribunal to order costs where claim ceases

(1) The appropriate tribunal may, on the application of a person ("the applicant") that incurs costs in consequence of a claim notice given by an RTM company, order that the RTM company is liable to the applicant for the costs if all of the conditions in subsection (2) are met.

(2) The conditions are—

(a) the claim notice—

(i) is at any time withdrawn or deemed to be withdrawn by virtue of any provision of this Chapter, or

(ii) at any time ceases to have effect by reason of any other provision of this Chapter;

(b) the RTM company acts unreasonably in—

(i) giving the claim notice, or

(ii) not withdrawing it, causing it to be deemed withdrawn, or causing it to cease to have effect sooner;

(c) the applicant is—

(i) a landlord under a lease of the whole or any part of the premises,

(ii) party to such a lease otherwise than as landlord or tenant, or

(iii) a manager appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises;

(d) the costs are incurred before the claim notice is withdrawn, is deemed withdrawn, or ceases to have effect;

(e) the costs are incurred other than in connection with proceedings before a court or tribunal;

(f) the costs are reasonably incurred.

(3) Where the appropriate tribunal orders that an RTM company is liable under subsection (1), each person who is or has been a member of the RTM company is also liable (jointly and severally with the RTM company and each other such person).

(4) But a person is not liable if—

(a) the lease by virtue of which they were a qualifying tenant has been assigned to another person, and

(b) that other person has become a member of the RTM company.

(5) The reference in subsection (4) to an assignment includes—

(a) an assent by personal representatives, and

(b) assignment by operation of law where the assignment is to a trustee in bankruptcy or to a mortgagee under section 89(2) of the Law of Property Act 1925 (foreclosure of leasehold mortgage).”

(4) Omit sections 88 and 89 (costs of right to manage claims).

Commencement Information

I50 S. 50 not in force at Royal Assent, see **s. 124(3)**

51 Compliance with obligations arising under Chapter 1 of Part 2 of the CLRA 2002

(1) Section 107 of the CLRA 2002 (enforcement of obligations) is amended as follows.

(2) In subsection (1), for “county court” substitute “appropriate tribunal”.

(3) After subsection (2) insert—

“(3) Where an order other than an order to pay a sum of money has been made under subsection (1) by the appropriate tribunal—

(a) a person may apply to the county court for enforcement of the order;

(b) the appropriate tribunal may by order transfer proceedings to the county court for enforcement of the order;

and the order is to be enforceable by the court in the same way as an order of the court.

(4) See section 176C for general provision about the enforcement of tribunal decisions and section 27 of the Tribunals, Courts and Enforcement Act 2007 for provision about the enforcement of an order to pay a sum of money.”

(4) For the heading substitute “Power of tribunal to order compliance”.

Commencement Information

I51 S. 51 not in force at Royal Assent, see **s. 124(3)**

52 No first-instance applications to the High Court in tribunal matters

(1) Where jurisdiction in respect of a matter is conferred on the appropriate tribunal under Chapter 1 of Part 2 of the CLRA 2002, a person may not apply to the High Court in respect of that matter.

(2) Subsection (1) has no effect in relation to any proceedings that may be brought in the High Court for the purpose of challenging a decision, declaration, direction or order of the appropriate tribunal.

(3) In subsection (1) "appropriate tribunal" has the same meaning as in the Chapter mentioned in that subsection.

Commencement Information

I52 S. 52 not in force at Royal Assent, see **s. 124(3)**

PROSPECTIVE

PART 4

REGULATION OF LEASEHOLD

Service charges

53 Extension of regulation to fixed service charges

(1) The Landlord and Tenant Act 1985 ("the LTA 1985") is amended in accordance with subsections (2) to (6).

(2) In section 18 (meaning of "service charge" and "relevant costs")—

(a) in the heading, after ""service charge"" insert ", "variable service charge"";

(b) for subsections (1) and (2) substitute—

"(1) In the following provisions of this Act—

"service charge" means an amount payable by a tenant of a dwelling, as part of or in addition to the rent, which is payable, directly or indirectly, for the purpose of meeting, or contributing towards, the relevant costs;

"variable service charge" means a service charge the whole or part of which varies or may vary according to the relevant costs.

(2) The "relevant costs" are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with services, repairs, maintenance, improvements or insurance or the landlord's costs of management.";

(c) in subsection (3)(b), for "a service charge" substitute "a variable service charge".

(3) In the provisions referred to in subsection (4)—

(a) for "service charge" substitute "variable service charge";

(b) for "service charges" substitute "variable service charges".

(4) The provisions are—

(a) in section 19 (reasonableness of service charges), the heading and subsections (1) and (2);

(b) in section 20 (consultation requirements), the heading and subsection (2);

(c) in section 20A (grant-aided works), the heading and subsections (1) and (2);

(d) in section 20B (time limit on making demands), the heading and subsection (1) in the first place "service charge" occurs;
(e) in section 20D (remediation works), the heading and subsections (4) and (5);
(f) in section 20F (excluded costs for higher-risk buildings), the heading and subsection (2);
(g) in section 30D (liability for building safety costs), subsection (2)(a)(ii);
(h) in section 30E (liability for remuneration), subsection (1)(c).

(5) In section 30E(3), for ""service charge" has the meaning" substitute ""service charge" and "variable service charge" have the meaning".

(6) In section 39 (index of defined expressions), at the end insert—

"variable service charge	section 18(1)".

(7) The Landlord and Tenant Act 1987 ("the LTA 1987") is amended in accordance with subsections (8) to (10).

(8) In the provisions referred to in subsection (9), in each place they occur—
(a) for "service charge" substitute "variable service charge";
(b) for "service charges" substitute "variable service charges".

(9) The provisions are—
(a) in section 24 (appointment of manager by tribunal), subsections (2) and (2A);
(b) in section 35 (application by party to lease for variation of lease), subsections (2) and (4);
(c) in section 42 (service charge contributions to be held in trust), the heading and subsections (1), (2), (3), (4), (6), and (8).

(10) In section 35(8), for ""service charge" has the meaning" substitute ""service charge" and "variable service charge" have the meaning".

(11) In section 167 of the CLRA 2002 (failure to pay small amount for short period)—
(a) in subsection (1), for "service charges" substitute "variable service charges";
(b) in subsection (5), for "service charge" substitute "variable service charge".

Commencement Information
I53 S. 53 not in force at Royal Assent, see **s. 124(3)**

54 Notice of future service charge demands

In section 20B of the LTA 1985 (time limit on making service charge demands), in subsection (2), for the words from "notified in writing" to the end substitute "given a future demand notice in respect of those costs.

"(3) A "future demand notice" is a notice in writing that—
(a) relevant costs have been incurred, and
(b) the tenant will subsequently be required under the terms of the lease to contribute to the costs by the payment of a variable service charge.

(4) A future demand notice must—

(a) be in the specified form,
(b) contain the specified information, and
(c) be given to the tenant in a specified manner.

"Specified" means specified in regulations made by the appropriate authority.

(5) The regulations may, among other things, specify as information to be contained in a future demand notice—
(a) an amount estimated as the amount of the costs incurred (an "estimated costs amount");
(b) an amount which the tenant is expected to be required to contribute to the costs (an "expected contribution");
(c) a date on or before which it is expected that payment of the variable service charge will be demanded (an "expected demand date").

(6) Regulations that include provision by virtue of subsection (5) may also provide for a relevant rule to apply in a case where—
(a) the tenant has been given a future demand notice in respect of relevant costs, and
(b) a demand for payment of a variable service charge as a contribution to those costs is served on the tenant more than 18 months after the costs were incurred.

(7) The relevant rules are—
(a) in a case where a future demand notice is required to contain an estimated costs amount, that the tenant is liable to pay the service charge only to the extent it reflects relevant costs that do not exceed the estimated costs amount;
(b) in a case where a future demand notice is required to contain an expected contribution, that the tenant is liable to pay the service charge only to the extent it does not exceed the expected contribution;
(c) in a case where a future demand notice is required to contain an expected demand date, that, if the demand is served after the expected demand date, the tenant is not liable to pay the service charge to the extent it reflects any of the costs.

(8) Regulations that provide for the relevant rule in subsection (7)(c) to apply may also provide that, in a case set out in the regulations, the rule is to apply as if, for the expected demand date, there were substituted a later date determined in accordance with the regulations.

(9) Regulations under this section—
(a) are to be made by statutory instrument;
(b) may make provision generally or only in relation to specific cases;
(c) may make different provision for different purposes;
(d) may include supplementary, incidental, transitional or saving provision.

(10) A statutory instrument containing regulations under this section is subject to the negative procedure."

Commencement Information

I54 S. 54 not in force at Royal Assent, see **s. 124(3)**

55 Service charge demands

(1) The LTA 1985 is amended in accordance with subsections (2) and (3).

(2) Omit the following sections—

(a) section 21 (request for summary of relevant costs);

(b) section 21A (withholding of service charges);

(c) section 21B (notice to accompany demands for service charges).

(3) Before section 22 insert—

"**21C Service charge demands**

(1) A landlord may not demand the payment of a service charge unless the demand—

(a) is in the specified form,

(b) contains the specified information, and

(c) is provided to the tenant in a specified manner.

"Specified" means specified in regulations made by the appropriate authority.

(2) Accordingly, where a demand for payment of a service charge does not comply with subsection (1), a provision of the lease relating to non-payment or late payment of service charges does not have effect in relation to the service charge.

(3) The appropriate authority may by regulations provide for exceptions from subsection (1) by reference to—

(a) descriptions of landlord;

(b) descriptions of service charge;

(c) any other matter.

(4) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(5) A statutory instrument containing regulations under this section is subject to the negative procedure."

(4) In the LTA 1987—

(a) in section 47 (landlord's name and address to be contained in demands for rent etc), after subsection (3) insert—

"(3A) Subsections (2) and (3) do not apply in relation to a written demand for payment of a service charge if section 21C of the Landlord and

Tenant Act 1985 requires the demand to include information which subsection (1) also requires the demand to include.";

(b) in section 47A (building safety information to be contained in demands for rent etc), after subsection (3) insert—

"(3A) Subsections (2) and (3) do not apply in relation to a written demand for payment of a service charge if section 21C of the Landlord and Tenant Act 1985 requires the demand to include information which subsection (1) also requires the demand to include."

Commencement Information

I55 S. 55 not in force at Royal Assent, see **s. 124(3)**

56 Accounts and annual reports

(1) The LTA 1985 is amended as follows.

(2) After section 21C (as inserted by section 55) insert—

"**21D Service charge accounts**

(1) This section applies in relation to a lease of a dwelling if—

(a) a variable service charge is or may be payable under the lease, and

(b) any of the relevant costs which are or may be taken into account in determining the amount of that variable service charge are or may be taken into account in determining the amount of variable service charges payable by the tenants of three or more other dwellings ("connected tenants").

(2) The following terms are implied into the lease—

(a) that, on or before the account date for each accounting period, the landlord must provide the tenant with a written statement of account in a specified form and manner setting out—

(i) the variable service charges arising in the period which are payable by the tenant and each connected tenant,

(ii) the relevant costs relating to those service charges, and

(iii) any other specified matters;

(b) that, on or before the account date for an accounting period in respect of which a statement of account is provided, the landlord must provide the tenant with a written report about the statement prepared by a qualified accountant, which—

(i) is prepared in accordance with specified standards for the review of financial information, and

(ii) includes a statement by the accountant, in a specified form and manner, that the report is a faithful representation of what it purports to represent;

(c) that the landlord must provide adequate accounts, receipts or other documents or explanations to the accountant to enable them to provide the report;

(d) that, if the landlord incurs costs in obtaining the report, the tenant must pay the landlord a fair and reasonable contribution to those costs.

"Specified" means specified in regulations made by the appropriate authority.

(3) An "accounting period" is—

(a) a period of 12 months specified in the lease as an accounting period, or

(b) if no such period is specified in the lease, a period of 12 months beginning with 1 April.

(4) The "account date" for an accounting period is the final day of the period of six months beginning with the day after the final day of the accounting period.

(5) An amount payable under the term implied by subsection (2)(d)—

(a) is a variable service charge for the purposes of section 18, and the provisions of this Act relating to service charges apply accordingly;

(b) is payable irrespective of whether a lease, contract or other arrangement provides for it to be payable as a service charge.

(6) The appropriate authority may by regulations provide for circumstances in which a term in subsection (2)—

(a) is not to be implied into a lease, or

(b) is to be implied into a lease in a modified form.

(7) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(8) A statutory instrument containing regulations under this section is subject to the negative procedure.

21E Annual reports

(1) A landlord must, on or before the report date for an accounting period, provide the tenant with a report in respect of service charges arising in that period.

(2) The appropriate authority may by regulations make provision as to—

(a) the information to be contained in the report in respect of those service charges;

(b) the form of the report;

(c) the manner in which the report is to be provided.

(3) The appropriate authority may by regulations also make provision requiring information to be contained in the report in respect of other matters which the appropriate authority considers are likely to be of interest to a tenant, whether or not they directly relate to service charges or to service charges arising in the period.

(4) An "accounting period" is—

(a) a period of 12 months specified in the lease as an accounting period, or

(b) if no such period is specified in the lease, a period of 12 months beginning with 1 April.

(5) The "report date" for an accounting period is the final day of the period of one month beginning with the day after the final day of the accounting period.

(6) The appropriate authority may by regulations provide for exceptions from the duty in subsection (1) by reference to—

(a) descriptions of landlord;

(b) descriptions of service charge;

(c) any other matter.

(7) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(8) A statutory instrument containing regulations under this section is subject to the negative procedure."

(3) In section 28 (meaning of "qualified accountant")—

(a) in subsection (1), for the words from "in section" to "person" substitute "in section 21D(2)(b) (report on service charge account) is to a person";

(b) for subsection (2) substitute—

"(2) A person has the necessary qualification if the person—

(a) is eligible for appointment as a statutory auditor under Part 42 of the Companies Act 2006, or

(b) satisfies such other requirement or requirements as may be specified in regulations made by the appropriate authority.";

(c) in subsection (4)(d), for the words from "covered" to the end substitute "covered by the statement of account in question relate";

(d) after subsection (6) insert—

"(7) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(8) A statutory instrument containing regulations under this section (whether alone or with other provision) is subject to the affirmative procedure."

(4) In section 39 (index of defined expressions), in the entry for "qualified accountant", for "section 21(6)" substitute "section 21D(2)(b)".

Commencement Information

I56 S. 56 not in force at Royal Assent, see **s. 124(3)**

57 Right to obtain information on request

(1) The LTA 1985 is amended as follows.

(2) After section 21E (as inserted by section 56) insert—

"**21F Right to obtain information on request**

(1) A tenant may require the landlord to provide information specified in regulations made by the appropriate authority.

(2) The appropriate authority may specify information for the purposes of subsection (1) only if it relates to—

(a) service charges, or

(b) services, repairs, maintenance, improvements, insurance, or management of dwellings.

(3) The landlord must provide the tenant with any of the information requested that is within the landlord's possession.

(4) The landlord must request information from another person if—

(a) the information has been requested from the landlord under subsection (1),

(b) the landlord does not possess the information when the request is made, and

(c) the landlord believes that the other person possesses the information.

(5) That person must provide the landlord with any of the information requested that is within that person's possession.

(6) A person ("A") must request information from another person ("B") if—

(a) the information has been requested from A under subsection (4) or this subsection,

(b) A does not possess the information when the request is made, and

(c) A believes that B possesses the information.

(7) B must provide A with any of the information requested that is within B's possession.

(8) The appropriate authority may by regulations—

(a) provide for how a request is to be made under this section;

(b) provide that a request under this section may not be made until the end of a particular period, or until another condition is met;

(c) make provision as to the period within which a request under subsection (4) or (6) must be made;

(d) provide for circumstances in which a duty to comply with a request under this section does not apply.

(9) Section 21G makes further provision about requests under this section.

(10) For the purposes of this section—

(a) "information" includes a document containing information, and a copy of such a document;

(b) references to a tenant include the secretary of a recognised tenants' association representing the tenant, in circumstances where the tenant has consented to the association acting on the tenant's behalf for the purposes of this section.

(11) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(12) A statutory instrument containing regulations under this section is subject to the negative procedure.

21G Requests under section 21F: further provision

(1) Subsections (2) to (6) apply where a person ("R") requests information under section 21F from another person ("P").

