

## SCHEDULE 1

### MODIFICATIONS TO PART V AS APPLIED TO THE PRESERVED RIGHT TO BUY

#### PART I

#### EXCEPTIONS AND ADAPTATIONS

1.—(1) Throughout for the expressions “secure tenant” and “tenant” substitute the expression “qualifying person”.

(2) Sub-paragraph (1) does not apply—

(a) to the references to secure tenant in—

section 127(4) (as substituted by paragraph 7 of this Schedule), or section 185;

(b) to the references to tenant in—

section 138(2) (the second reference only),

section 175(1),

Schedule 4, paragraphs 2 (the final word), 6(1), 9 and 10, or

Schedule 6;

or

(c) to the expressions “former secure tenant”, “joint tenant”, “new tenant”, “public sector tenant”, “tenant condition” and “tenant's incumbrances”.

2. In section 118 (the right to buy)—

(a) in subsection (1), in paragraphs (a) and (b), for the word “dwelling-house” in the first place where it occurs substitute the words “qualifying dwelling-house”; and

(b) omit subsection (2).

3. In section 119 (qualifying period for right to buy), in subsection (2), for the words “Where the secure tenancy is a joint tenancy” substitute the words “Where the tenancy held by the qualifying person is a joint tenancy”.

4. In section 122 (tenant's notice claiming to exercise right to buy), after subsection (3), insert—

“(4) Where the dwelling-house is occupied by two or more qualifying persons as joint tenants the right to buy may be exercised by such one or more of them as may be agreed between them.”

5. In section 123 (claim to share right to buy with members of family), for subsection (3) substitute—

“(3) Where by such a notice any members of the qualifying person's family are validly required to share the right to buy with him, the right to buy the qualifying dwelling-house belongs to the qualifying person and those members jointly and they shall be treated as joint tenants for the purposes, in relation to that dwelling-house, of the right to buy and the right to a mortgage.”

6. In section 125 (landlord's notice of purchase price and other matters), in subsection (5)—

(a) at the end of paragraph (b) insert the word “and”, and

(b) omit the word “and” at the end of paragraph (c) and omit paragraph (d).

7. In section 127 (value of dwelling-house), for subsection (4) substitute—

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- “(4) The persons referred to in subsection (1)(b) are—
- (a) the qualifying person or, where the qualifying person is a qualifying successor, the person who was the qualifying person before him,
  - (b) where the qualifying person is the former secure tenant, any person who, under the same tenancy, was a secure tenant before him, and
  - (c) where the qualifying person is the former secure tenant, any member of his family who, immediately before the grant of the secure tenancy, was the secure tenant of the same dwelling-house under another tenancy.

but do not include, in a case where the qualifying person is a former secure tenant whose tenancy has at any time been assigned by virtue of section 92 (assignments by way of exchange), a person who under that tenancy was a secure tenant before the assignment.”

8. In section 130 (reduction of discount where previous discount given)—
- (a) in subsection (2), in paragraph (a), for the words “or, in such circumstances as may be prescribed by order of the Secretary of State, by a person so prescribed” substitute the words “or by a person who was the landlord of a qualifying person treated as a public sector tenant by virtue of paragraph 10A of Schedule 4”; and
  - (b) omit subsection (5).
9. For section 131 (limits on amount of discount) substitute the following—
- “131. Unless the landlord otherwise agrees—
- (a) the discount shall not reduce the price below the amount which, in accordance with Schedule 5A, is to be taken as representing so much of the costs incurred in respect of the dwelling-house as, in accordance with the Schedule, is to be treated as incurred after 31st March 1974 and is to be treated as relevant for the purposes of this section, and if the price before discount is below that amount, there shall be no discount; and
  - (b) the discount shall not in any case reduce the price by more than £25,000.”
10. In section 132 (the right to a mortgage), for subsection (1) substitute—
- “(1) A qualifying person who has the right to buy has the right, subject to the following provisions of this Part, to have the whole or part of the aggregate amount mentioned in section 133(1) advanced to him by the former landlord on the security of a first mortgage of the dwelling-house; and in this Part that right is referred to as “the right to a mortgage.””
11. In section 133 (the amount to be secured)—
- (a) in subsection (1)—
    - (i) omit the words “leave outstanding, or”, and
    - (ii) in paragraphs (b) and (c), for the words “the landlord or the Housing Corporation” substitute the words “the former land-lord”;
  - (b) in subsection (2)—
    - (i) in the opening words, omit the words “leave outstanding or”,
    - (ii) in paragraph (a), for the words “in accordance with regulations under this section” substitute the words “in accordance with Schedule 5B” and for the words “under the regulations” substitute the words “under the Schedule”, and
    - (iii) in paragraph (b), for the words “in accordance with the regulations” substitute the words “in accordance with the Schedule” and for the words “under the regulations” substitute the words “under the Schedule”;
  - (c) omit subsections (3) and (4);

