Leasehold Reform, Housing and Urban Development Act 1993

1993 CHAPTER 28

PART II

PUBLIC SECTOR HOUSING

CHAPTER I

ENGLAND AND WALES

Right to buy

VALID FROM 11/10/1993

104 Landlord's notice of purchase price and other matters.

For subsection (5) of section 125 (landlord's notice of purchase price and other matters) of the [M1]Housing Act 1985 (in this Chapter referred to as "the 1985 Act") there shall be substituted the following subsection—

"(5) The notice shall also inform the tenant of—

(a) the effect of sections 125D and 125E(1) and (4) (tenant's notice of intention, landlord's notice in default and effect of failure to comply),

(b) his right under section 128 to have the value of the dwelling-house at the relevant time determined or re-determined by the district valuer,

(c) the effect of section 136(2) (change of tenant after service of notice under section 125),

(d) the effect of sections 140 and 141(1), (2) and (4) (landlord's notices to complete and effect of failure to comply),

(e) the effect of the provisions of this Part relating to the right to acquire on rent to mortgage terms, and

(f) the relevant amount and multipliers for the time being declared by the Secretary of State for the purposes of section 143B."

Commencement Information

I1 S. 104 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

Marginal Citations

M1 1985 c. 68.

VALID FROM 11/10/1993

105 Tenant's notice of intention etc.

(1) After section 125C of the 1985 Act there shall be inserted the following sections—

"125D Tenant's notice of intention.

(1) Where a notice under section 125 has been served on a secure tenant, he shall within the period specified in subsection (2) either—

(a) serve a written notice on the landlord stating either that he intends to pursue his claim to exercise the right to buy or that he withdraws that claim, or

(b) serve a notice under section 144 claiming to exercise the right to acquire on rent to mortgage terms.

(2) The period for serving a notice under subsection (1) is the period of twelve weeks beginning with whichever of the following is the later—

(a) the service of the notice under section 125, and

(b) where the tenant exercises his right to have the value of the dwelling-house determined or re-determined by the district valuer, the service of the notice under section 128(5) stating the effect of the determination or re-determination.

125E Landlord's notice in default.

(1) The landlord may, at any time after the end of the period specified in section 125D(2) or, as the case may require, section 136(2), serve on the tenant a written notice—

(a) requiring him, if he has failed to serve the notice required by section 125D(1), to serve that notice within 28 days, and

(b) informing him of the effect of this subsection and subsection (4).

(2) At any time before the end of the period mentioned in subsection (1)(a) (or that period as previously extended) the landlord may by written notice served on the tenant extend it (or further extend it).

(3) If at any time before the end of that period (or that period as extended under subsection (2)) the circumstances are such that it would not be reasonable to expect the tenant to comply with a notice under this section, that period (or that period as so extended) shall by virtue of this subsection be extended (or further extended) until 28 days after the time when those circumstances no longer obtain.

(4) If the tenant does not comply with a notice under this section, the notice claiming to exercise the right to buy shall be deemed to be withdrawn at the end of that period (or, as the case may require, that period as extended under subsection (2) or (3)).”

(2) For subsections (2) to (5) of section 136 of the 1985 Act (change of tenant after notice claiming to exercise the right to buy) there shall be substituted the following subsection—

“(2) If a notice under section 125 (landlord’s notice of purchase price and other matters) has been served on the former tenant, then, whether or not the former tenant has served a notice under subsection (1) of section 125D (tenant’s notice of intention), the new tenant shall serve a notice under that subsection within the period of twelve weeks beginning with whichever of the following is the later—

(a) his becoming the secure tenant, and

(b) where the right to have the value of the dwelling-house determined or re-determined by the district valuer is or has been exercised by him or the former tenant, the service of the notice under section 128(5) stating the effect of the determination or re-determination.”

Commencement Information

I2 S. 105 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

106 Exceptions to the right to buy.

(1) In paragraph 10(1) (groups of dwelling-houses for persons of pensionable age) of Schedule 5 to the 1985 Act (exceptions to the right to buy)—

(a) for the words “persons of pensionable age”, in the first place where they occur, there shall be substituted the words “ elderly persons ”; and

(b) for those words, in the second place where they occur, there shall be substituted the words “ persons aged 60 or more ”.

(2) For paragraph 11 (individual dwelling-houses for persons of pensionable age) of that Schedule there shall be substituted the following paragraph—

“11 (1) The right to buy does not arise if the dwelling-house—

(a) is particularly suitable, having regard to its location, size, design, heating system and other features, for occupation by elderly persons, and

(b) was let to the tenant or a predecessor in title of his for occupation by a person who was aged 60 or more (whether the tenant or predecessor or another person).