(2) R may request that P provide the information to R by allowing R access to premises where R may inspect the information and make and remove a copy of the information.

(3) P must provide information which P is required to provide under section 21F—

(a) before the end of a specified period beginning with the day the request is made, and

(b) if R has made a request under subsection (2), by allowing R the access requested during a specified period.

"Specified" means specified in regulations made by the appropriate authority.

(4) P may charge R for the costs of doing anything required under section 21F or this section.

(5) But, if P is a landlord, P may not charge the tenant for the costs of allowing the tenant access to premises to inspect information (but may charge for the making of copies).

(6) The costs referred to in subsection (4) may be relevant costs for the purposes of a variable service charge (whether charged to the tenant making the request under section 21F(1) or another tenant).

(7) Regulations under subsection (3) may provide for circumstances in which a specified period is to be extended.

(8) The appropriate authority may by regulations make further provision as to how information requested under section 21F is to be provided.

(9) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(10) A statutory instrument containing regulations under this section is subject to the negative procedure.

21H Effect of assignment on requests under section 21F

(1) The assignment of a tenancy does not affect an obligation arising as a result of a request made under section 21F before the assignment.

(2) But, in the circumstances of such an assignment, a person is not obliged to provide the same information more than once in respect of the same dwelling."

(3) Omit the following sections—

(a) section 22 (request to inspect supporting accounts);

(b) section 23 (request relating to information held by superior landlord);

(c) section 24 (effect of assignment on request).

Commencement Information

I57 S. 57 not in force at Royal Assent, see **s. 124(3)**

58 Enforcement of duties relating to service charges

(1) The LTA 1985 is amended as follows.

(2) Omit section 25 (offences).

(3) Before section 26 insert—

"**25A Enforcement of duties relating to service charges**

(1) A tenant may make an application to the appropriate tribunal on the ground that the landlord—

(a) demanded the payment of a service charge otherwise than in accordance with section 21C(1);

(b) failed to provide a report in accordance with section 21E.

(2) On an application made under subsection (1), the tribunal may make one or more of the following orders—

(a) an order that the landlord must, before the end of the period of 14 days beginning with the day after the date of the order—

(i) demand the payment of a service charge in accordance with section 21C(1);

(ii) provide a report in accordance with section 21E;

(b) an order that the landlord pay damages to the tenant for the failure;

(c) any other order which the tribunal considers consequential on an order under paragraph (a) or (b).

(3) A person ("C") may make an application to the appropriate tribunal on the ground that another person ("D") failed to comply with a requirement under section 21F or 21G.

(4) On an application made under subsection (3), the tribunal may make one or more of the following orders—

(a) an order that D comply with the requirement before the end of the period of 14 days beginning with the day after the date of the order;

(b) an order that D pay damages to C for the failure;

(c) any other order which the tribunal considers consequential on an order under paragraph (a) or (b).

(5) Damages under this section may not exceed £5,000.

(6) The appropriate authority may by regulations amend the amount in subsection (5) if the appropriate authority considers it expedient to do so to reflect changes in the value of money.

(7) A landlord may not for any purpose set off damages payable by the landlord to a tenant under this section against any present or future liability of the tenant to the landlord.

(8) Where a landlord is "the payee" for the purposes of section 42 of the Landlord and Tenant Act 1987, and the landlord uses sums that are held on trust under that section to pay damages under this section, such use is a breach of that trust.

(9) Amounts payable by way of damages under this section are not to be regarded as relevant costs to be taken into account in determining the amount of any variable service charge payable by a tenant (whether or not a tenant to whom the damages are paid).

(10) A lease, contract or other arrangement is of no effect to the extent that it would make provision contrary to subsections (7) to (9).

(11) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(12) A statutory instrument containing regulations under this section is subject to the negative procedure."

Commencement Information

I58 S. 58 not in force at Royal Assent, see **s. 124(3)**

Insurance

59 Limitation on ability of landlord to charge insurance costs

After section 20F of the LTA 1985 insert—

"**20G Limitation of variable service charges: insurance costs**

(1) Excluded insurance costs are not to be regarded as relevant costs to be taken into account in determining the amount of any variable service charge payable by a tenant.

(2) "Excluded insurance costs" are any costs (whether or not they are expressed as forming part of an insurance premium) that—
  (a) are attributable to payments made, or to be made, to arrange or manage insurance, and
  (b) are not attributable to a permitted insurance payment.

(3) Payments made to arrange or manage insurance include payments made—
  (a) for the purpose of providing an incentive to enter into, or arrange for another person to enter into, a particular contract of insurance;
  (b) as remuneration for any work done, however described, in relation to—
    (i) a contract of insurance before or after it has been entered into, or
    (ii) insurance generally without a particular contract of insurance in contemplation.

(4) A "permitted insurance payment" is a payment of a description specified in regulations made by the appropriate authority.

(5) The regulations may provide that a payment is a permitted insurance payment by reference to—
  (a) the kind of person to or in respect of which the payment is made;
  (b) the circumstances in which the payment is made;
  (c) the method by which the amount of the payment is calculated (which may be a method specified in the regulations);
  (d) the nature of its connection with work done, costs incurred or time spent;
  (e) any other matter.

(6) In this section, a reference to a payment includes—
  (a) a non-monetary benefit;
  (b) a right to retain money or a non-monetary benefit instead of paying or giving it to another person.

(7) Regulations under this section—
  (a) are to be made by statutory instrument;
  (b) may make provision generally or only in relation to specific cases;
  (c) may make different provision for different purposes;
  (d) may include supplementary, incidental, transitional or saving provision.

(8) A statutory instrument containing regulations under this section (whether alone or with other provision) is subject to the affirmative procedure.

20H Right to claim where excluded insurance costs charged

(1) This section applies if, despite section 20G(1), a tenant pays a prohibited amount to any person.

(2) For the purposes of this section, a "prohibited amount" is an amount that is—
- (a) demanded as a variable service charge, and
- (b) attributable to excluded insurance costs.

(3) The appropriate tribunal may, on the application of the tenant—
- (a) order the person to which the prohibited amount was paid to return all or any part of the amount to the tenant;
- (b) order—
  - (i) the tenant's landlord,
  - (ii) a person that benefited from the payment of the prohibited amount, or
  - (iii) a person that benefited from a payment to which the excluded insurance costs are attributable,

  to pay damages to the tenant.

(4) Damages under subsection (3)(b) must—
- (a) equal or exceed the prohibited amount paid;
- (b) not exceed an amount that is three times the prohibited amount paid.

(5) If the appropriate tribunal orders that more than one person is to pay damages to the tenant under subsection (3)(b)—
- (a) the tribunal may order that those persons are to be jointly, severally, or jointly and severally liable to pay the damages, and
- (b) the references in subsection (4) and paragraph (a) to the damages are to the damages payable by all of those persons taken together.

20I Right of landlord to obtain costs attributable to permitted insurance payments

(1) It is an implied term of a lease under which a service charge is payable that, if the landlord incurs costs attributable to a permitted insurance payment, the tenant must pay the landlord the amount of those costs.

(2) Such an amount—
- (a) is a variable service charge for the purposes of section 18, and the provisions of this Act relating to service charges apply accordingly;
- (b) is payable irrespective of whether a lease, contract or other arrangement provides for it to be payable as a service charge.

(3) A lease, contract or other arrangement is of no effect to the extent it would limit the amount payable by the tenant under this section."

Commencement Information

I59 S. 59 not in force at Royal Assent, see **s. 124(3)**

60 Duty to provide information about insurance to tenants

(1) The Schedule to the LTA 1985 (rights in relation to insurance) is amended as follows.

(2) After paragraph 1 insert—

"Duty to provide information

1A (1) Sub-paragraph (2) applies where a service charge payable by a tenant of a dwelling consists of or includes an amount payable directly or indirectly for insurance.

(2) The landlord must—

(a) obtain specified information about the insurance, including by requesting the information from another person, and

(b) within a specified period after insurance is effected in relation to the dwelling, provide that information to the tenant.

"Specified" means specified in regulations made by the appropriate authority.

(3) Regulations under sub-paragraph (2) may provide for circumstances in which a specified period is to be extended.

(4) Paragraph 1B makes further provision about requests by the landlord under sub-paragraph (2)(a).

(5) The appropriate authority may by regulations make provision as to the form and manner in which the information is to be provided.

(6) For the purposes of this paragraph, insurance is "effected" in relation to a dwelling whenever an insurance policy is purchased or renewed in relation to the dwelling.

(7) The landlord may charge the tenant for the costs of complying with the duty in sub-paragraph (2).

(8) The appropriate authority may by regulations provide for exceptions to the duty in sub-paragraph (2) by reference to—

(a) descriptions of landlord;

(b) descriptions of insurance;

(c) any other matter.

(9) In this paragraph, "information" includes a document containing information and a copy of such a document.

(10) Regulations under this paragraph—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(11) A statutory instrument containing regulations under this paragraph is subject to the negative procedure.

Requests by landlord under paragraph 1A: further provision

1B (1) Sub-paragraph (2) applies where a landlord requests information from another person under paragraph 1A(2)(a).

(2) That person must provide the landlord with any of the information requested that is within the person's possession.

(3) A person ("A") must request information from another person ("B") if—
(a) the information has been requested from A under paragraph 1A(2)(a) or this sub-paragraph,
(b) A does not possess the information when the request is made, and
(c) A believes that B possesses the information.

(4) B must provide A with any of the information requested that is within B's possession.

(5) A person must provide information they are required to provide under this paragraph before the end of a specified period beginning with the day on which a request for the information is made.

(6) In this paragraph, "specified" means specified in regulations made by the appropriate authority.

(7) A person who provides information to another person under this paragraph may charge that person for the costs of doing so.

(8) The appropriate authority may by regulations—
(a) provide for how a request is to be made under paragraph 1A(2)(a) or this paragraph;
(b) provide that a request may not be made until the end of a particular period, or until another condition is met;
(c) make provision as to the period within which a request under sub-paragraph (3) must be made;
(d) provide for circumstances in which a duty to comply with a request under paragraph 1A(2)(a) or this paragraph does not apply;
(e) make provision as to how information requested is to be provided.

(9) Regulations under this paragraph—
(a) are to be made by statutory instrument;
(b) may make provision generally or only in relation to specific cases;
(c) may make different provision for different purposes;
(d) may include supplementary, incidental, transitional or saving provision.

(10) A statutory instrument containing regulations under this paragraph is subject to the negative procedure.

Enforcement of duty to provide information

1C (1) A tenant may make an application to the appropriate tribunal on the ground that the landlord failed to comply with a requirement under paragraph 1A.

(2) On an application made under sub-paragraph (1), the tribunal may make one or both of the following orders—

(a) an order that the landlord comply with the requirement before the end of a period specified in regulations made by the appropriate authority;

(b) an order that the landlord pay damages to the tenant for the failure.

(3) A person ("C") may make an application to the appropriate tribunal on the ground that another person ("D") failed to comply with a requirement under paragraph 1B.

(4) On an application made under sub-paragraph (3), the tribunal may make one or both of the following orders—

(a) an order that D comply with the requirement before the end of a period specified in regulations made by the appropriate authority;

(b) an order that D pay damages to C for the failure.

(5) Damages under this paragraph may not exceed £5,000.

(6) The appropriate authority may by regulations amend the amount in sub-paragraph (5) if the appropriate authority considers it expedient to do so to reflect changes in the value of money.

(7) Regulations under this paragraph—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(8) A statutory instrument containing regulations under this paragraph is subject to the negative procedure."

(3) Omit paragraphs 2 to 6.

(4) In paragraph 9(1)—

(a) for "Paragraphs 2 to 8" substitute "Paragraphs 1A to 8";

(b) for the words from "in which case" to "does not", substitute "in which case paragraphs 1A, 1B, 7 and 8 apply but paragraph 1C does not."

Commencement Information

I60 S. 60 not in force at Royal Assent, see **s. 124(3)**

Administration charges

61 Duty of landlords to publish administration charge schedules

In Schedule 11 to the CLRA 2002 (administration charges)—

(a) omit paragraph 4 (notice in connection with demands for administration charges);

(b) before paragraph 5 insert—

"Duty to publish administration charge schedules

4A (1) A person must produce and publish an administration charge schedule in relation to a building if the person is the landlord of the tenants of one or more dwellings in that building.

(2) An "administration charge schedule" is a document setting out—

(a) the administration charges which the landlord considers may be payable by one or more of those tenants, and

(b) for each charge—

(i) its amount, or

(ii) if it is not possible to determine its amount before it becomes payable, how its amount will be determined if it becomes payable.

(3) The landlord—

(a) may revise a published administration charge schedule, and

(b) must publish a revised schedule.

(4) The landlord must provide each tenant with the administration charge schedule for the time being published in relation to the building.

(5) The appropriate national authority may by regulations make provision as to—

(a) the meaning of "building" for the purposes of this paragraph;

(b) the form of an administration charge schedule;

(c) the content of an administration charge schedule;

(d) how an administration charge schedule must be published;

(e) how an administration charge schedule is to be provided to a tenant.

(6) An administration charge is payable by a tenant only if—

(a) its amount appeared for the required period on a published administration charge schedule, or

(b) its amount was determined in accordance with a method that appeared for the required period on a published administration charge schedule.

(7) "The required period" is the period of 28 days ending with the day on which the administration charge is demanded to be paid.

(8) This paragraph does not apply in relation to an administration charge that may be payable by a tenant of—

(a) a local authority;

(b) a National Park authority;

(c) a new town corporation,

unless the tenancy is a long tenancy.

(9) Subsections (2) and (3) of section 26 of the 1985 Act apply for the purposes of sub-paragraph (8) as they apply for the purposes of subsection (1) of that section.

(10) In this paragraph, "local authority" and "new town corporation" have the same meanings as in the 1985 Act (see section 38 of that Act).

Enforcement of duty to publish administration charge schedules

4B (1) A tenant may make an application to the appropriate tribunal on the ground that the landlord has failed to comply with paragraph 4A or regulations made under it.

(2) The tribunal may make one or both of the following orders—

(a) an order that the landlord comply with that paragraph or regulations made under it before the end of the period of 14 days beginning with the day after the date of the order;

(b) an order that the landlord pay damages to the tenant for the failure.

(3) Damages under sub-paragraph (2)(b) may not exceed £1,000.

(4) The appropriate national authority may by regulations amend the amount in sub-paragraph (3) if the appropriate national authority considers it expedient to do so to reflect changes in the value of money.

(5) The appropriate tribunal may not make an order under this paragraph if the landlord is—

(a) a local authority;

(b) a National Park authority;

(c) a new town corporation.

(6) In this paragraph, "local authority" and "new town corporation" have the same meanings as in the 1985 Act (see section 38 of that Act)."

Commencement Information

I61 S. 61 not in force at Royal Assent, see **s. 124(3)**

Litigation costs

62 Limits on rights of landlords to claim litigation costs from tenants

(1) The LTA 1985 is amended in accordance with subsections (2) and (3).

(2) Omit section 20C (limitation of service charges: costs of proceedings).

(3) Before section 20D insert—

"**20CA Limitation of variable service charges: litigation costs**

(1) A landlord's litigation costs are not to be regarded as relevant costs to be taken into account in determining the amount of a variable service charge, whether or not the charge is payable—

(a) by a party to the lease which the relevant proceedings concern, or

(b) to a person that is party to the relevant proceedings.

(2) But the relevant court or tribunal may, on an application by a landlord, order that subsection (1) does not apply to any or all of the landlord's litigation costs in relation to a variable service charge payable by a person specified in the application.

(3) An order may be made only in respect of litigation costs—

(a) that would, but for subsection (1), be taken into account in determining the amount of the variable service charge;

(b) that are not incurred, or to be incurred, in connection with relevant proceedings arising under—

(i) Part 1 of the Leasehold Reform Act 1967 (enfranchisement and extension of leases of houses),

(ii) Chapter 1 or 2 of Part 1 of the Leasehold Reform, Housing and Urban Development Act 1993 (enfranchisement and extension of leases of flats), or

(iii) Chapter 1 of Part 2 of the Commonhold and Leasehold Reform Act 2002 (right to manage).

(4) The relevant court or tribunal may make such order on the application as it considers just and equitable in the circumstances.

(5) The relevant court or tribunal must, in deciding whether to make an order, take into account any matters specified in regulations made by the appropriate authority.