- (d) in subsection (5), omit the words “leave outstanding or”; and
  - (e) omit subsection (6).
- 12.** In section 134 (tenant's notice claiming to exercise right to a mortgage)—
- (a) in subsection (1), for the words “the landlord, or, if the landlord is a housing association, on the Housing Corporation” substitute the words “the former landlord”;
  - (b) in subsection (3), for the words “the landlord or, as the case may be, the Housing Corporation” substitute the words “the former landlord”; and
  - (c) in subsection (4), for the words “the landlord or Housing Corporation” substitute the words “the former landlord”.
- 13.** In section 135 (landlord's notice of amount and terms of mortgage)—
- (a) in subsection (1), for the words “the landlord or Housing Corporation” in each place in which they occur substitute the words “the former landlord”;
  - (b) omit subsection (3); and
  - (c) in subsection (4), for the words “The Housing Corporation” substitute the words “The former landlord”.
- 14.** In section 136 (change of secure tenant after notice claiming right to buy)—
- (a) for subsection (1) substitute—

“(1) Where, after a qualifying person has given a notice claiming the right to buy, a qualifying successor becomes the qualifying person in relation to the dwelling-house, the qualifying successor shall be in the same position as if the notice had been given by him and he had been the qualifying person at the time it was given.”;
  - (b) in subsection (2), for the words “former tenant” substitute the words “qualifying person” and for the words “new tenant” substitute the words “qualifying successor”;
  - (c) in subsection (3), for the words “new tenant” substitute the words “qualifying successor”;
  - (d) in subsection (4), for the words “the landlord or, as the case may be, the Housing Corporation” substitute the words “the former landlord” and for the words “new tenant” substitute the words “qualifying successor”;
  - (e) in subsection (5), for the words “the landlord or Housing Corporation” substitute the words “the former landlord”; and
  - (f) in subsection (6), for the words “new tenant” substitute the words “qualifying successor”.
- 15.** In section 137 (change of landlord after notice claiming right to buy)—
- (a) the words from “Where the interest of the landlord” to the end of the section become subsection (1) and the following subsection is added—

“(2) Subsection (1) does not apply to a disposal to which article 7(a) or 8(2)(a) applies (disposal to authority or body satisfying landlord condition for secure tenancies)”

; and
  - (b) in subsection (1) for the word “body” in each place in which that word occurs substitute the word “person”.
- 16.** In section 138 (duty of landlord to convey freehold or grant lease), in subsection (1), omit the words “left outstanding or”.
- 17.** In section 139 (terms and effect of conveyance or grant and mortgage), in subsection (2), for the words before the semi-colon substitute the following words—

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“The tenancy held by the qualifying person comes to an end on the grant to him of an estate in fee simple, or of a lease, in pursuance of the provisions of this Part”

**18.** In section 140 (landlord's first notice to complete), in subsection (5), omit the words “left outstanding or”.

**19.** Omit sections 143 to 153 and Schedules 8 and 9 (the right to a shared ownership lease).

**20.** In section 154 (registration of title)—

(a) in subsection (1)—

(i) omit the word “or” at the end of paragraph (a) and omit paragraph (b), and

(ii) for the words “not less than 40 years” substitute the words “more than 21 years”; and

(b) in subsection (5), for “1971” substitute “1986”.

**21.** In section 155 (repayment of discount on early disposal)—

(a) in subsection (1), for the words from “shall contain” to “no discount)” substitute the words “may, at the discretion of the landlord, contain, unless there is no discount” and add at the end of the subsection the words “but not one the effect of which would be more onerous”;

(b) in subsection (2), omit the words “In the case of a conveyance or grant in pursuance of the right to buy”; and

(c) omit subsection (3).

**22.** In section 156 (liability to repay is a charge on the premises)—

(a) in subsection (1), for the words “required by” substitute the words “imposed by virtue of”;

(b) for subsection (2) substitute—

“(2) The charge has priority immediately after any legal charge securing an amount—

(a) advanced to the qualifying person for the purpose of enabling him to exercise the right to buy, or

(b) further advanced to him by the person who made that advance.”

; and

(c) omit subsections (4) to (6).

**23.** Omit sections 157 and 158 (restrictions on disposal of dwelling-houses in National Parks, etc.).

**24.** In section 162 (exempted disposals which end liability under covenants)—

(a) in paragraph (a), for the words “required by” substitute the words “imposed by virtue of” and omit the word “and” at the end of the paragraph, and

(b) omit paragraph (b).