(2) In determining whether a dwelling is particularly suitable, no regard shall be had to the presence of any feature provided by the tenant or a predecessor in title of his.

(3) Notwithstanding anything in section 181 (jurisdiction of county court), any question arising under this paragraph shall be determined as follows.

(4) If an application for the purpose is made by the tenant to the Secretary of State before the end of the period of 56 days beginning with the service of the landlord's notice under section 124, the question shall be determined by the Secretary of State.

(5) If no such application is so made, the question shall be deemed to have been determined in favour of the landlord.

(6) This paragraph does not apply unless the dwelling-house concerned was first let before 1st January 1990."

(3) Subsections (1) and (2) do not apply in any case where the tenant's notice claiming to exercise the right to buy was served before the day on which this section comes into force.

(4) For the purposes of subsection (3), no account shall be taken of any steps taken under section 177 of the 1985 Act (amendment or withdrawal and re-service of notice to correct mistakes).

Commencement Information

I3 S. 106 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

Abolition of certain ancillary rights

107 Abolition of right to a mortgage, right to defer completion and right to be granted a shared ownership lease.

The following rights ancillary to the right to buy are hereby abolished, namely—

(a) the right to a mortgage conferred by sections 132 to 135 of the 1985 Act;

(b) the right to defer completion conferred by section 142 of that Act; and

(c) the right to be granted a shared ownership lease conferred by sections 143 to 151 of that Act.

Commencement Information

I4 S. 107 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

Right to acquire on rent to mortgage terms

108 Right to acquire on rent to mortgage terms.

For section 143 of the 1985 Act there shall be substituted the following sections—

" Right to acquire on rent to mortgage terms

143 Right to acquire on rent to mortgage terms.

(1) Subject to subsection (2) and sections 143A and 143B, where—

(a) a secure tenant has claimed to exercise the right to buy, and

(b) his right to buy has been established and his notice claiming to exercise it remains in force,

he also has the right to acquire on rent to mortgage terms in accordance with the following provisions of this Part.

(2) The right to acquire on rent to mortgage terms cannot be exercised if the exercise of the right to buy is precluded by section 121 (circumstances in which right to buy cannot be exercised).

(3) Where the right to buy belongs to two or more persons jointly, the right to acquire on rent to mortgage terms also belongs to them jointly.

143A Right excluded by entitlement to housing benefit.

(1) The right to acquire on rent to mortgage terms cannot be exercised if—

(a) it has been determined that the tenant is or was entitled to housing benefit in respect of any part of the relevant period, or

(b) a claim for housing benefit in respect of any part of that period has been made (or is treated as having been made) by or on behalf of the tenant and has not been determined or withdrawn.

(2) In this section "the relevant period" means the period—

(a) beginning twelve months before the day on which the tenant claims to exercise the right to acquire on rent to mortgage terms, and

(b) ending with the day on which the conveyance or grant is executed in pursuance of that right.

143B Right excluded if minimum initial payment exceeds maximum initial payment.

(1) The right to acquire on rent to mortgage terms cannot be exercised if the minimum initial payment in respect of the dwelling-house exceeds the maximum initial payment in respect of it.

(2) The maximum initial payment in respect of a dwelling-house is 80 per cent. of the price which would be payable if the tenant were exercising the right to buy.

(3) Where, in the case of a dwelling-house which is a house, the weekly rent at the relevant time did not exceed the relevant amount, the minimum initial payment shall be determined by the formula—

$$P = R \text{ x } M$$

where—

P = the minimum initial payment;

R = the amount of the weekly rent at the relevant time;

M = the multiplier which at that time was for the time being declared by the Secretary of State for the purposes of this subsection.

(4) Where, in the case of a dwelling-house which is a house, the weekly rent at the relevant time exceeded the relevant amount, the minimum initial payment shall be determined by the formula—

$$P = Q + (E \text{ x } M)$$

where—

P = the minimum initial payment;

Q = the qualifying maximum for the year of assessment which included the relevant time;

E = the amount by which the weekly rent at that time exceeded the relevant amount;

M = the multiplier which at that time was for the time being declared by the Secretary of State for the purposes of this subsection.

(5) The minimum initial payment in respect of a dwelling-house which is a flat is 80 per cent. of the amount which would be the minimum initial payment in respect of the dwelling-house if it were a house.