(6) The appropriate authority may by regulations make provision about—

(a) how an application is to be made;

(b) whether and how notice of an application is to be given to—

(i) a person specified in the application;

(ii) a person not specified in the application;

(c) the effect of—

(i) giving notice of an application;

(ii) failing to give notice of an application;

(d) circumstances in which a person not specified in an application is to be treated as having been specified.

(7) See section 20CB for powers of the appropriate authority to provide for other exceptions to subsection (1).

(8) A lease, contract or other arrangement is of no effect to the extent it makes provision contrary to this section, regulations made under this section or an order made under this section.

(9) In this section—

"litigation costs" means any costs incurred, or to be incurred, by a person in connection with relevant proceedings to which they are party;

"relevant proceedings" means proceedings—

(a) that are before a court, residential property tribunal, leasehold valuation tribunal, the First-tier Tribunal or the Upper Tribunal, or are arbitration proceedings,

(b) to which a landlord and a tenant are party, and

(c) that concern a lease of a dwelling to which that landlord and that tenant are party;

"the relevant court or tribunal" means—

(a) where the relevant proceedings are court proceedings, the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, the county court;

(b) where the relevant proceedings are before a residential property tribunal, a leasehold valuation tribunal;

(c) where the relevant proceedings are before a leasehold valuation tribunal, the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, any leasehold valuation tribunal;

(d) where the relevant proceedings are before the First-tier Tribunal, the Tribunal;

(e) where the relevant proceedings are before the Upper Tribunal, the Tribunal;

(f) where the relevant proceedings are arbitration proceedings, the arbitral tribunal or, if the application is made after the proceedings are concluded, the county court.

(10) A reference in this section to proceedings concerning a lease includes—

(a) proceedings concerning any matter arising out of—

(i) the existence of the lease,

(ii) any term of the lease, or

(iii) any agreement or arrangement entered into in connection with the lease;

(b) proceedings concerning any enactment relevant to—

(i) the lease, or

(ii) any agreement or arrangement entered into in connection with the lease;

(c) proceedings that otherwise have a connection with the lease.

(11) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(12) A statutory instrument containing regulations under this section is subject to the negative procedure.

20CB Section 20CA: powers to provide for exceptions

(1) The appropriate authority may by regulations provide for circumstances in which—

(a) section 20CA(1) does not apply, or

(b) the effect of section 20CA(1) is to be suspended until an event of a specified description occurs.

(2) The circumstances may include, among other things, that—

(a) the litigation costs,

(b) the relevant proceedings, or

(c) the landlord,

are of a specified description.

(3) Where, by virtue of regulations under subsection (1)(b), the effect of section 20CA(1) is suspended until an event of a specified description occurs—

(a) section 20CA(1) does not have effect before the event, but

(b) section 20CA(1) does have effect on or after the event in relation to a variable service charge paid or payable before the event.

(4) Accordingly, if—

(a) a variable service charge was paid before the event, and

(b) the landlord's litigation costs were regarded as relevant costs to be taken into account in determining the amount of that charge until the event because the effect of section 20CA(1) was suspended,

the landlord may retain the amount of those costs after the event only if the relevant court or tribunal makes an order under section 20CA(2) in relation to that charge.

(5) In this section—

"litigation costs", "relevant proceedings" and "the relevant court or tribunal" have the same meaning as in section 20CA;

"specified" means specified in regulations under this section.

(6) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(7) A statutory instrument containing regulations under this section (whether alone or with other provision) is subject to the affirmative procedure."

(4) The CLRA 2002 is amended in accordance with subsections (5) to (7).

(5) In section 172(1) (application of provision to the Crown)—

(a) omit the "and" at the end of paragraph (g);

(b) in paragraph (h), at the end insert ", and

(i) Schedule 12 (leasehold valuation tribunals), as it applies in relation to paragraph 5B of Schedule 11."

(6) In section 178(4) (orders and regulations), after "171" insert ", paragraph 5C of Schedule 11".

(7) In Schedule 11 (administration charges)—

(a) omit paragraph 5A (limitation of administration charges: costs of proceedings);

(b) before paragraph 6 insert—

"Limitation of administration charges: litigation costs

5B (1) No administration charge is payable by a tenant of a dwelling in respect of the landlord's litigation costs.

(2) But the relevant court or tribunal may, on an application by a landlord, order that sub-paragraph (1) does not apply to an administration charge in respect of all or any of the landlord's litigation costs.

(3) An order may be made only in respect of an administration charge—

(a) that would, but for sub-paragraph (1), be payable by the tenant;

(b) that is for litigation costs that are not incurred, or to be incurred, in connection with relevant proceedings arising under—

(i) Part 1 of the 1967 Act (enfranchisement and extension of leases of houses),

(ii) Chapter 1 or 2 of Part 1 of the 1993 Act (enfranchisement and extension of leases of flats), or

(iii) Chapter 1 of Part 2 of this Act (right to manage).

(4) The relevant court or tribunal may make such order on the application as it considers just and equitable in the circumstances.

(5) The relevant court or tribunal must, in deciding whether to make an order, take into account any matters specified in regulations made by the appropriate national authority.

(6) See paragraph 5C for powers of the appropriate national authority to provide for other exceptions to sub-paragraph (1).

(7) A lease, contract or other arrangement is of no effect to the extent it makes provision contrary to this paragraph, regulations made under this paragraph, or an order made under this paragraph.

(8) In this paragraph—

"litigation costs" means any costs incurred, or to be incurred, by a person in connection with relevant proceedings to which they are party;

"relevant proceedings" means proceedings—

(a) that are before a court, residential property tribunal, leasehold valuation tribunal, the First-tier Tribunal or the Upper Tribunal, or are arbitration proceedings,

(b) to which a landlord and a tenant are party, and

(c) that concern a lease to which that landlord and that tenant are party;

"the relevant court or tribunal" means—

(a) where the relevant proceedings are court proceedings, the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, the county court;

(b) where the relevant proceedings are before a residential property tribunal, a leasehold valuation tribunal;

(c) where the relevant proceedings are before a leasehold valuation tribunal, the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, any leasehold valuation tribunal;

(d) where the relevant proceedings are before the First-tier Tribunal, the Tribunal;

(e) where the relevant proceedings are before the Upper Tribunal, the Tribunal;

(f) where the relevant proceedings are arbitration proceedings, the arbitral tribunal or, if the application is made after the proceedings are concluded, the county court.

(9) The reference in the definition of "relevant proceedings" to proceedings concerning a lease includes—

(a) proceedings concerning any matter arising out of—

(i) the existence of the lease,

(ii) any term of the lease, or

(iii) any agreement or arrangement entered into in connection with the lease;

(b) proceedings concerning any enactment relevant to—

(i) the lease, or

(ii) any agreement or arrangement entered into in connection with the lease;

(c) proceedings that otherwise have a connection with the lease.

Paragraph 5B: powers to provide for exceptions

5C (1) The appropriate national authority may by regulations provide for circumstances in which—

(a) paragraph 5B(1) does not apply, or

(b) the effect of paragraph 5B(1) is to be suspended until an event of a specified description occurs.

(2) The circumstances may include, among other things, that—

(a) the litigation costs,

(b) the relevant proceedings, or

(c) the landlord,

are of a specified description.

(3) Where, by virtue of regulations under sub-paragraph (1)(b), the effect of paragraph 5B(1) is suspended until an event of a specified description occurs—

(a) paragraph 5B(1) does not have effect before the event, but

(b) paragraph 5B(1) does have effect on or after the event in relation to an administration charge paid or payable before the event.

(4) Accordingly, if an administration charge was paid before the event in respect of the landlord's litigation costs because the effect of paragraph 5B(1) was suspended, the landlord may retain the amount of that charge after the event only if the relevant court or tribunal makes an order under paragraph 5B(2) in relation to that charge.

(5) In this paragraph—

"litigation costs", "relevant proceedings" and "the relevant court or tribunal" have the same meaning as in paragraph 5B;

"specified" means specified in regulations under this paragraph."

Commencement Information

I62 S. 62 not in force at Royal Assent, see **s. 124(3)**

63 Right of tenants to claim litigation costs from landlords

After section 30I of the LTA 1985 insert—

"Right of tenants to claim litigation costs from landlords

30J Right of tenants to claim litigation costs from landlords

(1) It is an implied term of a lease that if—

(a) there are relevant proceedings concerning the lease, and

(b) the relevant court or tribunal orders, on an application by the tenant, that the landlord pay an amount in respect of all or any of the tenant's litigation costs in connection with the proceedings,

the landlord must pay the tenant the amount ordered.

(2) The relevant court or tribunal may make such order on the application as it considers just and equitable in the circumstances.

(3) The relevant court or tribunal must, in deciding whether to make an order, take into account any matters specified in regulations made by the appropriate authority.

(4) Costs incurred by a landlord—

(a) in connection with an application for an order,

(b) in compliance with the implied term, or

(c) otherwise in connection with the implied term or an order (for example, in connection with appeal proceedings or proceedings to enforce the implied term),

are litigation costs of the landlord (and section 20CA of this Act and paragraph 5B of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 apply accordingly).

(5) A lease, contract or other arrangement is of no effect to the extent it makes provision contrary to this section, regulations made under this section or an order made under this section.

(6) In this section—

"landlord" and "tenant" have the same meanings as in the provisions relating to service charges (see section 30);

"litigation costs" means any costs incurred, or to be incurred, by a person in connection with relevant proceedings to which they are party;

"relevant proceedings" means proceedings—

(a) that are before a court, residential property tribunal, leasehold valuation tribunal, the First-tier Tribunal or the Upper Tribunal, or are arbitration proceedings,

(b) to which a landlord and a tenant are party,

(c) that concern a lease of a dwelling to which that landlord and that tenant are party, and

(d) that relate to a matter of a description specified in regulations made by the appropriate authority;

"the relevant court or tribunal" means—

(a) where the relevant proceedings are court proceedings, the court before which the proceedings are taking place or, if the

application is made after the proceedings are concluded, the county court;

(b) where the relevant proceedings are before a residential property tribunal, a leasehold valuation tribunal;

(c) where the relevant proceedings are before a leasehold valuation tribunal, the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, any leasehold valuation tribunal;

(d) where the relevant proceedings are before the First-tier Tribunal, the tribunal;

(e) where the relevant proceedings are before the Upper Tribunal, the tribunal;

(f) where the relevant proceedings are arbitration proceedings, the arbitral tribunal or, if the application is made after the proceedings are concluded, the county court.

(7) A reference in this section to proceedings concerning a lease includes—

(a) proceedings concerning any matter arising out of—

(i) the existence of the lease,

(ii) any term of the lease, or

(iii) any agreement or arrangement entered into in connection with the lease;

(b) proceedings concerning any enactment relevant to—

(i) the lease, or

(ii) any agreement or arrangement entered into in connection with the lease;

(c) proceedings that otherwise have a connection with the lease.

(8) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(9) A statutory instrument containing regulations under this section is subject to the negative procedure."

Commencement Information

I63 S. 63 not in force at Royal Assent, see **s. 124(3)**

Non-litigation costs: enfranchisement, extension and right to manage

64 Restriction on recovery of non-litigation costs of enfranchisement, extension and right to manage

After section 20I of the LTA 1985 (as inserted by section 59) insert—

"**20J Limitation of variable service charges: non-litigation costs of enfranchisement etc**

(1) Non-litigation costs incurred, or to be incurred, by a landlord in connection with a relevant claim are not to be regarded as relevant costs to be taken into account in determining the amount of a variable service charge payable by a tenant who is a non-participating tenant in relation to that claim.

(2) A lease, contract or other arrangement is of no effect to the extent it makes provision to the contrary.

(3) In this section and section 20K—

"the 1967 Act" means the Leasehold Reform Act 1967;

"the 1993 Act" means the Leasehold Reform, Housing and Urban Development Act 1993;

"the 2002 Act" means the Commonhold and Leasehold Reform Act 2002;

"non-litigation costs" means costs incurred, or to be incurred, other than in connection with proceedings before a court or tribunal;

"non-participating tenant", in relation to a relevant claim, means a tenant who is not a participating tenant;

"participating tenant", in relation to a relevant claim, means a tenant who—

(a) in the case of a claim under Part 1 of the 1967 Act or Chapter 1 or 2 of Part 1 of the 1993 Act, is making the claim;

(b) in the case of a claim under Chapter 1 of Part 2 of the 2002 Act, is or has been a member of the RTM company making the claim;

"relevant claim" means—

(a) a claim under Part 1 of the 1967 Act (enfranchisement and extension of leases of houses);

(b) a claim under Chapter 1 or 2 of Part 1 of the 1993 Act (enfranchisement and extension of leases of flats);

(c) a claim under Chapter 1 of Part 2 of the 2002 Act (right to manage);

"RTM company" has the same meaning as in Chapter 1 of Part 2 of the 2002 Act (see section 71 of that Act).

(4) For provision about when a participating tenant is and is not liable in respect of non-litigation costs in relation to a relevant claim, see—

(a) section 19A of the 1967 Act;

(b) section 89A of the 1993 Act;

(c) section 87A of the 2002 Act.

20K Right to claim where non-litigation costs charged contrary to section 20J

(1) This section applies if, despite section 20J(1), a non-participating tenant in relation to a relevant claim pays a prohibited amount to any person.

(2) For the purposes of this section, a "prohibited amount" is an amount that is—

(a) demanded as a variable service charge, and

(b) attributable to non-litigation costs incurred, or to be incurred, in connection with the claim.

(3) The appropriate tribunal may, on the application of the tenant, order the person to which the prohibited amount was paid to return all or any part of the amount to the tenant."

Commencement Information

I64 S. 64 not in force at Royal Assent, see **s. 124(3)**

Appointment of manager by Tribunal

65 Appointment of manager: power to vary or discharge orders

In section 24 of the LTA 1987 (appointment of manager by a tribunal)—

(a) in subsection (9), after "interested" insert "or of its own motion";

(b) in subsection (9A), omit "on the application of any relevant person".

Commencement Information

I65 S. 65 not in force at Royal Assent, see **s. 124(3)**

66 Appointment of manager: breach of redress scheme requirements

In section 24(2) of the LTA 1987 (grounds for appointment of manager)—

(a) omit the "or" at the end of paragraph (ac);

(b) after paragraph (ac) insert—

"(ad) where the tribunal is satisfied—

(i) that any relevant person has breached regulations under section 100(1) of the Leasehold and Freehold Reform Act 2024 (requirement to join redress scheme), and

(ii) that it is just and convenient to make the order in all the circumstances of the case;".

Commencement Information

I66 S. 66 not in force at Royal Assent, see **s. 124(3)**

Sales information requests

67 Leasehold sales information requests

In the LTA 1985, after section 30J (as inserted by section 63) insert—

"Sales information requests

30K Sales information requests

(1) A tenant of a dwelling under a long lease may give a sales information request to the landlord.

(2) A "sales information request" is a document in a specified form, and given in a specified manner, setting out—

(a) that the tenant is contemplating selling a long lease of the dwelling,

(b) information that the tenant requests from the landlord for the purpose of the contemplated sale, and

(c) any other specified information.

(3) A tenant may request information in a sales information request only if the information is specified in regulations made by the appropriate authority.

(4) The appropriate authority may specify information for the purposes of subsection (3) only if the information could reasonably be expected to assist a prospective purchaser in deciding whether to purchase a long lease of a dwelling.

(5) The appropriate authority may by regulations provide that a sales information request may not be given until the end of a particular period, or until another condition is met.

(6) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(7) A statutory instrument containing regulations under this section is subject to the negative procedure.

30L Effect of sales information request

(1) A landlord who has been given a sales information request must provide the tenant with any of the information requested that is within the landlord's possession.

(2) The landlord must request information from another person if—

(a) the information has been requested from the landlord in a sales information request,

(b) the landlord does not possess the information when the request is made, and

(c) the landlord believes that the other person possesses the information.

(3) That person must provide the landlord with any of the information requested that is within that person's possession.

(4) A person ("A") must request information from another person ("B") if—

(a) the information has been requested from A in a request under subsection (2) or this subsection (an "onward request"),

(b) A does not possess the information when the request is made, and

(c) A believes that B possesses the information.

(5) B must provide A with any of the information requested that is within B's possession.

(6) A person who is required to provide information under this section must do so before the end of a specified period beginning with the day on which the request for the information is made.