**25.** In section 163 (treatment of options), omit subsection (2).

**26.** Omit sections 164 to 169 (various powers of Secretary of State).

**27.** In section 170 (power to give assistance in connection with legal proceedings), in subsection (2)—

(a) in paragraph (a), omit the words “or the right to be granted a shared ownership lease”, and

(b) in paragraph (b), for the words “either of those rights” substitute the words “that right”.

**28.** Omit section 171 (power to extend right to buy, etc.).

**29.** Omit section 173 (exclusion of shared ownership leases granted under this Part).

- 30.** In section 174 (leases granted under this Part to be treated as long leases at a low rent), omit the word “and” at the end of paragraph (a) and omit paragraph (b).
- 31.** In section 176 (notices), omit subsections (1), (2) and (5).
- 32.** Omit section 177 (errors and omissions in notices).
- 33.** In section 178 (costs)—
- (a) in subsection (1)—
    - (i) in paragraph (a), omit the words from “the right to be granted a shared ownership lease” to the words “conveyance of freehold”;
    - (ii) in paragraph (b), for the words “the landlord or, as the case may be, the Housing Corporation” substitute the words “the former landlord” and omit the words from “or such a right” to the end of the paragraph, and
    - (iii) in the words following paragraph (b), for the words “Housing Corporation” substitute the words “former landlord”;
  - (b) in subsection (2)—
    - (i) for the words from “or such a right” to the words “Housing Corporation” substitute the words “the former landlord”, and
    - (ii) in paragraph (b), for the words “such amount as the Secretary of State may by order specify” substitute the words “the sum of £50”; and
  - (c) omit subsection (3).
- 34.** In section 179 (provisions restricting right to buy, etc. of no effect)—
- (a) in subsection (1), for paragraph (a) substitute—
    - “(a) the grant of a lease in pursuance of the preserved right to buy, or”;
    - and
  - (b) omit subsection (2).
- 35.** In section 180 (statutory declarations)—
- (a) for the words “the Housing Corporation or the Secretary of State”, substitute the words “or a former landlord”, and
  - (b) for the words “Corporation or Secretary of State” substitute the words “or the former landlord”.
- 36.** In section 181 (jurisdiction of county court)—
- (a) in subsection (1)—
    - (i) in paragraph (b) omit the words “or under a shared ownership lease granted in pursuance of this Part”, and
    - (ii) for the words following paragraph (b) substitute the words “but subject to section 128 (which provides for matters of valuation to be determined by the district valuer)”;
    - and
  - (b) omit subsections (4) and (5).
- 37.** Omit section 182 (power to repeal or amend local Acts).
- 38.** In section 184 (land let with or used for purposes of dwelling-house), in subsection (2) and in subsection (3), omit the words “or the right to be granted a shared ownership lease”.
- 39.** In section 187 (minor definitions), for the definition of “total share” substitute the following definition—

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““tenant” (without more) includes a qualifying person who is a statutory tenant and “tenancy” (without more) shall be construed accordingly, save in—

- sections 172, 174 and 175 (modification of Leasehold Reform Act 1967(1)),
- section 185 (meaning of “secure tenancy” and “secure tenant”),
- the definition of “long tenancy” in this section, and
- paragraph 12 of Schedule 5 (dwelling-houses held on crown tenancies excepted from right to buy).”.

**40.** After section 187 (minor definitions) insert—

“**187A.** In this Part a reference to a numbered article is a reference to the article bearing that number in the Local Government Reorganisation (Preservation of Right to Buy) Order 1986”

**41.** In section 188 (the index to Part V)—

(a) omit from the first column of the Table the following expressions together with the corresponding entries in the second column—

- “additional share” etc.
- “bank”
- “building society”
- “cemetery”
- “effective discount” etc.
- “friendly society”
- “housing trust”
- “initial share” etc.
- “insurance company”
- “prescribed percentage” etc.
- “right to be granted a shared ownership lease”
- “right to further advances”
- “total share” etc.
- “trustee savings bank”;

(b) at the appropriate places in the Table insert—

“former landlord	article 3(2)”
“qualifying disposal	article 3(2)”
“qualifying dwelling-house	article 4(2)”
“qualifying person (other than in section 160 and Schedule 5B)	article 4(2)”
“qualifying successor	article 4(4)”
“relevant dwelling-house	articles 4(5) and 5(1)”
“statutory tenant	section 622”
“tenant (and tenancy)	section 187”;

and

(1) 1967 c. 88

(c) for the entry in the second column of the Table corresponding to the expression “public sector tenancy (and public sector tenant)” substitute—

“paragraphs 6, 7, 9, 10 and 10A of Schedule 4”

**42.** In Schedule 4 (qualifying period for right to buy and discount)—

(a) in paragraph 7—

(i) in sub-paragraph (1) omit the words “subject to any order under paragraph 8,” and  
(ii) after sub-paragraph (3) insert—