(6) The relevant amount and multipliers for the time being declared for the purposes of this section shall be such that, in the case of a dwelling-house which is a house, they will produce a minimum initial payment equal to the capital sum which, in the opinion of the Secretary of State, could be raised on a 25 year repayment mortgage in the case of which the net amount of the monthly

mortgage payments was equal to the rent at the relevant time calculated on a monthly basis.

(7) For the purposes of subsection (6) the Secretary of State shall assume—

(a) that the interest rate applicable throughout the 25 year term were the standard national rate for the time being declared by the Secretary of State under paragraph 2 of Schedule 16 (local authority mortgage interest rates); and

(b) that the monthly mortgage payments represented payments of capital and interest only.

(8) In this section—

"net amount", in relation to monthly mortgage payments, means the amount of such payments after deduction of tax under section 369 of the [M2]Income and Corporation Taxes Act 1988 (mortgage interest payable under deduction of tax);

"qualifying maximum" means the qualifying maximum defined in section 367(5) of that Act (limit on relief for interest on certain loans);

"relevant amount" means the amount which at the relevant time was for the time being declared by the Secretary of State for the purposes of this section;

"relevant time" means the time of the service of the landlord's notice under section 146 (landlord's notice admitting or denying right);

"rent" means rent payable under the secure tenancy, but excluding any element which is expressed to be payable for services, repairs, maintenance or insurance or the landlord's costs of management."

Commencement Information

I5 S. 108 wholly in force; s. 108 not in force at Royal Assent see s. 188(2); s. 108 in force for certain purposes at 2.9.1993 by S.I. 1993/2134, **art. 3**; s. 108 in force at 11.10.1993 in so far as it was not in force, (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) by S.I. 1993/2134, **art. 4(b)**

Marginal Citations

M2 1988 c. 1.

VALID FROM 11/10/1993

109 Tenant's notice claiming right.

For sections 144 and 145 of the 1985 Act there shall be substituted the following section—

"**144 Tenant's notice claiming right.**

(1) A secure tenant claims to exercise the right to acquire on rent to mortgage terms by written notice to that effect served on the landlord.

(2) The notice may be withdrawn at any time by notice in writing served on the landlord.

(3) On the service of a notice under this section, any notice served by the landlord under section 140 or 141 (landlord's notices to complete purchase in pursuance of right to buy) shall be deemed to have been withdrawn; and no such notice may be served by the landlord whilst a notice under this section remains in force.

(4) Where a notice under this section is withdrawn, the tenant may complete the transaction in accordance with the provisions of this Part relating to the right to buy."

Commencement Information

I6 S. 109 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

110 Landlord's notice admitting or denying right.

For section 146 of the 1985 Act there shall be substituted the following section—

"**146 Landlord's notice admitting or denying right.**

(1) Where a notice under section 144 (notice claiming to exercise the right to acquire on rent to mortgage terms) has been served by the tenant, the landlord shall, unless the notice is withdrawn, serve on the tenant as soon as practicable a written notice either—

(a) admitting the tenant's right and informing him of the matters mentioned in subsection (2), or

(b) denying it and stating the reasons why, in the opinion of the landlord, the tenant does not have the right to acquire on rent to mortgage terms.

(2) The matters are—

(a) the relevant amount and multipliers for the time being declared by the Secretary of State for the purposes of section 143B;

(b) the amount of the minimum initial payment;

(c) the proportion which that amount bears to the price which would be payable if the tenant exercised the right to buy;

(d) the landlord's share on the assumption that the tenant makes the minimum initial payment;

(e) the amount of the initial discount on that assumption; and

(f) the provisions which, in the landlord's opinion, should be contained in the conveyance or grant and the mortgage required by

section 151B (mortgage for securing redemption of landlord's share)."

Commencement Information

I7 S. 110 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

111 Tenant's notice of intention etc.

After section 146 of the 1985 Act there shall be inserted the following sections—

"**146A Tenant's notice of intention.**

(1) Where a notice under section 146 has been served on a secure tenant, he shall within the period specified in subsection (2) serve a written notice on the landlord stating either—

(a) that he intends to pursue his claim to exercise the right to acquire on rent to mortgage terms and the amount of the initial payment which he proposes to make, or

(b) that he withdraws that claim and intends to pursue his claim to exercise the right to buy, or

(c) that he withdraws both of those claims.

(2) The period for serving a notice under subsection (1) is the period of twelve weeks beginning with the service of the notice under section 146.

(3) The amount stated in a notice under subsection (1)(a)—

(a) shall not be less than the minimum initial payment and not more than the maximum initial payment, and

(b) may be varied at any time by notice in writing served on the landlord.