(7) A person who—

(a) has been given a sales information request or an onward request, and

(b) as a result of not possessing the information requested, does not provide the information before the end of a specified period beginning with the day on which the request is made,

must give the person making the request a negative response confirmation.

(8) A "negative response confirmation" is a document in a specified form, and given in a specified manner, setting out—

(a) that the person is unable to provide the information requested because it is not in the person's possession;

(b) a description of what action the person has taken to determine whether the information is in the person's possession;

(c) any onward requests the person has made and the persons to whom they were made;

(d) an explanation of why the person was unable to obtain the information, including details of any negative response confirmation received by the person;

(e) any other specified information.

(9) A person who is required to give a negative response confirmation must do so before the end of a specified period beginning with the day after the day on which the period referred to in subsection (7)(b) ends.

(10) The appropriate authority may by regulations—

(a) provide that an onward request may not be made until the end of a particular period, or until another condition is met;

(b) provide for how an onward request is to be made;

(c) make provision as to the period within which an onward request must be made;

(d) provide for circumstances in which a duty to comply with a sales information request or an onward request does not apply;

(e) make provision as to how information requested in a sales information request or an onward request is to be provided;

(f) make provision for circumstances in which a period specified for the purposes of subsection (6), (7) or (9) is to be extended.

(11) Regulations under this section—

(a) are to be made by statutory instrument;
(b) may make provision generally or only in relation to specific cases;
(c) may make different provision for different purposes;
(d) may include supplementary, incidental, transitional or saving provision.

(12) A statutory instrument containing regulations under this section is subject to the negative procedure.

30M Charges for provision of information

(1) Subject to any regulations under subsection (2), a person ("P") may charge another person for—
(a) determining whether information requested in a sales information request or an onward request is in P's possession;
(b) providing or obtaining information under section 30L.

(2) The appropriate authority may by regulations—
(a) limit the amount that may be charged under subsection (1);
(b) prohibit a charge under subsection (1) in specified circumstances or unless specified requirements are met.

(3) If a landlord charges a tenant under subsection (1), the charge—
(a) is an administration charge for the purposes of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 (see paragraph 1(1)(b) of that Schedule), and
(b) is not to be treated as a service charge for the purposes of this Act.

(4) For the purposes of the provisions of this Act relating to service charges, the costs of—
(a) determining whether information requested in a sales information request or an onward request is in a person's possession, or
(b) providing or obtaining information under section 30L,
are not to be regarded as relevant costs to be taken into account in determining the amount of any variable service charge payable by any tenant.

(5) Regulations under this section—
(a) are to be made by statutory instrument;
(b) may make provision generally or only in relation to specific cases;
(c) may make different provision for different purposes;
(d) may include supplementary, incidental, transitional or saving provision.

(6) A statutory instrument containing regulations under this section is subject to the negative procedure.

30N Enforcement of sections 30L and 30M

(1) A person who makes a sales information request or an onward request ("C") may make an application to the appropriate tribunal on the ground that another person ("D") failed to comply with a requirement under section 30L or 30M in relation to the request.

(2) The tribunal may make one or more of the following orders—

(a) an order that D comply with the requirement before the end of a period specified by the tribunal;

(b) an order that D pay damages to C for the failure;

(c) if D charged C in excess of a limit specified in regulations under section 30M(2)(a), an order that D repay the amount charged in excess of the limit to C;

(d) if D charged C in breach of regulations under section 30M(2)(b), an order that D repay the amount charged to C.

(3) Damages under subsection (2)(b) may not exceed £5,000.

(4) The appropriate authority may by regulations amend the amount in subsection (3) if the appropriate authority considers it expedient to do so to reflect changes in the value of money.

(5) Regulations under this section—

(a) are to be made by statutory instrument;

(b) may make provision generally or only in relation to specific cases;

(c) may make different provision for different purposes;

(d) may include supplementary, incidental, transitional or saving provision.

(6) A statutory instrument containing regulations under this section is subject to the negative procedure.

30P Interpretation of sections 30K to 30N

(1) In sections 30K to 30N—

"information" includes a document containing information, and a copy of such a document;

"landlord" includes—

(a) any person who has a right to enforce payment of a service charge;

(b) a RTM company within the meaning of Chapter 1 of Part 2 of the Commonhold and Leasehold Reform Act 2002 (see section 73 of that Act);

"long lease" has the same meaning as in Chapter 1 of Part 2 of the Commonhold and Leasehold Reform Act 2002 (see sections 76 and 77 of that Act);

"onward request" has the meaning given in section 30L(4)(a);

"sales information request" has the meaning given in section 30K(2);

"specified" means specified in, or determined in accordance with, regulations made by the appropriate authority.

(2) A reference in sections 30K to 30N to purchasing a long lease is a reference to becoming a tenant under the lease for consideration, whether by grant, assignment or otherwise, and references to selling a long lease are to be read accordingly."

Commencement Information
I67 S. 67 not in force at Royal Assent, see **s. 124(3)**

General

68 Regulations under the LTA 1985: procedure and appropriate authority

(1) The LTA 1985 is amended as follows.

(2) After section 37 insert—

"**37A Procedure applicable to statutory instruments**

(1) In this Act, if a statutory instrument is "subject to the affirmative procedure" it may not be made unless—

(a) where it contains (whether alone or with other provision) regulations or an order made by the Secretary of State, a draft of the instrument has been laid before and approved by a resolution of each House of Parliament;

(b) where it contains (whether alone or with other provision) regulations or an order made by the Welsh Ministers, a draft of the instrument has been laid before and approved by a resolution of Senedd Cymru.

(2) In this Act, if a statutory instrument is "subject to the negative procedure" it is—

(a) where it contains regulations or an order made by the Secretary of State, subject to annulment in pursuance of a resolution of either House of Parliament;

(b) where it contains regulations or an order made by the Welsh Ministers, subject to annulment in pursuance of a resolution of Senedd Cymru."

(3) In section 38 (minor definitions), after the definition of "address" insert—

""the appropriate authority"—

(a) in relation to England, means the Secretary of State;

(b) in relation to Wales, means the Welsh Ministers;".

(4) In section 39 (index of defined expressions), after the entry for "address" insert—

"the appropriate authority	section 38".

Commencement Information
I68 S. 68 not in force at Royal Assent, see **s. 124(3)**

69 LTA 1985: Crown application

(1) Before section 40 of the LTA 1985 insert—

"**39A Crown application**

Sections 18 to 30P, and the Schedule, bind the Crown."

(2) In section 172 of the CLRA 2002 (application to Crown of certain provisions)—

(a) in subsection (1), omit paragraph (a);

(b) omit subsection (3).

Commencement Information

I69 S. 69 not in force at Royal Assent, see **s. 124(3)**

70 Part 4: consequential amendments

Schedule 11 contains amendments that are consequential on this Part.

Commencement Information

I70 S. 70 not in force at Royal Assent, see **s. 124(3)**

71 Application of Part 4 to existing leases

Each section of this Part has effect in relation to a lease (within the meaning of the LTA 1985) whether the lease was entered into before or after the section comes into force.

Commencement Information

I71 S. 71 not in force at Royal Assent, see **s. 124(3)**

PROSPECTIVE

PART 5

REGULATION OF ESTATE MANAGEMENT

Key definitions

72 Meaning of "estate management" etc

(1) This section has effect for the purposes of this Part.

(2) "Estate management" means—

(a) the provision of services,

(b) the carrying out of maintenance, repairs or improvements,

(c) the effecting of insurance, or

(d) the making of payments,

for the benefit of one or more dwellings.

(3) "Estate manager" means a body of persons (whether incorporated or not)—

(a) which carries out, or is required to carry out, estate management, and

(b) which recovers the costs of carrying out estate management by means of relevant obligations.

(4) A reference to an estate manager in relation to a managed dwelling means an estate manager which carries out, or is required to carry out, estate management in relation to that dwelling.

(5) "Managed dwelling" means a dwelling in relation to which an estate manager carries out, or is required to carry out, estate management.

(6) "Relevant obligation", in relation to a dwelling, means any of the following obligations (whether or not the obligation arises before this section comes into force)—

(a) a rentcharge which—

(i) is charged on or issues out of the land which comprises the dwelling or a building of which the dwelling forms part, and

(ii) is an estate rentcharge by virtue of section 2(4)(b) and (5) of the Rentcharges Act 1977 ("the RA 1977");

(b) an obligation under a lease of the dwelling;

(c) any other obligation that—

(i) runs with the land which comprises the dwelling or a building of which the dwelling forms part, or

(ii) otherwise (whether in law or in equity) binds an owner for the time being of the land which comprises the dwelling;

(d) any other obligation—

(i) to which an owner of the dwelling is subject, and

(ii) to which any immediate successor in title of that owner will become subject, if an arrangement to which the estate manager and that owner are parties is performed.

(7) The arrangements that are within subsection (6)(d) include an arrangement under which the owner is required (in particular by a limitation on transfer of title to the dwelling or on registration of a transfer of title) to ensure that any immediate successor in title to the owner enters into an obligation.

(8) "Estate management charge" means an amount in relation to which each of the following applies—

(a) the amount is payable by an owner of a managed dwelling;

(b) the amount is payable for the purpose of meeting, or contributing towards, relevant costs (see subsection (11)) in relation to that dwelling;

(c) payment of the amount is required by, or enforceable through, a relevant obligation.

(9) But none of the following is an estate management charge—

(a) an amount payable under a scheme established in accordance with section 19 of the LRA 1967 or Chapter 4 of Part 1 of the LRHUDA 1993 (estate management schemes following enfranchisement);

(b) rent reserved under a lease;
(c) a service charge (which has the meaning given in section 18 of the LTA 1985);
(d) an administration charge (see section 83);
(e) a charge payable by a unit-holder of a commonhold unit to meet the expenses of a commonhold association.

(10) For the purposes of subsection (9)(e)—
(a) "unit-holder", "commonhold unit" and "commonhold association" have the same meaning as in Part 1 of the CLRA 2002 (see section 1(3) of that Act);
(b) the expenses of a commonhold association include the building safety expenses of the association (within the meaning given in section 38A of the CLRA 2002).

(11) "Relevant costs", in relation to a dwelling, means costs which are incurred by an estate manager in carrying out estate management for the benefit of the dwelling or for the benefit of the dwelling and other dwellings.

(12) Costs are relevant costs in relation to an estate management charge whether they are incurred, or to be incurred, in the period for which the charge is payable or in an earlier or later period.

Commencement Information
I72 S. 72 not in force at Royal Assent, see **s. 124(3)**

Limitation of estate management charges

73 Estate management charges: general limitations

(1) A charge demanded as an estate management charge is payable—
(a) only to the extent that the amount of the charge reflects relevant costs;
(b) only to the extent not otherwise limited under this Part.

(2) Sections 74 to 76 set out circumstances in which costs that would otherwise be relevant costs—
(a) are not relevant costs, or
(b) are relevant costs only to a limited extent.

Commencement Information
I73 S. 73 not in force at Royal Assent, see **s. 124(3)**

74 Limitation of estate management charges: reasonableness

(1) Costs incurred by an estate manager are relevant costs—
(a) only to the extent that they are reasonably incurred, and
(b) where they are incurred in the provision of services or the carrying out of works, only if the services or works are of a reasonable standard.

(2) Where an estate management charge is payable before relevant costs are incurred—

(a) no greater amount than is reasonable is so payable, and

(b) after the costs have been incurred, any necessary adjustment must be made to the charge (by repayment, reduction of subsequent charges or otherwise).

Commencement Information

I74 S. 74 not in force at Royal Assent, see **s. 124(3)**

75 Limitation of estate management charges: consultation requirements

(1) This section applies to works if costs incurred by an estate manager in carrying out those works exceed an appropriate amount.

(2) An "appropriate amount" is an amount set by regulations made by the Secretary of State.

(3) Regulations under subsection (2) may make provision for either or both of the following to be an appropriate amount—

(a) an amount specified in, or determined in accordance with, the regulations;

(b) an amount which results in the relevant contribution of any one or more persons being an amount specified in, or determined in accordance with, the regulations.

(4) The "relevant contribution" is the amount which an owner of a managed dwelling may be required to contribute by the payment of an estate management charge to the relevant costs incurred in carrying out the works.

(5) Where this section applies to works, the relevant contribution is limited in accordance with subsection (9) or (10) (or both) unless the consultation requirements have, in relation to the works, been either—

(a) complied with, or

(b) dispensed with by (or on appeal from) the appropriate tribunal.

(6) The "consultation requirements" are requirements specified in regulations made by the Secretary of State.

(7) Regulations under subsection (6) may, among other things, include provision requiring an estate manager to—

(a) provide details of proposed works to owners of managed dwellings;

(b) obtain estimates for proposed works;

(c) invite owners of managed dwellings to propose the names of persons from which the estate manager should try to obtain other estimates;

(d) have regard to observations made by owners of managed dwellings in relation to proposed works and estimates;

(e) give reasons in specified circumstances for carrying out works.

(8) The appropriate tribunal may make a determination under subsection (5)(b) that all or any of the consultation requirements are to be dispensed with only if the tribunal is satisfied that it is reasonable to dispense with the requirements.

(9) Where an appropriate amount is set by virtue of subsection (3)(a), the relevant contribution of an owner of a managed dwelling is limited to the appropriate amount.

(10) Where an appropriate amount is set by virtue of subsection (3)(b), the relevant contribution of an owner of a managed dwelling whose relevant contribution would otherwise exceed the amount specified or determined in accordance with the regulations is limited to that amount.

(11) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information
I75 S. 75 not in force at Royal Assent, see **s. 124(3)**

76 Limitation of estate management charges: time limits

(1) Costs incurred by an estate manager in relation to a managed dwelling are not relevant costs for the purposes of an estate management charge payable by an owner of the dwelling if—

(a) they were incurred more than 18 months before a demand for payment of the charge in relation to those costs is served on that owner, and

(b) that owner was not given a future demand notice in respect of the costs before the end of the period of 18 months beginning with the date on which the costs were incurred.

(2) A "future demand notice" is a notice in writing that—

(a) relevant costs have been incurred, and

(b) the owner will subsequently be required to contribute to the costs by the payment of an estate management charge.

(3) A future demand notice must—

(a) be in the specified form,

(b) contain the specified information, and

(c) be given in a specified manner.

"Specified" means specified in regulations made by the Secretary of State.

(4) The regulations may, among other things, specify as information to be contained in a future demand notice—

(a) an amount estimated as the amount of the costs incurred (an "estimated costs amount");

(b) an amount which the owner is expected to be required to contribute to the costs (an "expected contribution");

(c) a date on or before which it is expected that payment of the estate management charge will be demanded (an "expected demand date").

(5) Regulations that include provision by virtue of subsection (4) may also provide for a relevant rule to apply in a case where—

(a) the owner has been given a future demand notice in respect of relevant costs, and

(b) a demand for payment of an estate management charge as a contribution to those costs is served on the owner more than 18 months after the costs were incurred.

(6) The relevant rules are—

(a) in a case where a future demand notice is required to contain an estimated costs amount, that the owner is liable to pay the charge only to the extent it reflects relevant costs that do not exceed the estimated costs amount;

(b) in a case where a future demand notice is required to contain an expected contribution, that the owner is liable to pay the charge only to the extent it does not exceed the expected contribution;

(c) in a case where a future demand notice is required to contain an expected demand date, that, if the demand is served after the expected demand date, the owner is not liable to pay the charge to the extent it reflects any of the costs.

(7) Regulations that provide for the relevant rule in subsection (6)(c) to apply may also provide that, in a case set out in the regulations, the rule is to apply as if, for the expected demand date, there were substituted a later date determined in accordance with the regulations.

(8) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I76 S. 76 not in force at Royal Assent, see **s. 124(3)**

77 Determination of tribunal as to estate management charges

(1) An application may be made to the appropriate tribunal for a determination as to whether an estate management charge is payable and, if it is, as to—

(a) the person by which it is payable,

(b) the person to which it is payable,

(c) the amount which is payable,

(d) the date on or by which it is payable, and

(e) the manner in which it is payable.

(2) Subsection (1) applies whether or not any payment has been made.

(3) An application may also be made to the appropriate tribunal for a determination as to whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, an estate management charge would be payable for the costs and, if it would, as to—

(a) the person by which it would be payable,

(b) the person to which it would be payable,

(c) the amount which would be payable,

(d) the date on or by which it would be payable, and

(e) the manner in which it would be payable.