“(4) The landlord condition is also satisfied if the interest of the landlord belonged to, or a predecessor of—

an area board established by section 1(2) of the Electricity Act 1947<sup>(2)</sup>,

a community council,

an education and library board established under the Education and Libraries (Northern Ireland) Order 1972<sup>(3)</sup>,

a fire authority for the purposes of the Fire Services Acts 1947 to 1959,

a government department,

an internal drainage board within the meaning of section 6 of the Land Drainage Act 1976<sup>(4)</sup>,

a Minister of the Crown,

a parish council and the trustees of a parish without a parish council,

a passenger transport executive established under Part II of the Transport Act 1968<sup>(5)</sup>,

a police authority,

a water authority established in accordance with section 2 of the Water Act 1973<sup>(6)</sup> and a water authority in Scotland as constituted under section 3 of the Water (Scotland) Act 1980<sup>(7)</sup>,

the Agricultural and Food Research Council,

the British Airports Authority,

the British Broadcasting Corporation,

the British Gas Corporation,

the British Railways Board,

the British Steel Corporation,

the British Waterways Board,

the Central Electricity Generating Board,

the Civil Aviation Authority,

the Commissioners of Northern Lighthouses,

the Countryside Commission for Scotland,

the Electricity Council,

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(2) 1947 c.54.

(3) S.I. 1972/1263 (N.I. 12).

(4) 1976 c. 70.

(5) 1968 c. 73.

(6) 1973 c.37.

(7) 1980 c. 45.

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the Fire Authority for Northern Ireland established under the Fire Services (Northern Ireland) Order 1973<sup>(8)</sup>,  
the Highlands and Islands Development Board,  
the Lake District Special Planning Board,  
London Regional Transport,  
the Medical Research Council,  
the National Bus Company,  
the National Coal Board,  
the National Library of Wales,  
the National Museum of Wales,  
the Natural Environment Research Council,  
the Nature Conservancy Council,  
the North of Scotland Hydro-Electric Board,  
the Northern Ireland Electricity Service established under the Electricity Supply (Northern Ireland) Order 1972<sup>(9)</sup>,  
the Northern Ireland Transport Holding Company established under the Transport Act (Northern Ireland) 1967<sup>(10)</sup>,  
the Peak Park Joint Planning Board,  
the Police Authority for Northern Ireland,  
the Post Office,  
the Science and Engineering Research Council,  
the Scottish Sports Council,  
the South of Scotland Electricity Board,  
the Sports Council,  
the Sports Council for Wales,  
the Trinity House,  
the United Kingdom Atomic Energy Authority,  
the Welsh Development Agency.

- (5) The landlord condition is not satisfied in the following cases—
- (a) if the interest of the landlord belonged to a Minister of the Crown or government department, where the dwelling-house was let to a person appointed under section 3(1) of the Prison Act 1952<sup>(11)</sup>; and
  - (b) if the interest of the landlord belonged to the Trinity House, where the dwelling-house was held otherwise than in connection with its functions as a general lighthouse authority within the meaning of section 634 of the Merchant Shipping Act 1894<sup>(12)</sup>.”.

- (b) omit paragraph 8; and
- (c) after paragraph 10 insert—

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<sup>(8)</sup> S.I. 1973/601 (N.I. 9).

<sup>(9)</sup> S.I. 1972/1072 (N.I. 9).

<sup>(10)</sup> 1967 c. 37 (N.I.).

<sup>(11)</sup> 1952 c. 52; section 3(1) was amended by S.I. 1963/597, Schedule 1, and S.I. 1968/1656, article 2(1)(a).

<sup>(12)</sup> 1894 c. 60.



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**“Application to preserved right to buy**

**10A.** For the purposes of this Schedule, a qualifying person or the spouse of a qualifying person shall be treated as a public sector tenant for any period after the qualifying disposal during which he has occupied a relevant dwelling-house and references to a public sector tenancy shall be construed accordingly.”

- 43.** In Schedule 5 (exceptions to the right to buy)—
- (a) in paragraph 1, omit the words “a housing trust or”, and
  - (b) omit paragraph 5.
- 44.** In Schedule 6 (conveyance of freehold and grant of lease in pursuance of right to buy)—
- (a) in Part I (common provisions), in paragraphs 2(2)(a) and (b) and 4, for the words “the secure tenancy” substitute the words “his tenancy” and in paragraph 7, in the definition of “tenant's incumbrance”, for the words “the secure tenancy”, in paragraph (a) substitute the words “the qualifying person's tenancy” and in paragraph (b) the words “that tenancy”; and
  - (b) in Part III (leases), in paragraph 13, for the words “the secure tenancy” substitute the words “his tenancy” and omit paragraph 17(2).
- 45.** In Schedule 7 (mortgage in pursuance of right to a mortgage), omit paragraph 3.