146B Landlord's notice in default.

(1) The landlord may, at any time after the end of the period specified in section 146A(2), serve on the tenant a written notice—

(a) requiring him, if he has failed to serve the notice required by section 146A(1), to serve that notice within 28 days, and

(b) informing him of the effect of this subsection and subsection (4).

(2) At any time before the end of the period mentioned in subsection (1)(a) (or that period as previously extended) the landlord may by written notice served on the tenant extend it (or further extend it).

(3) If at any time before the end of that period (or that period as extended under subsection (2)) the circumstances are such that it would not be reasonable to expect the tenant to comply with a notice under this section, that period

(or that period as so extended) shall by virtue of this subsection be extended (or further extended) until 28 days after the time when those circumstances no longer obtain.

(4) If the tenant does not comply with a notice under this section the notice claiming to exercise the right to acquire on rent to mortgage terms shall be deemed to be withdrawn at the end of that period (or, as the case may require, that period as extended under subsection (2) or (3)).”

Commencement Information

I8 S. 111 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

112 Notice of landlord’s share and initial discount.

For section 147 of the 1985 Act there shall be substituted the following section—

“**147 Notice of landlord’s share and initial discount.**

(1) Where a secure tenant has served—

(a) a notice under section 146A(1)(a) stating that he intends to pursue his claim to exercise the right to acquire on rent to mortgage terms, and the amount of the initial payment which he proposes to make, or

(b) a notice under section 146A(3)(b) varying the amount stated in a notice under section 146A(1)(a),

the landlord shall, as soon as practicable, serve on the tenant a written notice complying with this section.

(2) The notice shall state—

(a) the landlord’s share on the assumption that the amount of the tenant’s initial payment is that stated in the notice under section 146A(1)(a) or, as the case may be, section 146A(3)(b), and

(b) the amount of the initial discount on that assumption,

determined in each case in accordance with section 148.”

Commencement Information

I9 S. 112 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

113 Determination of landlord's share, initial discount etc.

For section 148 of the 1985 Act there shall be substituted the following section—

"**148 Determination of landlord's share, initial discount etc.**

The landlord's share shall be determined by the formula—

the amount of the initial discount shall be determined by the formula—

and the amount of any previous discount which will be recovered by virtue of the transaction shall be determined by the formula—

S = the landlord's share expressed as a percentage;

P = the price which would be payable if the tenant were exercising the right to buy;

IP = the amount of the tenant's initial payment (but disregarding any reduction in pursuance of section 153B(3));

ID = the amount of the initial discount;

D = the amount of the discount which would be applicable if the tenant were exercising the right to buy;

RD = the amount of any previous discount which will be recovered by virtue of the transaction;

PD = the amount of any previous discount which would be recovered if the tenant were exercising the right to buy."

Commencement Information

I10 S. 113 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

114 Change of landlord after notice claiming right.

For section 149 of the 1985 Act there shall be substituted the following section—

"**149 Change of landlord after notice claiming right.**

(1) Where the interest of the landlord in the dwelling-house passes from the landlord to another body after a secure tenant has given a notice claiming to exercise the right to acquire on rent to mortgage terms, all parties shall subject to subsection (2) be in the same position as if the other body—

(a) had become the landlord before the notice was given, and

(b) had been given that notice and any further notice given by the tenant to the landlord, and

(c) had taken all steps which the landlord had taken.

(2) If the circumstances after the disposal differ in any material respect, as for example where—

(a) the interest of the disponee in the dwelling-house after the disposal differs from that of the disponor before the disposal, or

(b) any of the provisions of Schedule 5 (exceptions to the right to buy) becomes or ceases to be applicable,

all those concerned shall, as soon as practicable after the disposal, take all such steps (whether by way of amending or withdrawing and re-serving any notice or extending any period or otherwise) as may be requisite for the purpose of securing that all parties are, as nearly as may be, in the same position as they would have been if those circumstances had obtained before the disposal."

Commencement Information

I11 S. 114 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

115 Duty of landlord to convey freehold or grant lease.

For section 150 of the 1985 Act there shall be substituted the following section—

"**150 Duty of landlord to convey freehold or grant lease.**

(1) Where a secure tenant has claimed to exercise the right to acquire on rent to mortgage terms and that right has been established, then, as soon as all matters relating to the grant and to securing the redemption of the landlord's share have been agreed or determined, the landlord shall make to the tenant—

(a) if the dwelling-house is a house and the landlord owns the freehold, a grant of the dwelling-house for an estate in fee simple absolute, or

(b) if the landlord does not own the freehold or if the dwelling-house is a flat (whether or not the landlord owns the freehold), a grant of a lease of the dwelling-house,

in accordance with the following provisions of this Part.