(4) No application under subsection (1) or (3) may be made in respect of a matter which—

(a) relates to a managed dwelling, and has been agreed or admitted by every owner of the dwelling,

(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which every owner of the dwelling is a party,

(c) has been the subject of determination by a court, or

(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

(5) But an owner of a managed dwelling is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

(6) An agreement (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—

(a) in a particular manner, or

(b) on particular evidence,

of any question which may be the subject of an application under subsection (1) or (3).

Commencement Information

I77 S. 77 not in force at Royal Assent, see **s. 124(3)**

Rights relating to estate management charges

78 Demands for payment

(1) A person may not demand the payment of an estate management charge unless the demand—

(a) is in the specified form,

(b) contains the specified information, and

(c) is provided in a specified manner.

"Specified" means specified in regulations made by the Secretary of State.

(2) Accordingly, where a demand for payment of an estate management charge does not comply with subsection (1), a provision of a deed, lease, contract or other arrangement or instrument relating to non-payment or late payment of estate management charges does not have effect in relation to that charge.

(3) The Secretary of State may by regulations provide for exceptions from subsection (1) by reference to—

(a) descriptions of person making the demand;

(b) descriptions of estate management charge;

(c) any other matter.

(4) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I78 S. 78 not in force at Royal Assent, see **s. 124(3)**

79 Annual reports

(1) Subsection (2) applies where—

(a) an estate manager carries out estate management, and

(b) an owner of the managed dwelling is or may be required to pay estate management charges in respect of the management carried out.

(2) The estate manager must, on or before the report date for an accounting period, provide the owner with a report under this section.

(3) The Secretary of State may by regulations make provision as to—

(a) the information to be contained in the report;

(b) the form of the report;

(c) the manner in which the report is to be provided.

(4) An "accounting period" is—

(a) a period of 12 months agreed between the estate manager and the owner for the purposes of this section, or

(b) if no such period is agreed, a period of 12 months beginning with 1 April.

(5) The "report date" for an accounting period is the final day of the period of one month beginning with the day after the final day of the accounting period.

(6) The Secretary of State may by regulations provide for exceptions from the duty in subsection (1) by reference to—

(a) descriptions of estate manager;

(b) descriptions of estate management charge;

(c) any other matter.

(7) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I79 S. 79 not in force at Royal Assent, see **s. 124(3)**

80 Right to request information

(1) An owner of a managed dwelling may require an estate manager carrying out estate management in relation to the dwelling to provide information specified in regulations made by the Secretary of State.

(2) The Secretary of State may specify information only if it relates to estate management.

(3) The estate manager must provide the owner with any of the information requested that is within their possession.

(4) The estate manager must request information from another person if—

(a) the information has been requested from the estate manager under subsection (1),

(b) the estate manager does not possess the information when the request is made, and

(c) the estate manager believes that the other person possesses the information.

(5) That person must provide the estate manager with any of the information requested that is within their possession.

(6) A person ("A") must request information from another person ("B") if—

(a) the information has been requested from A under subsection (4) or this subsection,

(b) A does not possess the information when the request is made, and

(c) A believes that B possesses the information.

(7) B must provide A with any of the information requested that is within B's possession.

(8) The Secretary of State may by regulations—

(a) provide for how a request is to be made under this section;

(b) provide that a request under this section may not be made until the end of a particular period, or until another condition is met;

(c) make provision as to the period within which a request under subsection (4) or (6) must be made;

(d) provide for circumstances in which a duty to comply with a request under this section does not apply.

(9) Section 81 makes further provision about requests under this section.

(10) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I80 S. 80 not in force at Royal Assent, see **s. 124(3)**

81 Requests under section 80: further provision

(1) Subsections (2) to (6) apply where a person ("R") requests information under section 80 from another person ("P").

(2) R may request that P provide the information to R by allowing R access to premises where R may inspect the information and make and remove a copy of the information.

(3) P must provide information which P is required to provide under section 80—

(a) before the end of a specified period beginning with the day the request is made, and

(b) if R has made a request under subsection (2), by allowing R the access requested during a specified period.

"Specified" means specified in regulations made by the Secretary of State.

(4) P may charge R for the costs of doing anything required under section 80 or this section.

(5) But, if P is an estate manager, P may not charge an owner of a managed dwelling for the costs of allowing the owner access to premises to inspect information (but may charge for the making of copies).

(6) The costs referred to in subsection (4) may be relevant costs for the purposes of an estate management charge (whether charged to an owner of that dwelling or another dwelling).

(7) Regulations under subsection (3) may provide for circumstances in which a specified period is to be extended.

(8) The Secretary of State may by regulations make further provision as to how information requested under section 80 is to be provided.

(9) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I81 S. 81 not in force at Royal Assent, see **s. 124(3)**

82 Enforcement of sections 78 to 81

(1) An owner of a managed dwelling may make an application to the appropriate tribunal on the ground that—

(a) a person demanded the payment of an estate management charge otherwise than in accordance with section 78(1);

(b) an estate manager failed to provide a report in accordance with section 79.

(2) On an application made under subsection (1), the tribunal may make one or more of the following orders—

(a) an order that an estate manager must, before the end of the period of 14 days beginning with the day after the date of the order—

(i) demand the payment of an estate management charge in accordance with section 78(1);

(ii) provide a report in accordance with section 79;

(b) an order that an estate manager pay damages to the owner for the failure;

(c) any other order which the tribunal considers consequential on an order under paragraph (a) or (b).

(3) A person ("C") may make an application to the appropriate tribunal on the ground that another person ("D") failed to comply with a requirement under section 80 or 81.

(4) On an application made under subsection (3), the tribunal may make one or more of the following orders—

(a) an order that D comply with the requirement before the end of the period of 14 days beginning with the day after the date of the order;

(b) an order that D pay damages to C for the failure;

(c) any other order which the tribunal considers consequential on an order under paragraph (a) or (b).

(5) Damages under this section may not exceed £5,000.

(6) The appropriate authority may by regulations amend the amount in subsection (5) if the appropriate authority considers it expedient to do so to reflect changes in the value of money.

(7) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information
I82 S. 82 not in force at Royal Assent, see **s. 124(3)**

Administration charges

83 Meaning of "administration charge"

(1) For the purposes of this Part, "administration charge" means an amount payable, directly or indirectly, by an owner of a dwelling—

(a) for or in connection with—

(i) the grant of approvals in connection with a relevant obligation, or

(ii) applications for such approvals;

(b) for or in connection with the provision of information or documents by or on behalf of an estate manager;

(c) for or in connection with—

(i) the sale or transfer of land to which a relevant obligation relates, or

(ii) the creation of an interest in or right over that land;

(d) in respect of a failure by the owner to make a payment by the due date under a relevant obligation;

(e) in connection with a breach (or alleged breach) of a relevant obligation.

(2) But "administration charge" does not include an amount payable by a tenant of a dwelling in a case where all of the following conditions are met—

(a) the tenant's lease specifies that only a person who has attained a minimum age may occupy the dwelling;

(b) the amount is payable under a term of the tenant's lease or is otherwise payable in connection with the tenant's lease;

(c) the amount is payable if—

(i) the tenant's lease is granted, assigned or terminated,

(ii) a lease of the dwelling which is inferior to the tenant's lease is granted, assigned or terminated, or

(iii) there is a change in the person or persons occupying the dwelling;

(d) the amount is fixed or is calculated by a method determinable in advance;

(e) any other conditions specified in regulations made by the appropriate authority.

(3) The appropriate authority may by regulations make provision (including provision amending this Act) so as to amend the definition of "administration charge".

(4) A statutory instrument containing regulations under this section (whether alone or with other provision) is subject to the affirmative procedure.

Commencement Information
I83 S. 83 not in force at Royal Assent, see **s. 124(3)**

84 Duty of estate managers to publish administration charge schedules

(1) If an estate manager expects to charge an administration charge, the estate manager must produce and publish an administration charge schedule.

(2) An "administration charge schedule" is a document setting out—

(a) the administration charges the estate manager considers may be payable, and

(b) for each charge—

(i) its amount, or

(ii) if it is not possible to determine its amount before it becomes payable, how its amount will be determined if it becomes payable.

(3) The estate manager—

(a) may revise a published administration charge schedule, and

(b) must publish a revised schedule.

(4) The estate manager must provide a person with the administration charge schedule for the time being published setting out the charges that may be payable by that person.

(5) The appropriate authority may by regulations make provision as to—

(a) the form of an administration charge schedule;

(b) the content of an administration charge schedule;

(c) how an administration charge schedule must be published;

(d) how an administration charge schedule is to be provided to owners of dwellings.

(6) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I84 S. 84 not in force at Royal Assent, see **s. 124(3)**

85 Enforcement of section 84

(1) An owner of a dwelling may make an application to the appropriate tribunal on the ground that an estate manager has not complied with section 84 or regulations made under it.

(2) The tribunal may make one or both of the following orders—

(a) an order that the manager comply with section 84 or regulations made under it before the end of the period of 14 days beginning with the day after the date of the order;

(b) an order that the manager pay damages to the owner for the failure.

(3) Damages under subsection (2)(b) may not exceed £1,000.

(4) The appropriate authority may by regulations amend the amount in subsection (3) if the appropriate authority considers it expedient to do so to reflect changes in the value of money.

(5) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information
I85 S. 85 not in force at Royal Assent, see **s. 124(3)**

86 Limitation of administration charges

(1) An administration charge is payable only to the extent that the amount of the charge is reasonable.

(2) An administration charge is payable to an estate manager only if—
- (a) its amount appeared for the required period on an administration charge schedule published under section 84, or
- (b) its amount was determined in accordance with a method that appeared on the published administration charge schedule for the required period.

(3) "The required period" is the period of 28 days ending with the day on which the administration charge is demanded to be paid.

(4) An administration charge is not payable to an estate manager if—
- (a) the charge relates to the same matter as, or a matter of a similar nature to, a matter for which an administration charge is payable by another person to the estate manager,
- (b) the amount of the charge is different from the charge payable by that other person, and
- (c) it is not reasonable for the amount of the charge to be different.

Commencement Information
I86 S. 86 not in force at Royal Assent, see **s. 124(3)**

87 Determination of tribunal as to administration charges

(1) An application may be made to the appropriate tribunal for a determination as to whether an administration charge is payable and, if it is, as to—
- (a) the person by which it is payable,
- (b) the person to which it is payable,
- (c) the amount which is payable,
- (d) the date on or by which it is payable, and
- (e) the manner in which it is payable.

(2) Subsection (1) applies whether or not any payment has been made.

(3) No application under subsection (1) may be made in respect of a matter which—
- (a) relates to a dwelling, and has been agreed or admitted by every owner of the dwelling,
- (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which every owner of the dwelling is a party,
- (c) has been the subject of determination by a court, or
- (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

(4) But an owner of a dwelling is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

(5) An agreement (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—

(a) in a particular manner, or

(b) on particular evidence,

of any question which may be the subject matter of an application under subsection (1).

Commencement Information

I87 S. 87 not in force at Royal Assent, see **s. 124(3)**

Codes of management practice

88 Codes of management practice: extension to estate managers

In section 87 of the LRHUDA 1993 (codes of management practice)—

(a) in subsection (6)(b)(i), before "tenants" insert "owners or";

(b) in subsection (8)(b), omit "let on leases".

Commencement Information

I88 S. 88 not in force at Royal Assent, see **s. 124(3)**

Appointment of substitute manager by Tribunal

89 Notices of complaint

(1) An owner of a managed dwelling may give a notice of complaint to an estate manager.

(2) A notice of complaint is a notice that—

(a) sets out one or more complaints listed in subsection (3) in relation to the estate manager,

(b) states that, if the complaints are not remedied by the end of the qualifying period (see subsection (7)), the owner may make an application under section 90 (application to appoint substitute manager), and

(c) contains any other information specified in regulations made by the Secretary of State.

(3) The complaints are—

(a) that the estate manager—

(i) is in breach of an obligation in relation to the dwelling, or

(ii) in the case of an obligation dependent on notice, would be in breach of such an obligation but for the fact that it has not been reasonably practicable to give the estate manager the appropriate notice;

(b) that sums payable by way of estate management charges by the owner, or, if the owner is a tenant or sub-tenant, by the landlord or superior landlord, are not being applied in an efficient or effective manner;

(c) that an estate management charge payable, or proposed or likely to be payable, by the owner, or, if the owner is a tenant or sub-tenant, by the landlord or superior landlord, is unreasonable;

(d) that an administration charge payable, or proposed or likely to be payable, by the owner, or, if the owner is a tenant or sub-tenant, by the landlord or superior landlord, is unreasonable;

(e) that the estate manager has failed to comply with a relevant provision of a code of practice approved under section 87 of the LRHUDA 1993 (codes of management practice).

(4) A notice of complaint may be given jointly by two or more persons if each of those persons is entitled to give a notice to the estate manager (whether or not in respect of the same dwelling).

(5) For that purpose, it is not necessary for every complaint set out in the notice, or every part of each complaint, to apply in relation to each dwelling owned by each of the persons giving the notice.

(6) The Secretary of State may by regulations make provision for determining when a notice of complaint is given.

(7) In this section and sections 90 to 93—

"notice of complaint" means a notice of complaint under this section;

"qualifying period", in relation to a notice of complaint, means the period of six months beginning with the date on which the notice is given.

(8) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I89 S. 89 not in force at Royal Assent, see **s. 124(3)**

90 Appointment of substitute manager

(1) The appropriate tribunal may, on the application of an owner of a managed dwelling, by order appoint a person to carry out, in place of an estate manager, such functions in connection with the estate management relating to that dwelling as the tribunal thinks fit.

(2) Section 91 sets out conditions that must be met for a person to make an application.

(3) Section 92 sets out criteria the appropriate tribunal must consider in deciding whether to make an appointment order.

(4) Section 93 makes further provision in relation to appointment orders.

(5) In this section and sections 91 to 93—

"appointment order" means an order under subsection (1);

"substitute manager" means a person appointed under an appointment order.

Commencement Information

I90 S. 90 not in force at Royal Assent, see **s. 124(3)**

91 Conditions for applying for appointment order

(1) An owner of a managed dwelling may make an application for an appointment order in relation to an estate manager only if—

(a) the owner has given a notice of complaint to the estate manager,

(b) the qualifying period in relation to that notice has ended,

(c) the owner has, after the end of the qualifying period but before the application is made, given further notice to the estate manager (a "final warning notice"), and

(d) the condition in subsection (5) is met in relation to the final warning notice.

(2) If the owner gave the notice of complaint jointly with other persons, the owner may not make an application for an appointment order unless—

(a) the owner does so jointly with each of those other persons that remain owners of managed dwellings in relation to the estate manager, and

(b) the final warning notice was given jointly by the owner and each of those other persons.

(3) The owner, or the owners acting jointly in accordance with subsection (2), may make an application jointly with an owner of a managed dwelling who did not give the notice of complaint to the estate manager (a "joined applicant"), if the final warning notice was given jointly by the owner or owners and the joined applicant.

(4) A final warning notice must—

(a) specify—

(i) the name of the person (or persons) giving the notice,

(ii) the address of their dwelling (or the addresses of each of their dwellings), and

(iii) if different, an address (or addresses) at which a person may give notice to that person (or one or more of those persons) in connection with the application,

(b) state that the person or persons giving the notice intend to make an application for an appointment order in respect of the dwelling specified in the notice,

(c) specify the grounds on which the appropriate tribunal would be asked to make such an order and the matters that would be relied on by the person or persons for the purpose of establishing those grounds,

(d) where those matters are capable of being remedied by the estate manager, require the estate manager, within a reasonable period specified in the notice, to take specified steps for the purpose of remedying them,

(e) state that, if those matters are remedied, the person or persons will not make an application, and

(f) contain any other information specified in regulations made by the Secretary of State.

(5) The condition in this subsection is met if—

(a) the matters specified in the final warning notice were not capable of being remedied, or

(b) the period specified in the final warning notice for the matters to be remedied has expired without the estate manager having taken the required steps to remedy them.

(6) The appropriate tribunal may by order dispense with a requirement in subsection (1), (2) or (3) if the tribunal is satisfied in light of the urgency of the case that it would not be reasonably practicable for the requirement to be satisfied.

(7) But the tribunal may, when so ordering, direct that such other notices are given, or such other steps are taken, as it thinks fit.

