2025 No. 130

LANDLORD AND TENANT, ENGLAND

The RTM Companies (Model Articles) (England) (Amendment) Regulations 2025

Made	6th February 2025
Laid before Parliament	10th February 2025
Coming into force	3rd March 2025

The Secretary of State makes these Regulations in exercise of the powers conferred by section 74(2) and (4) of the Commonhold and Leasehold Reform Act $2002(\mathbf{a})$.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the RTM Companies (Model Articles) (England) (Amendment) Regulations 2025 and come into force on 3rd March 2025.

(2) These Regulations extend to England and Wales.

Amendment of the RTM Companies (Model Articles) (England) Regulations 2009

2.—(1) The RTM Companies (Model Articles) (England) Regulations 2009(**b**) are amended in accordance with paragraph (2).

(2) In the Schedule (articles of association of a RTM company)-

(a) in Part 1, in article 1(1) (defined terms), after the definition of "immediate landlord", insert—

""lease" means a long lease within the meaning of sections 76 and 77 of the 2002 Act(c);";

(b) in Part 4, for article 33(3)(f) (votes) substitute—

"(f) any person who is not otherwise entitled to any vote shall be entitled to one vote if that person—

- (i) is the freeholder of the Premises,
- (ii) is a landlord under a lease or leases of the whole or any part of the Premises, and
- (iii) is a member of the company;

⁽a) 2002 c. 15. Section 74(2) was amended by S.I. 2009/1941. Section 179(1) defines the "appropriate national authority" as the Secretary of State (as respects England).

⁽b) S.I. 2009/2767, to which there are amendments not relevant to these Regulations.

⁽c) In the Schedule to S.I. 2009/2767, in Part 1, article 1(1) defines the "2002 Act" as the Commonhold and Leasehold Reform Act 2002. Section 76 was amended by paragraph 64 of Schedule 8 to the Civil Partnership Act 2004 (c. 33). Section 77 was amended by paragraph 65 of Schedule 8 to the Civil Partnership Act 2004.

(g) the votes exercisable by landlords under leases of the whole or any part of the Premises shall be capped at one third of the votes exercisable by qualifying tenants(a).".

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Matthew Pennycook Minister of State Ministry of Housing, Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the RTM Companies (Model Articles) (England) Regulations 2009 (S.I. 2009/2767) ("the 2009 Regulations"), which apply to RTM companies that exercise the right to manage premises in England. They amend the content of the articles of association of RTM companies ("the Model Articles"). The amendments are made partly in consequence of section 49 of the Leasehold and Freehold Reform Act 2024 (c. 22) ("the 2024 Act"), which increases the non-residential threshold that qualifies premises for the 'Right to Manage' (the statutory right for long leaseholders to take over the management functions in respect of their building from their landlord in certain cases).

Regulation 2 amends articles 1 and 33 of the Model Articles. It specifies that "lease" means a long lease within the meaning of sections 76 and 77 of the Commonhold and Leasehold Reform Act 2002 (c. 15). It amends the entitlement to a vote of a landlord under a lease who is not otherwise entitled to a vote, which previously gave a vote to a landlord who is a member of the RTM company, to require that they must also be the freeholder of the premises. Finally, it provides that the votes of landlords under leases of the whole or any part of the premises are capped at one third of the votes exercisable by qualifying tenants.

By virtue of regulation 2(2) of the 2009 Regulations, the amendments have effect for a RTM company whether or not they are adopted by the company.

A full impact assessment has been published in relation to the 2024 Act and copies can be obtained at <u>https://publications.parliament.uk/pa/bills/cbill/58-04/0013/LeaseholdandFreeholdReformBillImpactAssessment.pdf</u> or from the Ministry of Housing, Communities and Local Government at 2 Marsham Street, London, SW1P 4DF, United Kingdom.

6th February 2025

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⁽a) Section 75 of the Commonhold and Leasehold Reform Act 2002 defines "qualifying tenant".



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