(2) If the tenant has failed to pay the rent or any other payment due from him as a tenant for a period of four weeks after it has been lawfully demanded from him, the landlord is not bound to comply with subsection (1) while the whole or part of that payment remains outstanding.

(3) The duty imposed on the landlord by subsection (1) is enforceable by injunction."

Commencement Information

I12 S. 115 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to S.I. 1993/2134) see **s. 188(2)** and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

116 Terms and effect of conveyance or grant: general.

(1) For section 151 of the 1985 Act there shall be substituted the following section—

"**151 Terms and effect of conveyance or grant: general.**

(1) A conveyance of the freehold executed in pursuance of the right to acquire on rent to mortgage terms shall conform with Parts I and II of Schedule 6; a grant of a lease so executed shall conform with Parts I and III of that Schedule; and Part IV of that Schedule applies to such a conveyance or lease as it applies to a conveyance or lease executed in pursuance of the right to buy.

(2) The secure tenancy comes to an end on the grant to the tenant of an estate in fee simple, or of a lease, in pursuance of the right to acquire on rent to mortgage terms; and if there is then a sub-tenancy section 139 of the [M3]Law of Property Act 1925 (effect of extinguishment of reversion) applies as on a merger or surrender."

(2) In Part III of Schedule 6 to the 1985 Act (terms of lease granted in pursuance of right to buy or right to acquire on rent to mortgage terms), after paragraph 16D there shall be inserted the following paragraph—

"16E (1) Where a lease of a flat granted in pursuance of the right to acquire on rent to mortgage terms requires the tenant to pay—

(a) service charges in respect of repairs (including works for the making good of structural defects), or

(b) improvement contributions,

his liability in respect of costs incurred at any time before the final payment is made is restricted as follows.

(2) He is not required to pay any more than the amount determined by the formula—

$$M = P \times \frac{100 - S}{100}$$

where—

M = the maximum amount which he is required to pay;

P = the amount which, but for this paragraph, he would be required to pay;

S = the landlord's share at the time expressed as a percentage."

Commencement Information

I13 S. 116 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

Marginal Citations

M3 1925 c. 20.

VALID FROM 11/10/1993

117 Redemption of landlord's share.

(1) After section 151 of the 1985 Act there shall be inserted the following section—

"**151A Redemption of landlord's share.**

Schedule 6A (which makes provision for the redemption of the landlord's share) shall have effect; and a conveyance of the freehold or a grant of a lease executed in pursuance of the right to acquire on rent to mortgage terms shall conform with that Schedule."

(2) After Schedule 6 to the 1985 Act there shall be inserted as Schedule 6A the Schedule set out in Schedule 16 to this Act.

Commencement Information

I14 S. 117 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

118 Mortgage for securing redemption of landlord's share.

After section 151A of the 1985 Act there shall be inserted the following section—

"**151B Mortgage for securing redemption of landlord's share.**

(1) The liability that may arise under the covenant required by paragraph 1 of Schedule 6A (covenant for the redemption of the landlord's share in the circumstances there mentioned) shall be secured by a mortgage.

(2) Subject to subsections (3) and (4), the mortgage shall have priority immediately after any legal charge securing an amount advanced to the secure tenant by an approved lending institution for the purpose of enabling him to exercise the right to acquire on rent to mortgage terms.

(3) The following, namely—

(a) any advance which is made otherwise than for the purpose mentioned in subsection (2) and is secured by a legal charge having priority to the mortgage, and

(b) any further advance which is so secured,

shall rank in priority to the mortgage if, and only if, the landlord by written notice served on the institution concerned gives its consent; and the landlord shall so give its consent if the purpose of the advance or further advance is an approved purpose.

(4) The landlord may at any time by written notice served on an approved lending institution postpone the mortgage to any advance or further advance which—

(a) is made to the tenant by that institution, and

(b) is secured by a legal charge not having priority to the mortgage;

and the landlord shall serve such a notice if the purpose of the advance or further advance is an approved purpose.

(5) The approved lending institutions for the purposes of this section are—

the Corporation,

a building society,

a bank,

a trustee savings bank,

an insurance company,

a friendly society,

and any body specified, or of a class or description specified, in an order made under section 156.