(8) If the tribunal makes an order under subsection (6), an application for an appointment order may be made only if any notices required to be given, and any other steps required to be taken, by virtue of the order have been given or taken.

(9) The Secretary of State may by regulations make provision for determining when a notice under this section is given.

(10) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I91 S. 91 not in force at Royal Assent, see **s. 124(3)**

92 Criteria for determining whether to make appointment order

(1) The appropriate tribunal may not make an appointment order in relation to an estate manager if the estate manager is specified, or is of a description specified, in regulations made by the Secretary of State.

(2) The appropriate tribunal may make an appointment order only if the tribunal is satisfied that—

(a) it is just and convenient to make the order in all the circumstances of the case, and

(b) either—

(i) those circumstances include those set out in subsection (3), or

(ii) there are other circumstances that make it just and convenient for the order to be made.

(3) The circumstances are—

(a) that the estate manager is—

(i) in breach of an obligation in relation to a dwelling, or

(ii) in the case of an obligation dependent on notice, would be in breach of the obligation but for the fact that it has not been reasonably practicable to give the estate manager the appropriate notice;

(b) that an estate management charge payable, or proposed or likely to be payable, is unreasonable;

(c) that an administration charge payable, or proposed or likely to be payable, is unreasonable;

(d) that the estate manager has failed to comply with a relevant provision of a code of practice approved under section 87 of the LRHUDA 1993 (codes of management practice);

(e) that the estate manager has breached regulations under section 100(1) of this Act (requirement to be member of redress scheme).

(4) For the purposes of subsection (3)(b), an estate management charge is to be taken to be unreasonable if—

(a) the amount is unreasonable having regard to the items for which it is payable,

(b) the items for which it is payable are of an unnecessarily high standard, or

(c) the items for which it is payable are of an insufficient standard with the result that additional charges are or may be incurred.

(5) An appointment order may be made despite the fact that—

(a) a period specified in a final warning notice was not a reasonable period, or

(b) a final warning notice otherwise failed to comply with a requirement under section 91(4).

(6) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I92 S. 92 not in force at Royal Assent, see **s. 124(3)**

93 Appointment orders: further provision

(1) An appointment order may—

(a) make provision with respect to such matters relating to the exercise by the substitute manager of their functions under the order, and such incidental or ancillary matters, as the tribunal thinks fit, including—

(i) for rights and liabilities arising under contracts or other arrangements to which the substitute manager is not party to become rights and liabilities of the substitute manager;

(ii) for the substitute manager to be entitled to prosecute claims in respect of causes of action (whether contractual or tortious) accruing before or after the date of their appointment;

(iii) for remuneration to be paid to the substitute manager by the estate manager;

(iv) for the substitute manager's functions to be exercisable during a specified period;

(b) be subject to such conditions as the tribunal thinks fit;

(c) be subject to suspension on terms set by the tribunal.

(2) The appropriate tribunal may, on the application of any interested person or of its own motion, vary or discharge (whether conditionally or unconditionally) an appointment order.

(3) The tribunal may not vary or discharge an appointment order unless the tribunal is satisfied that—

(a) the variation or discharge will not result in a recurrence of the circumstances which led to the appointment order being made, and

(b) it is just and convenient in all the circumstances of the case to vary or discharge the order.

(4) In deciding—

(a) the terms of an appointment order, or

(b) whether or how to vary or discharge an appointment order,

the appropriate tribunal must have regard to whether the estate manager in relation to which the order is made has breached regulations under section 100(1) (requirement to be member of redress scheme).

Commencement Information

I93 S. 93 not in force at Royal Assent, see **s. 124(3)**

Sales information requests

94 Estate management: sales information requests

(1) An owner of a managed dwelling may give a sales information request to the estate manager.

(2) A "sales information request" is a document in a specified form, and given in a specified manner, setting out—

(a) that the owner is contemplating selling the dwelling,

(b) information that the owner requests from the estate manager for the purpose of the contemplated sale, and

(c) any other specified information.

(3) An owner of a managed dwelling may request information in a sales information request only if the information is specified in regulations made by the appropriate authority.

(4) The appropriate authority may specify information for the purposes of subsection (3) only if the information—

(a) relates to estate management, estate managers, estate management charges or relevant obligations, and

(b) could reasonably be expected to assist a prospective purchaser in deciding whether to purchase a dwelling.

(5) The appropriate authority may by regulations provide that a sales information request may not be given until the end of a particular period, or until another condition is met.

(6) In this section and sections 95 to 97—

(a) a reference to purchasing a dwelling is a reference to becoming an owner of the dwelling, and references to selling a dwelling are to be read accordingly;

(b) "sales information request" has the meaning given in subsection (2);

(c) "specified" means specified in, or determined in accordance with, regulations made by the appropriate authority.

(7) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I94 S. 94 not in force at Royal Assent, see **s. 124(3)**

95 Effect of sales information request

(1) An estate manager who has been given a sales information request by the owner of a managed dwelling must provide the owner with any of the information requested that is within the estate manager's possession.

(2) The estate manager must request information from another person if—

(a) the information has been requested from the estate manager in a sales information request,

(b) the estate manager does not possess the information when the request is made, and

(c) the estate manager believes that the other person possesses the information.

(3) That person must provide the estate manager with any of the information requested that is within that person's possession.

(4) A person ("A") must request information from another person ("B") if—

(a) the information has been requested from A in a request under subsection (2) or this subsection (an "onward request"),

(b) A does not possess the information when the request is made, and

(c) A believes that B possesses the information.

(5) B must provide A with any of the information requested that is within B's possession.

(6) A person who is required to provide information under this section must do so before the end of a specified period beginning with the day on which the request for the information is made.

(7) A person who—

(a) has been given a sales information request or an onward request, and

(b) as a result of not possessing the information requested, does not provide the information before the end of a specified period beginning with the day on which the request is made,

must give the person making the request a negative response confirmation.

(8) A "negative response confirmation" is a document in a specified form, and given in a specified manner, setting out—

(a) that the person is unable to provide the information requested because it is not in the person's possession;

(b) a description of what action the person has taken to determine whether the information is in the person's possession;

(c) any onward requests the person has made and the persons to whom they were made;

(d) an explanation of why the person was unable to obtain the information, including details of any negative response confirmation received by the person;

(e) any other specified information.

(9) A person who is required to give a negative response confirmation must do so before the end of a specified period beginning with the day after the day on which the period referred to in subsection (7)(b) ends.

(10) The appropriate authority may by regulations—

(a) provide that an onward request may not be made until the end of a particular period, or until another condition is met;

(b) provide for how an onward request is to be made;

(c) make provision as to the period within which an onward request must be made;

(d) provide for circumstances in which a duty to comply with a sales information request or an onward request does not apply;

(e) make provision as to how information requested in a sales information request or an onward request is to be provided;

(f) make provision for circumstances in which a period specified for the purposes of subsection (6), (7) or (9) is to be extended.

(11) In this section and sections 96 and 97, "onward request" has the meaning given in subsection (4)(a).

(12) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I95 S. 95 not in force at Royal Assent, see **s. 124(3)**

96 Charges for provision of information

(1) Subject to any regulations under subsection (2), a person ("P") may charge another person for—

(a) determining whether information requested in a sales information request or an onward request is in P's possession;

(b) providing or obtaining information under section 95.

(2) The appropriate authority may by regulations—

(a) limit the amount that may be charged under subsection (1);

(b) prohibit a charge under subsection (1) in specified circumstances or unless specified requirements are met.

(3) If an estate manager charges the owner of a managed dwelling under subsection (1), the charge—

(a) is an administration charge for the purposes of this Part, and

(b) is not to be treated as an estate management charge for the purposes of this Part.

(4) For the purposes of this Part, the costs of—

(a) determining whether information requested in a sales information request or an onward request is in a person's possession, or

(b) providing or obtaining information under section 95,

are not to be regarded as relevant costs to be taken into account in determining the amount of any estate management charge.

(5) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I96 S. 96 not in force at Royal Assent, see **s. 124(3)**

97 Enforcement of sections 95 and 96

(1) A person who makes a sales information request or an onward request ("C") may make an application to the appropriate tribunal on the ground that another person ("D") failed to comply with a requirement under section 95 or 96 in relation to the request.

(2) The tribunal may make one or more of the following orders—

(a) an order that D comply with the requirement before the end of a period specified by the tribunal;

(b) an order that D pay damages to C for the failure;

(c) if D charged C in excess of a limit specified in regulations under section 96(2)(a), an order that D repay the amount charged in excess of the limit to C;

(d) if D charged C in breach of regulations under section 96(2)(b), an order that D repay the amount charged to C.

(3) Damages under subsection (2)(b) may not exceed £5,000.

(4) The appropriate authority may by regulations amend the amount in subsection (3) if the appropriate authority considers it expedient to do so to reflect changes in the value of money.

(5) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I97 S. 97 not in force at Royal Assent, see **s. 124(3)**

General

98 Part 5: Crown application

(1) Sections 94 to 97 (sales information requests) bind the Crown.

(2) The other provisions of this Part—

(a) apply in relation to estate management carried out by, or on behalf of, a government department and otherwise bind the Crown in relation to such estate management, and

(b) bind the Crown in relation to other estate management only if carried out by, or on behalf of, a person other than the Crown.

Commencement Information

I98 S. 98 not in force at Royal Assent, see **s. 124(3)**

99 Interpretation of Part 5

(1) In this Part—

"administration charge" has the meaning given in section 83;

"the appropriate authority" means—

(a) in relation to England, the Secretary of State;

(b) in relation to Wales, the Welsh Ministers;

"the appropriate tribunal" means—

(a) in relation to a dwelling in England, the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal;

(b) in relation to a dwelling in Wales, a leasehold valuation tribunal;

"arbitration agreement", "arbitration proceedings" and "arbitral tribunal" have the same meaning as in Part 1 of the Arbitration Act 1996;

"costs" includes overheads;

"dwelling" means a building or part of a building occupied or intended to be occupied as a separate dwelling, together with any yard, garden, outhouses and appurtenances belonging to it or usually enjoyed with it;

"estate management" has the meaning given in section 72 (see section 72(2));

"estate management charge" has the meaning given in section 72 (see section 72(8) and (9));

"estate manager" has the meaning given in section 72 (see section 72(3) and (4));

"information" includes a document containing information, and a copy of such a document;

"long lease" has the meaning given in section 77(2) of the LRHUDA 1993;

"managed dwelling" has the meaning given in section 72 (see section 72(5));

"post-dispute arbitration agreement", in relation to any matter, means an arbitration agreement made after a dispute about the matter has arisen;

"relevant costs" has the meaning given in section 72 (see section 72(11) and (12));

"relevant obligation" has the meaning given in section 72 (see section 72(6) and (7));

"rentcharge" has the same meaning as in the RA 1977 (see section 1 of that Act).

(2) For the purposes of this Part, a person is an "owner" of a dwelling if—

(a) the person owns freehold land which comprises the dwelling,
(b) the person is a tenant of the dwelling under a long lease, or
(c) where the dwelling is part of a building—
(i) the person owns freehold land which comprises the building, or
(ii) the person is a tenant of the building under a long lease.

Commencement Information
I99 S. 99 not in force at Royal Assent, see **s. 124(3)**

PROSPECTIVE

PART 6

LEASEHOLD AND ESTATE MANAGEMENT: REDRESS SCHEMES

Redress schemes: general

100 Leasehold and estate management: redress schemes

(1) The Secretary of State may by regulations require a person that carries out estate management in respect of a dwelling in England in a relevant capacity to be a member of a redress scheme.

(2) A person carries out estate management in a "relevant capacity" if they do so—
(a) as a relevant landlord of the dwelling, or
(b) as an estate manager.

(3) But a person may not be required to be a member of a redress scheme under this section if they carry out estate management only—
(a) as a tenant, or
(b) as an agent.

(4) A "redress scheme" is a scheme—
(a) which provides for a complaint against a member of the scheme made by or on behalf of a current or former owner of a dwelling in relation to which estate management is carried out to be independently investigated and determined by an independent individual, and
(b) which is—
(i) approved by the lead enforcement authority for the purposes of regulations under subsection (1), or
(ii) administered by or on behalf of the lead enforcement authority and designated by the lead enforcement authority for those purposes.

(5) Regulations under subsection (1) may require a person to remain a member of a redress scheme after ceasing to be a person mentioned in that subsection, for a period specified in the regulations.

(6) Before making regulations under subsection (1), the Secretary of State must be satisfied that all persons who are to be required to be a member of a redress scheme will be eligible to join such a scheme before being so required (subject to any provision in the scheme about expulsion, as to which see section 103(3)(l)).

(7) For potential consequences of breaching regulations under subsection (1), see—

(a) section 24(2)(ad) of the LTA 1987 and section 92(3)(e) of this Act (appointment of manager by tribunal);

(b) section 105 of this Act (financial penalties by enforcement authorities).

(8) In this Part—

"estate management" means—

(a) the provision of services,

(b) the carrying out of maintenance, repairs or improvements,

(c) the effecting of insurance, or

(d) the making of payments,

for the benefit of one or more dwellings;

"estate manager" means a body of persons (whether incorporated or not)—

(a) which carries out, or is required to carry out, estate management, and

(b) which recovers the costs of carrying out estate management by means of relevant obligations;

"the lead enforcement authority" means either—

(a) the Secretary of State, or

(b) another person designated by the Secretary of State as the lead enforcement authority,

and see section 108 for further provision about the lead enforcement authority;

"relevant landlord", in relation to a dwelling, means a landlord under a long lease of the dwelling;

"relevant obligation", in relation to a dwelling, means each of the following—

(a) a rentcharge which—

(i) is charged on or issues out of the land which comprises the dwelling or a building of which the dwelling forms part, and

(ii) is an estate rentcharge by virtue of section 2(4)(b) and (5) of the RA 1977;

(b) an obligation under a long lease of the dwelling;

(c) any other obligation that—

(i) runs with the land which comprises the dwelling or a building of which the dwelling forms part, or

(ii) otherwise (whether in law or in equity) binds the owner for the time being of the land which comprises the dwelling;

(d) any other obligation—

(i) to which the owner of the dwelling is subject, and

(ii) to which any immediate successor in title of that owner will become subject, if an arrangement to which a relevant landlord or an estate manager and that owner are parties is performed.

(9) The arrangements that are within paragraph (d) of the definition of "relevant obligation" include an arrangement under which the owner is required (in particular by a limitation on transfer of title to the dwelling or on registration of a transfer of title) to ensure that any immediate successor in title to the owner enters into an obligation.

(10) The Secretary of State may by regulations make provision (including provision amending this Act) for the purpose of changing the meaning of "relevant capacity", "relevant landlord" or "relevant obligation".

(11) A statutory instrument containing regulations under this section (whether alone or with other provision) is subject to the affirmative procedure.

Commencement Information
I100 S. 100 not in force at Royal Assent, see **s. 124(3)**

101 Redress schemes: voluntary jurisdiction

(1) Nothing in this Part prevents a redress scheme from providing (subject to regulations under section 103)—

(a) for membership to be open to persons who wish to join as voluntary members;

(b) for the investigation or determination of any complaints under a voluntary jurisdiction (including complaints by persons who are not current or former owners of dwellings in relation to which estate management is carried out);

(c) for voluntary mediation services;

(d) for the exclusion from investigation and determination under the scheme of any complaint in such cases or circumstances as may be specified in or determined under the scheme.

(2) In this Part—

"complaints under a voluntary jurisdiction" means complaints in relation to which there is no duty to be a member of a redress scheme, where the members against which the complaints are made have voluntarily accepted the jurisdiction of the scheme over those complaints;

"voluntary mediation services" means mediation, conciliation or similar processes provided at the request of a member in relation to complaints made—

(a) against the member, or

(b) by the member against another person;

"voluntary members", in relation to a scheme, means members who are not subject to a duty to be a member of a redress scheme.

Commencement Information
I101 S. 101 not in force at Royal Assent, see **s. 124(3)**

102 Financial assistance for establishment or maintenance of redress schemes

The Secretary of State may give financial assistance (by way of grant, loan, or guarantee, or in any other form) or make other payments to a person for the establishment or maintenance of—

(a) a redress scheme, or

(b) a scheme that would be a redress scheme if it were approved or designated under section 100(4)(b).

Commencement Information

I102 S. 102 not in force at Royal Assent, see **s. 124(3)**

103 Approval and designation of redress schemes

(1) This section applies where the Secretary of State makes regulations under section 100(1).

