

SCHEDULE 7 REGULATION OF REGISTERED SOCIAL LANDLORDS

PART 4

INQUIRY INTO AFFAIRS OF REGISTERED SOCIAL LANDLORDS

Power to direct transfer of land

- 19 (1) Where, as the result of an inquiry under paragraph 16 or an audit under paragraph 17, the Scottish Ministers are satisfied as regards a registered social landlord—
- (a) that there has been misconduct or mismanagement in its administration, or
 - (b) that the management of its land would be improved if some or all of its land were transferred in accordance with the provisions of this paragraph,
- the Scottish Ministers may direct the registered social landlord to make such a transfer to a specified registered social landlord.
- (2) The Scottish Ministers must, before making a direction under this paragraph, consult the tenants of any houses included in the proposed transfer; and, in making a direction, they must have regard to the views expressed by those consulted.
- (3) A transfer in pursuance of a direction under this paragraph is to be made on the terms that the transferee will pay or undertake to pay to the registered social landlord concerned such sum (if any) as will be necessary to defray all its proper debts and liabilities (including debts and liabilities secured on the land) after taking into account any money or other assets belonging to the landlord.
- (4) If it appears to the Scottish Ministers likely that the registered social landlord concerned will as a result of the transfer be dissolved under the Industrial and Provident Societies Act 1965 (c. 12) or wound up under the Insolvency Act 1986 (c. 45), the Scottish Ministers must secure that the costs of the dissolution or winding up are taken into account in determining the sum payable to the landlord under subparagraph (3).