(6) The approved purposes for the purposes of this section are—

(a) to enable the tenant to make an interim or final payment,

(b) to enable the tenant to defray, or to defray on his behalf, any of the following—

(i) the cost of any works to the dwelling-house,

(ii) any service charge payable in respect of the dwelling-house for works, whether or not to the dwelling-house, and

(iii) any service charge or other amount payable in respect of the dwelling-house for insurance, whether or not of the dwelling-house, and

(c) to enable the tenant to discharge, or to discharge on his behalf, any of the following—

(i) so much as is still outstanding of any advance or further advance which ranks in priority to the mortgage,

(ii) any arrears of interest on such an advance or further advance, and

(iii) any costs and expenses incurred in enforcing payment of any such interest, or repayment (in whole or in part) of any such advance or further advance.

(7) Where different parts of an advance or further advance are made for different purposes, each of those parts shall be regarded as a separate advance or further advance for the purposes of this section.

(8) The Secretary of State may by order prescribe—

(a) matters for which the deed by which the mortgage is effected must make provision, and

(b) terms which must, or must not, be contained in that deed,

but only in relation to deeds executed after the order comes into force.

(9) The deed by which the mortgage is effected may contain such other provisions as may be—

(a) agreed between the mortgagor and the mortgagee, or

(b) determined by the county court to be reasonably required by the mortgagor or the mortgagee.

(10) An order under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

(b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.”

Commencement Information

I15 S. 118 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

119 Landlord’s notices to complete.

(1) For subsection (3) of section 152 of the 1985 Act (landlord’s first notice to complete) there shall be substituted the following section—

“(3) A notice under this section shall not be served earlier than twelve months after the service of the notice under section 146 (landlord’s notice admitting or denying right).”

(2) In subsection (5) of that section, for the words “the amount to be left outstanding or advanced on the security of the dwelling-house” there shall be substituted the words “ securing the redemption of the landlord’s share ”.

(3) In subsection (4) of section 153 of the 1985 Act (landlord's second notice to complete), for the words "the right to be granted a shared ownership lease" there shall be substituted the words " the right to acquire on rent to mortgage terms ".

Commencement Information

I16 S. 119 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

120 Repayment of discount on early disposal.

(1) For subsection (3) of section 155 of the 1985 Act (repayment of discount on early disposal) there shall be substituted the following subsection—

"(3) In the case of a conveyance or grant in pursuance of the right to acquire on rent to mortgage terms, the covenant shall be to pay to the landlord on demand, if within the period of three years commencing with the making of the initial payment there is a relevant disposal which is not an exempted disposal (but if there is more than one such disposal, then only on the first of them), the discount (if any) to which the tenant was entitled on the making of—

(a) the initial payment,

(b) any interim payment made before the disposal, or

(c) the final payment if so made,

reduced, in each case, by one-third for each complete year which has elapsed after the making of the initial payment and before the disposal."

(2) In subsection (3A) of that section, for paragraph (b) there shall be substituted the following paragraph—

"(b) any reference in subsection (3) (other than paragraph (a) thereof) to the making of the initial payment shall be construed as a reference to the date which precedes that payment by the period referred to in paragraph (a) of this subsection."

(3) For subsection (2) of section 156 of the 1985 Act (liability to repay discount is a charge on the premises) there shall be substituted the following subsections—

"(2) Subject to subsections (2A) and (2B), the charge has priority as follows—

(a) if it secures the liability that may arise under the covenant required by section 155(2), immediately after any legal charge securing an amount advanced to the secure tenant by an approved lending institution for the purpose of enabling him to exercise the right to buy;

(b) if it secures the liability that may arise under the covenant required by section 155(3), immediately after the mortgage—

(i) which is required by section 151B (mortgage for securing redemption of landlord's share), and

(ii) which, by virtue of subsection (2) of that section, has priority immediately after any legal charge securing an amount advanced to the secure tenant by an approved lending institution for the purpose of enabling him to exercise the right to acquire on rent to mortgage terms.

(2A) The following, namely—

(a) any advance which is made otherwise than for the purpose mentioned in paragraph (a) or (b) of subsection (2) and is secured by a legal charge having priority to the charge taking effect by virtue of this section, and

(b) any further advance which is so secured,

shall rank in priority to that charge if, and only if, the landlord by written notice served on the institution concerned gives its consent; and the landlord shall so give its consent if the purpose of the advance or further advance is an approved purpose.

(2B) The landlord may at any time by written notice served on an approved lending institution postpone the charge taking effect by virtue of this section to any advance or further advance which—

(a) is made to the tenant by that institution, and

(b) is secured by a legal charge not having priority to that charge;

and the landlord shall serve such a notice if the purpose of the advance or further advance is an approved purpose.”