(2) The Secretary of State must by regulations set out conditions which are to be satisfied before a scheme is approved or designated under section 100(4)(b).

(3) The conditions must include conditions requiring the scheme to include provision in accordance with the regulations—

(a) for the appointment of an individual to be responsible for overseeing and monitoring the investigation and determination of complaints under the scheme;

(b) about the terms and conditions of that individual and the termination of their appointment;

(c) about the complaints that may be made under the scheme, which must include provision enabling the making of complaints about non-compliance with any codes of practice that are issued or approved by the Secretary of State;

(d) about the time to be allowed for scheme members to resolve matters before a complaint is accepted under the scheme in relation to those matters;

(e) about the circumstances in which a complaint may be rejected;

(f) about co-operation (which may include the joint exercise of functions) of an individual who is investigating or determining a complaint with persons who have functions in relation to other kinds of complaint and with enforcement authorities;

(g) about the provision of information to the persons mentioned in paragraph (f);

(h) if members are required to pay fees in respect of compulsory aspects of the scheme, about the level of those fees;

(i) if there are voluntary aspects of the scheme—

(i) for fees to be payable in respect of those aspects of the scheme, and

(ii) for the fees to be set at a level that, taking one year with another, is sufficient to meet the costs incurred in the administration of, and the investigation and determination of complaints under, those aspects of the scheme;

(j) for the individual determining a complaint to be able to require members to provide redress of the following types to the complainant—

(i) providing an apology or explanation,

(ii) paying compensation, and

(iii) taking such other actions in the interests of the complainant as the individual determining the complaint may specify;

(k) about the enforcement of the scheme and decisions made under the scheme;

(l) for a person to be expelled from the scheme only—

(i) in circumstances specified in the regulations,

(ii) once steps to secure compliance that are specified in the regulations have been taken, and

(iii) once the decision to expel the person has been reviewed by an independent person in accordance with the regulations;

(m) for an expulsion to be revoked in circumstances specified in the regulations;

(n) prohibiting a person from joining the scheme when the person has been expelled from another redress scheme and the expulsion has not been revoked;

(o) for circumstances in which the administration of the scheme is to be transferred to a different administrator;

(p) about the closure of the scheme by an administrator of the scheme.

(4) Conditions set out in regulations under subsection (3)—

(a) may include conditions requiring an administrator or proposed administrator of a scheme to undertake to do things—

(i) on an ongoing basis following approval or designation;

(ii) after ceasing to be an administrator of the scheme;

(b) in the case of conditions set out in regulations by virtue of subsection (3)(e), may require a scheme to reject complaints by a current or former owner of a dwelling where that owner is of a description specified in the regulations;

(c) in the case of conditions set out in regulations by virtue of subsection (3)(o), may—

(i) require an approved scheme to provide for the administration of that scheme to be transferred to the lead enforcement authority or a person acting on behalf of the lead enforcement authority in circumstances specified in the regulations, and

(ii) where they so require, provide for a scheme whose administration is transferred to be treated as a designated scheme instead of an approved one.

(5) Subsections (3) and (4) do not limit the conditions that may be set out in regulations under subsection (2).

(6) The Secretary of State may by regulations make further provision about the approval or designation of redress schemes under section 100(4)(b), including provision—

(a) about the number of redress schemes that may be approved or designated (which may be one or more);

(b) about the making of applications for approval;

(c) about the period for which an approval or designation is valid;

(d) about the withdrawal of approval or revocation of designation;

(e) authorising the approval or designation of a scheme which provides for fees payable by a compulsory member to be calculated by reference to the total of the costs incurred, or to be incurred, in the administration of the compulsory aspects of the scheme and the investigation and determination of complaints

under those aspects of the scheme (including costs unconnected with the member in question).

(7) Regulations under this section may—

(a) confer functions (including functions involving the exercise of discretion) on the lead enforcement authority, or authorise or require a scheme to do so;

(b) provide for the delegation of such functions by the lead enforcement authority, or authorise or require a scheme to provide for that.

(8) In this section—

"compulsory aspects", in relation to a scheme, means aspects of the scheme relating to complaints in relation to which there is a duty to be a member of a redress scheme;

"compulsory member", in relation to a scheme, means a member of the scheme who is subject to a duty to be a member of a redress scheme;

"voluntary aspects", in relation to a scheme, means aspects of the scheme that relate to—

(a) complaints under a voluntary jurisdiction,

(b) voluntary mediation services, or

(c) voluntary members.

(9) A statutory instrument containing regulations under this section (whether alone or with other provision) is subject to the affirmative procedure.

Commencement Information

I103 S. 103 not in force at Royal Assent, see **s. 124(3)**

104 Redress schemes: no Crown status

A person exercising functions under a redress scheme (other than the Secretary of State) is not to be regarded as the servant or agent of the Crown or as enjoying any status, privilege or immunity of the Crown or as exempt from any tax, duty, rate, levy or other charge whatsoever, whether general or local, and any property held by such a person is not to be regarded as property of, or held on behalf of, the Crown.

Commencement Information

I104 S. 104 not in force at Royal Assent, see **s. 124(3)**

Enforcement

105 Financial penalties

(1) An enforcement authority may impose a financial penalty on a person if satisfied beyond reasonable doubt that the person has breached regulations under section 100(1).

(2) The Secretary of State may by regulations make provision about the investigation by an enforcement authority of suspected breaches of regulations under section 100(1) for the purpose of determining whether to impose a financial penalty.

(3) Regulations under subsection (2) may, among other things, make provision about—

(a) co-operation between enforcement authorities, and

(b) the sharing of information between enforcement authorities,

for the purposes of an investigation.

(4) The amount of a financial penalty imposed under this section is to be determined in accordance with section 106.

(5) More than one penalty may be imposed for the same conduct only if—

(a) the conduct continues after the end of 28 days beginning with the day after the day on which the final notice in respect of the previous penalty for the conduct was given to the person, unless the person appeals against that notice within that period, or

(b) if the person appeals against that notice within that period, the conduct continues after the end of 28 days beginning with the day after the day on which the appeal is finally determined, withdrawn or abandoned.

(6) Subsection (5) does not enable a penalty to be imposed after the final notice in respect of the previous penalty has been withdrawn or quashed on appeal.

(7) Schedule 12 makes provision about—

(a) the procedure for imposing a financial penalty under this section,

(b) appeals against financial penalties,

(c) enforcement of financial penalties, and

(d) how enforcement authorities are to deal with the proceeds of financial penalties.

(8) For the purposes of this section and section 106—

(a) a financial penalty is imposed on the date specified in the final notice as the date on which the notice is given;

(b) "final notice" has the meaning given by paragraph 3 of Schedule 12.

(9) A statutory instrument containing regulations under this section (whether alone or with other provision) is subject to the affirmative procedure.

Commencement Information

I105 S. 105 not in force at Royal Assent, see **s. 124(3)**

106 Financial penalties: maximum amounts

(1) The amount of a financial penalty imposed on a person under section 105 is to be determined by the enforcement authority imposing it, but—

(a) if Case A, B or C applies, the penalty must not be more than £30,000;

(b) otherwise, the penalty must not be more than £5,000.

(2) Case A applies if—

(a) a relevant penalty has been imposed on the person and the final notice imposing the penalty has not been withdrawn, and

(b) the conduct for which the penalty was imposed continues after the end of the period of 28 days beginning with—

(i) the day after the day on which the penalty was imposed on the person, or

(ii) if the person appeals against the final notice in respect of the penalty within that period, the day after the day on which the appeal is finally determined, withdrawn or abandoned.

(3) Case B applies if—

(a) a relevant penalty has been imposed on the person for a breach of regulations under section 100(1) and the final notice imposing the penalty has not been withdrawn, and

(b) the person engages in conduct which constitutes a different breach of such regulations within the period of five years beginning with the day on which the penalty was imposed.

(4) Case C applies if—

(a) a relevant penalty has been imposed on the person for conduct in respect of which Case A, B or C applies and the final notice imposing the penalty has not been withdrawn, and

(b) the person breaches regulations under section 100(1) within the period of five years beginning with the day on which the penalty was imposed.

(5) For the purposes of this section, "relevant penalty" means a financial penalty imposed under section 105 where—

(a) the period for bringing an appeal against the penalty under paragraph 5 of Schedule 12 has expired without an appeal being brought,

(b) an appeal against the financial penalty under that paragraph has been withdrawn or abandoned, or

(c) the final notice imposing the penalty has been confirmed or varied on appeal.

(6) The Secretary of State may by regulations amend the amounts specified in subsection (1) to reflect changes in the value of money.

(7) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I106 S. 106 not in force at Royal Assent, see **s. 124(3)**

107 Decision under a redress scheme may be made enforceable as if it were a court order

(1) The Secretary of State may by regulations make provision for, or in connection with, authorising an administrator of a redress scheme to apply to a court or tribunal for an order that a determination made under the scheme and accepted by the complainant in question be enforced as if it were an order of a court.

(2) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information

I107 S. 107 not in force at Royal Assent, see **s. 124(3)**

108 Lead enforcement authority: further provision

(1) The lead enforcement authority must oversee the operation of a redress scheme under this Part.

(2) The lead enforcement authority must provide—

(a) other enforcement authorities, and

(b) the public in England,

with information and advice about the operation of redress schemes, in such form and manner as the lead enforcement authority considers appropriate.

(3) The lead enforcement authority may disclose information to another enforcement authority for the purposes of enabling that authority to determine whether there has been a breach of regulations under section 100(1).

(4) The lead enforcement authority may issue guidance to other enforcement authorities about the exercise of their functions under this Part.

(5) Enforcement authorities other than the lead enforcement authority must have regard to any guidance issued under subsection (4).

(6) If the Secretary of State designates a person as the lead enforcement authority for the purposes of this Part—

(a) the Secretary of State may make arrangements in connection with the person's role as the lead enforcement authority, which may include arrangements—

(i) for payments by the Secretary of State;

(ii) about bringing the arrangements to an end;

(b) the Secretary of State may give the lead enforcement authority directions as to the exercise of any of its functions, which—

(i) may relate to all or particular kinds of enforcement authorities, and

(ii) may make different provision for different purposes;

(c) the lead enforcement authority must keep under review and from time to time advise the Secretary of State about—

(i) the operation of redress schemes;

(ii) social and commercial developments relating to estate management (including by relevant landlords) in England, so far as it considers those developments relevant to redress schemes.

(7) The Secretary of State may by regulations make transitional or saving provision which applies when there is a change in the lead enforcement authority (which may relate to a specific change in the lead enforcement authority or to changes that might arise from time to time).

(8) A statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information
I108 S. 108 not in force at Royal Assent, see **s. 124(3)**

Guidance

109 Guidance for enforcement authorities and scheme administrators

(1) The Secretary of State may from time to time issue or approve guidance for enforcement authorities in England and administrators of redress schemes about co-operation between such enforcement authorities and persons exercising functions under the schemes.

(2) An enforcement authority in England other than the Secretary of State must have regard to any guidance issued or approved under this section.

(3) The Secretary of State must exercise the powers in section 103 for the purpose of ensuring that every administrator of a redress scheme has regard to any guidance issued or approved under this section.

Commencement Information
I109 S. 109 not in force at Royal Assent, see **s. 124(3)**

Amendments to other Acts

110 Part 6: amendments to other Acts

Schedule 13 makes amendments to other Acts in connection with this Part.

Commencement Information
I110 S. 110 not in force at Royal Assent, see **s. 124(3)**

Interpretation

111 Interpretation of Part 6

In this Part—

"complaints under a voluntary jurisdiction" has the meaning given in section 101(2);

"dwelling" means a building or part of a building occupied or intended to be occupied as a separate dwelling, together with any yard, garden, outhouses and appurtenances belonging to it or usually enjoyed with it;

"enforcement authority" means—

(a) the lead enforcement authority,
(b) the Secretary of State,
(c) a county council in England,
(d) a district council,
(e) a London borough council,
(f) the Common Council of the City of London (in its capacity as a local authority),
(g) the Council of the Isles of Scilly, or
(h) another person designated by the Secretary of State as an enforcement authority;

"estate management" has the meaning given in section 100(8);
"estate manager" has the meaning given in section 100(8);
"the lead enforcement authority" has the meaning given in section 100(8);
"long lease" has the meaning given in section 77(2) of the LRHUDA 1993;
"owner", in relation to a dwelling, means—
(a) the owner of freehold land which comprises the dwelling;
(b) a tenant under a long lease of the dwelling;

"redress scheme" has the meaning given in section 100(4);
"relevant capacity" has the meaning given in section 100(2);
"relevant landlord" has the meaning given in section 100(8);
"relevant obligation" has the meaning given in section 100(8);
"rentcharge" has the same meaning as in the RA 1977 (see section 1 of that Act);
"voluntary mediation services" has the meaning given in section 101(2);
"voluntary members" has the meaning given in section 101(2).

Commencement Information
I111 S. 111 not in force at Royal Assent, see **s. 124(3)**

PART 7

RENTCHARGES

PROSPECTIVE

112 Meaning of "estate rentcharge"

In section 2(4)(b) of the RA 1977 (meaning of "estate rentcharge"), for "or repairs" substitute ", repairs or improvements".

Commencement Information
I112 S. 112 not in force at Royal Assent, see **s. 124(3)**

113 Regulation of remedies for arrears of rentcharges

(1) The Law of Property Act 1925 is amended in accordance with this section.

(2) Before section 121 insert—

"**120A Interpretation**

(1) For the purposes of sections 120B to 122 a rentcharge is "regulated" if it is of a kind that could not be created in accordance with section 2 of the Rentcharges Act 1977.

(2) In sections 120B to 120D—

"charged land" means the land which is, or the land the income of which is, charged by the rentcharge;

"demand for payment" means a notice under section 120B(1)(a) demanding payment of regulated rentcharge arrears;

"landowner", in relation to a sum that is charged by rentcharge, means the person who holds the charged land;

"regulated rentcharge arrears" means a sum charged by a regulated rentcharge that is unpaid after the time appointed for its payment;

"rent owner", in relation to a sum that is charged by rentcharge, means the person who holds title to the rentcharge.

120B Regulated rentcharges: notice of arrears before enforcement

(1) No action to recover or compel payment of regulated rentcharge arrears may be taken unless—

(a) the rent owner has served the landowner with notice demanding payment of those arrears,

(b) the demand for payment complies with the requirements of subsection (2),

(c) the demand for payment either—

(i) complies with the requirements of subsection (3), or

(ii) does not need to comply with those requirements (see subsection (5)), and

(d) the period of 30 days, beginning with the day on which the demand for payment is served, has ended.

(2) The demand for payment must set out—

(a) the name of the rent owner;

(b) the address of the rent owner and, if that address is not in England and Wales, an address in England and Wales at which notices (including notices in proceedings) may be served on the rent owner by the landowner;

(c) the amount of the regulated rentcharge arrears;

(d) how that amount has been calculated;

(e) details of how to pay that amount.

(3) The demand for payment must set out, or be served with—

(a) a copy of the instrument creating the regulated rentcharge;

(b) proof that title to the regulated rentcharge is held by the rent owner.

(4) The demand for payment is to be taken to comply with the requirement in subsection (3)(b) if—

(a) in a case where the rent owner's title to the regulated rentcharge is registered at the Land Registry, the demand includes a copy of that registered title; or

(b) in a case where title to the regulated rentcharge is not registered at the Land Registry, the demand includes copies of the instruments by which title to the rentcharge has passed to the rent owner.

(5) A demand for payment served by a rent owner on a landowner in relation to a regulated rentcharge does not need to comply with subsection (3) if—

(a) a previous demand for payment that has been served by that rent owner on that landowner in relation to that rentcharge complied with that subsection, and

(b) since the service of that previous demand, there has been no material change in the matters to which subsection (3) relates.

(6) No sum is payable by the landowner in respect of the preparation or service of a demand for payment (including obtaining or preparing documents or copies in order to comply with subsection (3)).

(7) This section applies to action to recover or compel payment of rentcharge arrears whether the action is authorised by this Act or is otherwise available (and includes bringing proceedings).

120C Service of notice under section 120B: additional requirement

(1) This section applies if—

(a) notice under section 120B demanding the payment of rentcharge arrears is served in compliance with the requirements of section 196(3) or (4), but

(b) the place of abode or business at which the notice is left, or to which the notice is sent, in compliance with those requirements is not the charged land.

