

## SCHEDULE 7

(introduced by sections 116 and 117)

### PROHIBITED CONDUCT STANDARD CONTRACTS

#### *Procedure on application for an order under section 116*

- 1 (1) The court may not hear a landlord's application for an order under section 116 unless—
  - (a) the landlord has given notice to the contract-holder of the landlord's intention to apply for such an order, or
  - (b) the court considers it reasonable to dispense with the requirement of notice.
- (2) A notice under sub-paragraph (1) must give particulars of the conduct in respect of which the order is sought and state that proceedings may not be brought—
  - (a) before the day specified in the notice, or
  - (b) after the end of the period of six months starting with the day on which the notice is given to the contract-holder.
- (3) The day specified for the purposes of sub-paragraph (2)(a) may be the day on which the notice is given to the contract-holder.
- (4) The landlord may, in the same proceedings, apply to the court for an order under section 116 and make a possession claim.

#### *Terms of prohibited conduct standard contract*

- 2 (1) This section applies where a periodic standard contract is created by an order under section 116.
- (2) If the landlord and the contract-holder agree the terms of the periodic standard contract, the terms of the contract are the terms agreed.
- (3) Sub-paragraph (2) is subject to the provisions of this Act about the incorporation of fundamental and supplementary provisions.
- (4) If the landlord and the contract-holder do not agree the terms of the periodic standard contract—
  - (a) the fundamental and supplementary provisions applicable to periodic standard contracts are incorporated as terms of the contract without modification,
  - (b) any terms of the contract which are incompatible with those fundamental or supplementary provisions cease to have effect, and
  - (c) otherwise, the terms of the periodic standard contract are the same as the terms of the secure contract.
- (5) Whether or not the landlord and contract holder agree the terms of the periodic standard contract, it is a term of the contract that—
  - (a) any arrears of rent payable at the end of the secure contract become payable under the periodic standard contract, and
  - (b) any rent paid in advance or overpaid at the end of the secure contract is credited to the contract-holder's liability to pay rent under the periodic standard contract.

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*Status: This is the original version (as it was originally enacted).*

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- (6) The requirement in section 39(1) (landlord must give contract-holder a contact address at start of contract) does not apply.
- (7) Section 151(3) (requirement to inform contract-holder of right to apply for landlord's review under section 202) provides that that section is a fundamental provision which is incorporated as a term of all prohibited conduct standard contracts.
- (8) Prohibited conduct standard contracts are within Schedule 9; accordingly section 175 (restriction on giving landlord's notice during first four months of occupation) is not incorporated as a term of a prohibited conduct standard contract.

### *Probation period*

- 3 (1) The probation period, in relation to an occupation contract which is a periodic standard contract because of an order under section 116, is—
  - (a) the period of 12 months starting with the occupation date of the contract (see section 116(2)(b)), or
  - (b) if there is an extension under paragraph 4, the period of 18 months starting with the occupation date of the contract.
- (2) If the landlord gives the contract-holder notice that the probation period will end before the time at which it would end under sub-paragraph (1), the period ends on the date specified in the notice.
- (3) If under paragraph 7 the court orders that the probation period will end before the time at which it would end under sub-paragraph (1), the period ends on the date specified in the order.
- (4) If sub-paragraphs (2) and (3) both apply, the period ends on the earlier of the date specified in the notice and the date specified in the order.
- (5) Sub-paragraph (6) applies instead of sub-paragraphs (1) to (4) if, at what would be the end of probation period under those sub-paragraphs—
  - (a) a possession claim made by the landlord in respect of the dwelling has not been concluded, or
  - (b) the landlord has given the contract-holder a possession notice or a notice under section 173 (landlord's notice to end contract), and the period before the end of which the landlord may make a possession claim has not ended.
- (6) Where this sub-paragraph applies, the probation period is the period starting with the occupation date of the contract and ending—
  - (a) when a relevant event occurs, or
  - (b) if no relevant event occurs, immediately after the contract ends.
- (7) In a case within sub-paragraph (5)(a) the relevant event is the conclusion of the possession claim in favour of the contract-holder.
- (8) In a case within sub-paragraph (5)(b) each of the following is a relevant event—
  - (a) withdrawal of the notice;
  - (b) the period ending without a possession claim having been made;
  - (c) conclusion in favour of the contract-holder of a possession claim made in reliance on the notice.

- (9) If a private landlord other than a registered charity becomes the landlord under the contract before the time at which the probation period would end apart from this sub-paragraph, the probation period ends.

*Extending probation period*

- 4 (1) The landlord may extend the probation period to the period of 18 months starting with the occupation date of the contract by giving the contract-holder a notice of extension.
- (2) The notice of extension must be given to the contract-holder at least eight weeks before the date on which the probation period would end under paragraph 3(1)(a).
- (3) The notice of extension must state that the landlord has decided to extend the probation period, and set out the reasons for the landlord's decision.
- (4) The notice of extension must also inform the contract-holder that he or she has a right to request a review under paragraph 5 of the landlord's decision to extend the probation period, and of the time by which the request must be made.
- (5) In making the decision to extend the probation period, the landlord may take into account—
- (a) the conduct of the contract-holder (or, if there are joint contract-holders, the conduct of any of them), and
  - (b) the conduct of any person who appears to the landlord to live in the dwelling.
- (6) A landlord may take into account a person's conduct under sub-paragraph (5)(b) whether or not the person lives continuously in the dwelling, and whatever the capacity in which the person lives in the dwelling.
- (7) The Welsh Ministers may by regulations amend sub-paragraph (2) for the purpose of changing when a notice of extension must be given to a contract-holder; the power under section 256(2) to make consequential amendments includes, in its application to regulations under this sub-paragraph, the power to make consequential amendments to this Schedule.