(4) After subsection (4) of that section there shall be inserted the following subsections—

“(4A) The approved purposes for the purposes of this section are—

(a) to enable the tenant to make an interim or final payment,

(b) to enable the tenant to defray, or to defray on his behalf, any of the following—

(i) the cost of any works to the dwelling-house,

(ii) any service charge payable in respect of the dwelling-house for works, whether or not to the dwelling-house, and

(iii) any service charge or other amount payable in respect of the dwelling-house for insurance, whether or not of the dwelling-house, and

(c) to enable the tenant to discharge, or to discharge on his behalf, any of the following—

(i) so much as is still outstanding of any advance or further advance which ranks in priority to the charge taking effect by virtue of this section,

(ii) any arrears of interest on such an advance or further advance, and

(iii) any costs and expenses incurred in enforcing payment of any such interest, or repayment (in whole or in part) of any such advance or further advance.

(4B) Where different parts of an advance or further advance are made for different purposes, each of those parts shall be regarded as a separate advance or further advance for the purposes of this section.”

Commencement Information

I17 S. 120 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

VALID FROM 11/10/1993

Other rights of secure tenants

VALID FROM 01/12/1993

121 Right to have repairs carried out.

For section 96 of the 1985 Act there shall be substituted the following section—

"**96 Right to have repairs carried out.**

(1) The Secretary of State may make regulations for entitling secure tenants whose landlords are local housing authorities, subject to and in accordance with the regulations, to have qualifying repairs carried out, at their landlords' expense, to the dwelling-houses of which they are such tenants.

(2) The regulations may make all or any of the following provisions, namely—

(a) provision that, where a secure tenant makes an application to his landlord for a qualifying repair to be carried out, the landlord shall issue a repair notice—

(i) specifying the nature of the repair, the listed contractor by whom the repair is to be carried out and the last day of any prescribed period; and

(ii) containing such other particulars as may be prescribed;

(b) provision that, if the contractor specified in a repair notice fails to carry out the repair within a prescribed period, the landlord shall issue a further repair notice specifying such other listed contractor as the tenant may require; and

(c) provision that, if the contractor specified in a repair notice fails to carry out the repair within a prescribed period, the landlord shall pay to the tenant such sum by way of compensation as may be determined by or under the regulations.

(3) The regulations may also make such procedural, incidental, supplementary and transitional provisions as may appear to the Secretary of State necessary or expedient, and may in particular—

(a) require a landlord to take such steps as may be prescribed to make its secure tenants aware of the provisions of the regulations;

(b) require a landlord to maintain a list of contractors who are prepared to carry out repairs for which it is responsible under the regulations;

(c) provide that, where a landlord issues a repair notice, it shall give to the tenant a copy of the notice and the prescribed particulars of at least two other listed contractors who are competent to carry out the repair;

(d) provide for questions arising under the regulations to be determined by the county court; and

(e) enable the landlord to set off against any compensation payable under the regulations any sums owed to it by the tenant.

(4) Nothing in subsection (2) or (3) shall be taken as prejudicing the generality of subsection (1).

(5) Regulations under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

(b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(6) In this section—

"listed contractor", in relation to a landlord, means any contractor (which may include the landlord) who is specified in the landlord's list of contractors;

"qualifying repair", in relation to a dwelling-house, means any repair of a prescribed description which the landlord is obliged by a repairing covenant to carry out;

"repairing covenant", in relation to a dwelling-house, means a covenant, whether express or implied, obliging the landlord to keep in repair the dwelling-house or any part of the dwelling-house;

and for the purposes of this subsection a prescribed description may be framed by reference to any circumstances whatever."

Commencement Information

I18 S. 121 wholly in force at 1.12.1993 (subject to art. 5 of S.I. 1993/2762) see **s. 188(2)** and S.I. 1993/2762, **art. 4(a)**

VALID FROM 01/02/1994

122 Right to compensation for improvements.

After section 99 of the 1985 Act there shall be inserted the following sections—

"**99A Right to compensation for improvements.**

(1) The powers conferred by this section shall be exercisable as respects cases where a secure tenant has made an improvement and—

(a) the work on the improvement was begun not earlier than the commencement of section 122 of the Leasehold Reform, Housing and Urban Development Act 1993,

(b) the landlord, or a predecessor in title of the landlord (being a local authority), has given its written consent to the improvement or is to be treated as having given its consent, and

(c) at the time when the tenancy comes to an end the landlord is a local authority and the tenancy is a secure tenancy.