(2) The notice is sufficiently served only if (in addition to complying with the requirements of section 196(3) or (4))—

(a) it is affixed or left for the landowner on the charged land, or

(b) it is sent by post in a registered letter addressed to the landowner, by name, at the charged land, and if that letter is not returned by the postal operator (within the meaning of Part 3 of the Postal Services Act 2011) concerned undelivered; and that service shall be deemed to be made at the time at which the registered letter would in the ordinary course be delivered.

120D Regulated rentcharge arrears: administration charges

(1) The Secretary of State may by regulations limit the amounts payable by landowners, directly or indirectly, in respect of action to recover or compel payment of regulated rentcharge arrears.

(2) Regulations under this section may (in particular) provide that no amount is to be payable by landowners in respect of particular descriptions of action to recover or compel payment of regulated rentcharge arrears.

(3) Regulations under this section may make—

(a) different provision for different cases;

(b) transitional or saving provision.

(4) Regulations under this section are to be made by statutory instrument.

(5) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament."

(3) In section 121 (remedies for the recovery of annual sums charged on land) after subsection (1) insert—

"(1A) But where such a sum is charged by way of a regulated rentcharge, the rent owner does not have any of those remedies for recovering and compelling payment of the sum on and after 27 November 2023."

(4) In section 122 (creation of rentcharges charged on another rentcharge and remedies for recovery thereof), after subsection (1) insert—

"(1A) But on and after 27 November 2023 such a rentcharge or other annual sum may not be granted, reserved, charged or created out of or on another rentcharge if it is a regulated rentcharge."

(5) The amendments made by subsections (1) to (4) have effect in relation to rentcharge arrears arising before or after the coming into force of this section.

(6) After section 122 insert—

"**122A Contrary provision of no effect**

An instrument creating a rentcharge, or a contract or any other arrangement, (whenever entered into) is of no effect to the extent that it makes provision that is contrary to—

(a) section 120B, 120C, 121(1A) or 122(1A), or

(b) regulations under section 120D."

Commencement Information

I113 S. 113 in force at 24.7.2024, see **s. 124(2)(a)**

PART 8

AMENDMENTS OF PART 5 OF THE BUILDING SAFETY ACT 2022

Remediation of building defects

PROSPECTIVE

114 Steps relating to remediation of defects

(1) The BSA 2022 is amended as follows.

(2) In the heading of section 120 (meaning of "relevant defect"), at the end insert "and "relevant steps"".

(3) In section 120, after subsection (4) insert—

"(4A) "Relevant steps", in relation to a relevant defect, means steps which have as their purpose—

(a) preventing or reducing the likelihood of a fire or collapse of the building (or any part of it) occurring as a result of the relevant defect,

(b) reducing the severity of any such incident, or

(c) preventing or reducing harm to people in or about the building that could result from such an incident."

(4) In Schedule 8 (remediation costs under qualifying leases etc), in paragraph 1(1)—

(a) omit the definitions of "building safety risk" and "relevant risk";

(b) for the definition of "relevant measure" substitute—

""relevant measure", in relation to a relevant defect, means—

(a) a measure taken to remedy the relevant defect, or

(b) a relevant step taken in relation to the relevant defect;

"relevant step": see section 120;".

Commencement Information

I114 S. 114 not in force at Royal Assent, see **s. 124(3)**

PROSPECTIVE

115 Remediation orders

(1) Section 123 of the BSA 2022 (remediation orders) is amended in accordance with subsections (2) to (4).

(2) In subsection (2), for "remedy specified relevant defects in a specified relevant building by a specified time" substitute "do one or both of the following by a specified time—

(a) remedy specified relevant defects in a specified relevant building;

(b) take specified relevant steps in relation to a specified relevant defect in a specified relevant building."

(3) For subsection (6) substitute—

"(6) In this section—

"relevant building": see section 117;

"relevant defect": see section 120;

"relevant steps": see section 120;

"specified" means specified in the order."

(4) After subsection (7) insert—

"(8) In proceedings for a remediation order, a direction given by the First-tier Tribunal requiring a relevant landlord to provide or produce an expert report is to be regarded as a decision for the purposes of subsection (7).

(9) In subsection (8), "expert report" means an expert report or survey relating to—

(a) relevant defects, or potential relevant defects, in a relevant building;

(b) relevant steps taken or that might be taken in relation to a relevant defect in a relevant building."

(5) The amendments made by this section apply in relation to proceedings for a remediation order as mentioned in section 123 of the BSA 2022 which are pending on the day on which those amendments come into force (as well as proceedings for such an order which are commenced on or after that day).

Commencement Information

I115 S. 115 not in force at Royal Assent, see **s. 124(3)**

PROSPECTIVE

116 Remediation contribution orders

(1) Section 124 of the BSA 2022 (remediation contribution orders) is amended in accordance with subsections (2) to (6).

(2) In subsection (2), after "remedying" insert ", or otherwise in connection with,".

(3) After subsection (2) insert—

"(2A) The following descriptions of costs, among others, fall within subsection (2)—

(a) costs incurred or to be incurred in taking relevant steps in relation to a relevant defect in the relevant building;

(b) costs incurred or to be incurred in obtaining an expert report relating to the relevant building;

(c) temporary accommodation costs incurred or to be incurred in connection with a decant from the relevant building (or from part of it) that took place or is to take place—

(i) to avoid an imminent threat to life or of personal injury arising from a relevant defect in the building,

(ii) (in the case of a decant from a dwelling) because works relating to the building created or are expected to create circumstances in which those occupying the dwelling cannot reasonably be expected to live, or

(iii) for any other reason connected with relevant defects in the building, or works relating to the building, that is prescribed by regulations made by the Secretary of State.

(2B) The Secretary of State may make regulations for the purposes of this section specifying descriptions of costs which are, or are not, to be regarded as falling within subsection (2).”

(4) In subsection (3), after “specified” insert “as a person required to make payments”.

(5) In subsection (4)—

(a) in paragraph (a), omit from “or payments” to the end;

(b) after paragraph (a) insert—

“(aa) if it does not require the making of payments of a specified amount, determine that a specified body corporate or partnership is liable for the reasonable costs of specified things done or to be done;”.

(6) In subsection (5)—

(a) after the definition of “developer” insert—

““expert report” has the meaning given by section 123(9);”;

(b) after the definition of “relevant defect” insert—

““relevant steps”: see section 120;”;

(c) after the definition of “specified” insert—

““temporary accommodation costs”, in relation to a decant from a relevant building, means—

(a) the costs of the temporary accommodation, and

(b) other costs resulting from the decant, including removal costs, storage costs and reasonable travel costs;

“works” means works—

(a) to remedy a relevant defect in a relevant building, or

(b) in connection with the taking of relevant steps in relation to such a defect.”

(7) The amendments made by this section apply—

(a) in relation to proceedings for a remediation contribution order under section 124 of the BSA 2022 which are pending on the day on which those amendments come into force (as well as proceedings for such an order which are commenced on or after that day);

(b) in relation to costs incurred before as well as after those amendments come into force.

Commencement Information
I116 S. 116 not in force at Royal Assent, see **s. 124(3)**

117 Recovery of legal costs etc through service charge

(1) Schedule 8 to the BSA 2022 (remediation costs under qualifying leases etc) is amended in accordance with subsections (2) and (3).

(2) After paragraph 9(1) insert—

"(1A) Sub-paragraph (1) does not apply to the extent that the service charge is payable to a management company in respect of legal or other professional services provided to the company in connection with an application or possible application by the company for or relating to a remediation contribution order under section 124."

(3) After paragraph 9(2) insert—

"(3) In sub-paragraph (1A) "management company" means—
(a) a resident management company, or
(b) an RTM company within the meaning of Chapter 1 of Part 2 of the Commonhold and Leasehold Reform Act 2002 (right to manage).

(4) "Resident management company" means a body corporate which is party to a lease of a building where—
(a) the body corporate is limited by guarantee and the members of that body are tenants under leases of dwellings in the building ("leaseholders"), or
(b) the majority of the shares of the body corporate are held by leaseholders."

(4) The amendments made by this section do not apply in relation to legal or other professional services provided before this section comes into force.

Commencement Information
I117 S. 117 in force at 24.7.2024, see **s. 124(2)(b)**

118 Repeal of section 125 of the BSA 2022

(1) Omit section 125 of the BSA 2022 (meeting remediation costs of insolvent landlord).

(2) In consequence of that repeal—
(a) in section 116(1), for "125" substitute "124";
(b) omit section 116(2)(e);
(c) in section 117(1), for "125" substitute "124";
(d) in section 119(1), for "125" substitute "124";
(e) in section 119A(9), for "125" substitute "124";
(f) in section 120(1), for "125" substitute "124";
(g) in section 121(1), for "125" substitute "124";

(h) in section 164(1)(c), for "125" substitute "124".

Commencement Information
I118 S. 118 in force at 24.7.2024, see **s. 124(2)(c)**

Insolvency of responsible persons

119 Higher-risk and relevant buildings: notifications in connection with insolvency

Before section 126 of the BSA 2022 (and the italic heading before it) insert—

"Insolvency of certain persons with an interest in higher-risk and relevant buildings

125A Notifications by insolvency practitioners

(1) This section applies if an insolvency practitioner is appointed in relation to a responsible person for a higher-risk building or a relevant building.

(2) For the purposes of this section, a person is "a responsible person" for a building if—

(a) in the case of a higher-risk building, the person is an accountable person for the building (see section 72 for the meaning of "accountable person" for a higher-risk building);

(b) in the case of a relevant building that is not a higher-risk building, the person would be an accountable person for the building if section 72 were read as applying to such a building (and as if the reference in that section to a residential unit were a reference to a dwelling).

(3) The insolvency practitioner must give the information in subsection (6) ("the required information") to—

(a) the local authority for the area in which the building for which the person is a responsible person is situated, or (if applicable) each local authority in whose area a building for which the person is a responsible person is situated, and

(b) the fire and rescue authority for the area in which the building for which the person is a responsible person is situated, or (if applicable) each fire and rescue authority in whose area a building for which the person is a responsible person is situated.

(4) If the insolvency practitioner is appointed in relation to an accountable person for a higher-risk building, the practitioner must also give the required information to the regulator.

(5) The required information must be provided within the period of 14 days beginning with the day on which the insolvency practitioner is appointed.

(6) The information is as follows—

(a) the name and address of the person in relation to whom the insolvency practitioner is appointed;

(b) the address of each higher-risk building or relevant building for which the person is a responsible person (but see subsection (7));

(c) an official copy of the register of title and title plan relating to each registered estate or interest the person holds in such a building, if any (but see subsection (7));

(d) the nature of the practitioner's appointment;

(e) the practitioner's name, address, telephone number and email address (if any);

(f) so much of the information set out in the table in rule 1.6 of the Insolvency (England and Wales) Rules 2016 (S.I. 2016/1024) as is known to the practitioner.

(7) A local authority or fire and rescue authority need only be notified about buildings, or registered estates or interests in buildings, in their area.

(8) In this section "insolvency practitioner" means—

(a) an administrator;

(b) an administrative receiver;

(c) a receiver appointed by the courts or by a mortgagee;

(d) a liquidator;

(e) a trustee in bankruptcy.

(9) In this section—

"fire and rescue authority" has the meaning given by section 30;

"higher-risk building" has the same meaning as in Part 4 (see section 65);

"local authority" has the meaning given by section 30;

"register of title" means the register kept under section 1 of the Land Registration Act 2002;

"the regulator" has the meaning given by section 2;

"relevant building" has the meaning given by section 117;

"title plan" means a plan based on the Ordnance Survey map and referred to in the register of title."

Commencement Information

I119 S. 119 in force at 24.7.2024, see **s. 124(2)(d)**

PART 9

GENERAL

120 Interpretation of references to other Acts

In this Act—

"the BSA 2022" means the Building Safety Act 2022;

"the CLRA 2002" means the Commonhold and Leasehold Reform Act 2002;

"the LRA 1967" means the Leasehold Reform Act 1967;

"the LRHUDA 1993" means the Leasehold Reform, Housing and Urban Development Act 1993;

"the LR(GR)A 2022" means the Leasehold Reform (Ground Rent) Act 2022;

"the LTA 1985" means the Landlord and Tenant Act 1985;

"the LTA 1987" means the Landlord and Tenant Act 1987;

"the RA 1977" means the Rentcharges Act 1977.

Commencement Information
I120 S. 120 in force at Royal Assent, see **s. 124(1)**

121 Power to make consequential provision

(1) The Secretary of State may by regulations make provision that is consequential on this Act.

(2) Regulations under this section may amend, repeal or revoke provision made by or under—

(a) an Act of Parliament passed before, or in the same Session as, this Act, or

(b) this Act.

(3) A statutory instrument containing (whether alone or with other provision) regulations under this section that amend or repeal provision made by an Act of Parliament is subject to the affirmative procedure.

(4) Any other statutory instrument containing regulations under this section is subject to the negative procedure.

Commencement Information
I121 S. 121 in force at Royal Assent, see **s. 124(1)**

122 Regulations

(1) A power to make regulations under any provision of this Act includes power to make—

(a) consequential, supplementary, incidental, transitional or saving provision;

(b) different provision for different purposes.

(2) A power to make regulations under Part 6 also includes power to make different provision for different areas.

(3) Regulations under this Act are to be made by statutory instrument.

(4) In this Act, if a statutory instrument is "subject to the affirmative procedure" it may not be made unless—

(a) where it contains (whether alone or with other provision) regulations made by the Secretary of State, a draft of the instrument has been laid before and approved by a resolution of each House of Parliament;

(b) where it contains (whether alone or with other provision) regulations made by the Welsh Ministers, a draft of the instrument has been laid before and approved by a resolution of Senedd Cymru.

(5) In this Act, if a statutory instrument is "subject to the negative procedure" it is—

(a) where it contains regulations made by the Secretary of State, subject to annulment in pursuance of a resolution of either House of Parliament;

(b) where it contains regulations made by the Welsh Ministers, subject to annulment in pursuance of a resolution of Senedd Cymru.

(6) If a draft of a statutory instrument containing regulations under Part 6 would, apart from this subsection, be treated for the purposes of the standing orders of either House of Parliament as a hybrid instrument, it is to proceed in that House as if it were not a hybrid instrument.

(7) This section does not apply to regulations under section 124.

Commencement Information
I122 S. 122 in force at Royal Assent, see **s. 124(1)**

123 Extent

(1) This Act extends to England and Wales only, subject to subsection (2).

(2) Section 23(5) extends to England and Wales, Scotland and Northern Ireland.

Commencement Information
I123 S. 123 in force at Royal Assent, see **s. 124(1)**

124 Commencement

(1) This Part comes into force on the day on which this Act is passed.

(2) The following provisions come into force at the end of the period of two months beginning with the day on which this Act is passed—

(a) section 113 (regulation of remedies for rentcharge arrears);

(b) section 117 (recovery of legal costs etc through service charge);

(c) section 118 (repeal of section 125 of the BSA 2022);

(d) section 119 (higher-risk and relevant buildings: notifications in connection with insolvency).

(3) The other provisions of this Act come into force on such day or days as the Secretary of State may by regulations appoint.

(4) The Secretary of State may by regulations make transitional or saving provision in connection with the coming into force of any provision of this Act.

(5) The power to make regulations under this section includes power to make different provision for different purposes.

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

Commencement Information
I124 S. 124 in force at Royal Assent, see **s. 124(1)**

125 Short title

This Act may be cited as the Leasehold and Freehold Reform Act 2024.

Commencement Information
I125 S. 125 in force at Royal Assent, see **s. 124(1)**

Status:
This version of this Act contains provisions that are prospective.

Changes to legislation:
Leasehold and Freehold Reform Act 2024 is up to date with all changes known to be in force on or before 28 July 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.
View outstanding changes

Changes and effects yet to be applied to :

- s. 37 applied by 1967 c. 88, s. 14A (as inserted) by 2024 c. 22 s. 35(3)
- s. 37 applied by 1967 c. 88, s. 9(A1) (as inserted) by 2024 c. 22 s. 35(2)(a)
- s. 37 applied by 1993 c. 28, s. 32(1) (as substituted) by 2024 c. 22 s. 36(2)
- s. 37 applied by 1993 c. 28, s. 56(1)(b) (as substituted) by 2024 c. 22 s. 36(3)(a)