

SCHEDULE 8 INSOLVENCY ETC. OF REGISTERED SOCIAL LANDLORDS

Proposals as to ownership and management of landlord's land

- 6 (1) During a moratorium the Scottish Ministers may make proposals as to the future ownership and management of land held by the registered social landlord, designed to secure the continued proper management of the landlord's land by a registered social landlord.
- (2) In drawing up their proposals the Scottish Ministers—
- (a) must consult—
 - (i) the landlord and, so far as is practicable, its tenants, and
 - (ii) where the landlord is an industrial and provident society, the Financial Services Authority, and
 - (b) must have regard to the interests of all the landlord's creditors, both secured and unsecured.
- (3) No proposals are to be made under which—
- (a) a preferential debt (within the meaning of the Insolvency Act 1986 (c. 45)) of the landlord is to be paid otherwise than in priority to debts which are not preferential debts, or
 - (b) a preferential creditor (within the meaning of that Act) is to be paid a smaller proportion of that creditor's preferential debt than another preferential creditor, except with the concurrence of the creditor concerned.
- (4) So far as practicable no proposals are to be made which have the effect that unsecured creditors of the landlord are in a worse position than they would otherwise be.
- (5) The Scottish Ministers must serve a copy of their proposals on—
- (a) the landlord and its officers,
 - (b) the secured creditors of the landlord, and
 - (c) any liquidator, administrative receiver, receiver or administrator appointed in respect of the landlord or its land,
- and must make such arrangements as they think fit for informing the members, tenants and unsecured creditors of the landlord of the proposals.