*Landlord's review of decision to extend probation period*

- 5 (1) If a landlord gives a notice of extension under paragraph 4, the contract-holder may request that the landlord carries out a review of the decision to give the notice.
- (2) The request must be made to the landlord before the end of the period of 14 days (or such longer period as the landlord may allow in writing) starting with the day on which the landlord gives the contract-holder the notice of extension.
- (3) If the contract-holder requests a review in accordance with sub-paragraph (2), the landlord must carry out the review.
- (4) Following a review, the landlord may—
- (a) confirm the decision to give the notice, or
  - (b) reverse the decision.
- (5) The landlord must notify the contract-holder of the outcome of the review before the date on which the probation period would end under paragraph 3(1)(a).

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- (6) If the landlord confirms the decision, the notice must—
  - (a) set out the reasons for the confirmation, and
  - (b) inform the contract-holder that he or she has a right to apply for a review in the county court under paragraph 6, and of the time by which the application must be made.
- (7) The Welsh Ministers may prescribe the procedure to be followed in connection with a review under this paragraph.
- (8) Regulations under sub-paragraph (7) may, amongst other things—
  - (a) require the review to be carried out by a person of appropriate seniority who has not been involved in the decision, and
  - (b) set out circumstances in which a contract-holder is entitled to an oral hearing, and whether and by whom he or she may be represented at such a hearing.

*County court review of decision to extend probation period*

- 6 (1) This paragraph applies if a landlord, following a request for a review made in accordance with paragraph 5(2)—
  - (a) gives notice under paragraph 5(5) informing the contract-holder that the landlord has decided to confirm a decision to give a notice of extension under paragraph 4, or
  - (b) fails to give a notice in accordance with paragraph 5(5).
- (2) The contract-holder may apply to the county court for a review of the decision to give the notice of extension.
- (3) The application must be made—
  - (a) before the end of the period of 14 days starting with the day on which the landlord gives the contract-holder notice under paragraph 5(5), or
  - (b) if no notice has been given in accordance with paragraph 5(5), before the end of the period of 14 days starting with the day after the date by which the landlord was required to give notice under that sub-paragraph.
- (4) The county court may give permission for an application to be made after the end of the period allowed by sub-paragraph (3), but only if it is satisfied—
  - (a) where permission is sought before the end of that period, that there is a good reason for the contract-holder to be unable to make the application in time, or
  - (b) where permission is sought after that time, that there is a good reason for the contract-holder's failure to make the application in time and for any delay in applying for permission.
- (5) The county court may confirm or quash the decision to give the notice of extension.
- (6) In considering whether to confirm or quash the decision, the county court must apply the principles applied by the High Court on an application for judicial review.
- (7) If the county court quashes the decision—
  - (a) the notice of extension is of no effect, and
  - (b) the county court may make any order the High Court could make when making a quashing order on an application for judicial review.

- (8) If the county court quashes the decision and the landlord gives the contract-holder a further notice of extension under paragraph 4 before the end of the post-review period—
- (a) the notice has effect as if given in accordance with paragraph 4(2) (other than for the purposes of paragraph 5(2)), and
  - (b) paragraph 5(5) is to be read as if it requires the landlord to notify the contract-holder of the outcome of a review under that paragraph before the end of the period of 14 days starting with the day on which the contract-holder requested the review.
- (9) The post-review period is the period of 14 days beginning with the day on which the county court quashes the decision.

*Application to court to end probation period*

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- (1) The contract-holder under an occupation contract which is a periodic standard contract because of an order under section 116 may apply to the court for an order ending the probation period before the time at which it would end under paragraph 3(1).
  - (2) The application may be made at any time after the end of the period of six months starting with the occupation date of the contract (see section 116(2)(b)).
  - (3) The court may end the probation period only if it is satisfied that—
    - (a) it is no longer necessary for the contract-holder to occupy under a periodic standard contract, or
    - (b) the landlord has not made an appropriate programme of social support available to the contract-holder and it is unlikely that such support will be made available.

*Terms of secure contract that was a prohibited conduct standard contract*

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- (1) This paragraph applies where a prohibited conduct standard contract ends and is replaced with a secure contract because the probation period has ended.
  - (2) If the landlord and the contract-holder have agreed what the terms of the secure contract are to be in that event, the terms of the contract are the terms agreed.
  - (3) Sub-paragraph (2) is subject to the provisions of this Act as to the incorporation of fundamental and supplementary provisions.
  - (4) If the landlord and the contract-holder have not agreed what the terms of the secure contract are to be in that event—
    - (a) the fundamental and supplementary provisions applicable to secure contracts made with the landlord are incorporated as terms of the contract without modification,
    - (b) any terms of the contract which are incompatible with those fundamental or supplementary provisions cease to have effect, and
    - (c) otherwise, the terms of the secure contract are the same as the terms of the prohibited conduct standard contract.
  - (5) The requirement in section 39(1) (landlord must give contract-holder a contact address at start of contract) does not apply.