(2) The Secretary of State may make regulations for entitling the qualifying person or persons (within the meaning given by section 99B)—

(a) at the time when the tenancy comes to an end, and

(b) subject to and in accordance with the regulations,

to be paid compensation by the landlord in respect of the improvement.

(3) The regulations may provide that compensation shall be not payable if—

(a) the improvement is not of a prescribed description,

(b) the tenancy comes to an end in prescribed circumstances,

(c) compensation has been paid under section 100 in respect of the improvement, or

(d) the amount of any compensation which would otherwise be payable is less than a prescribed amount;

and for the purposes of this subsection a prescribed description may be framed by reference to any circumstances whatever.

(4) The regulations may provide that the amount of any compensation payable shall not exceed a prescribed amount but, subject to that, shall be determined by the landlord, or calculated, in such manner, and taking into account such matters, as may be prescribed.

(5) The regulations may also make such procedural, incidental, supplementary and transitional provisions as may appear to the Secretary of State necessary or expedient, and may in particular—

(a) provide for the manner in which and the period within which claims for compensation under the regulations are to be made, and for the procedure to be followed in determining such claims,

(b) prescribe the form of any document required to be used for the purposes of or in connection with such claims,

(c) provide for questions arising under the regulations to be determined by the district valuer or the county court, and

(d) enable the landlord to set off against any compensation payable under the regulations any sums owed to it by the qualifying person or persons.

(6) Nothing in subsections (3) to (5) shall be taken as prejudicing the generality of subsection (2).

(7) Regulations under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

(b) shall be made by statutory instrument which (except in the case of regulations making only such provision as is mentioned in subsection (5)(b)) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(8) For the purposes of this section and section 99B, a tenancy shall be treated as coming to an end if—

(a) it ceases to be a secure tenancy by reason of the landlord condition no longer being satisfied, or

(b) it is assigned, with the consent of the landlord—

(i) to another secure tenant who satisfies the condition in subsection (2) of section 92 (assignments by way of exchange), or

(ii) to an assured tenant who satisfies the conditions in subsection (2A) of that section.

99B Persons qualifying for compensation.

(1) A person is a qualifying person for the purposes of section 99A(2) if—

(a) he is, at the time when the tenancy comes to an end, the tenant or, in the case of a joint tenancy at that time, one of the tenants, and

(b) he is a person to whom subsection (2) applies.

(2) This subsection applies to—

(a) the improving tenant;

(b) a person who became a tenant jointly with the improving tenant;

(c) a person in whom the tenancy was vested, or to whom the tenancy was disposed of, under section 89 (succession to periodic tenancy) or section 90 (devolution of term certain) on the death of the improving tenant or in the course of the administration of his estate;

(d) a person to whom the tenancy was assigned by the improving tenant and who would have been qualified to succeed him if he had died immediately before the assignment;

(e) a person to whom the tenancy was assigned by the improving tenant in pursuance of an order made under section 24 of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings);

(f) a spouse or former spouse of the improving tenant to whom the tenancy has been transferred by an order under paragraph 2 of Schedule 1 to the Matrimonial Homes Act 1983.

(3) Subsection (2)(c) does not apply in any case where the tenancy ceased to be a secure tenancy by virtue of section 89(3) or, as the case may be, section 90(3).

(4) Where, in the case of two or more qualifying persons, one of them ("the missing person") cannot be found—

(a) a claim under regulations made under section 99A may be made by, and compensation under those regulations may be paid to, the other qualifying person or persons; but

(b) the missing person shall be entitled to recover his share of any compensation so paid from that person or those persons.

(5) In this section "the improving tenant" means—

(a) the tenant by whom the improvement mentioned in section 99A(1) was made, or

(b) in the case of a joint tenancy at the time when the improvement was made, any of the tenants at that time."

Commencement Information

I19 S. 122 wholly in force at 1.2.1994 (subject to art. 5 of S.I. 1993/2762) see **s. 188(2)** and S.I. 1993/2762, **art. 4(b)**

123 Right to information.

After subsection (2) of section 104 of the 1985 Act (provision of information about tenancies) there shall be inserted the following subsection—

"(3) A local authority which is the landlord under a secure tenancy shall supply the tenant, at least once in every relevant year, with a copy of such information relating to the provisions mentioned in subsection (1)(b) and (c) as was last published by it; and in this subsection "relevant year" means any period of twelve months beginning with an anniversary of the date of such publication."

124 Existing rights with respect to disposals by housing action trusts.

(1) In subsection (2)(b) of section 79 of the [M4]Housing Act 1988 (disposals by housing action trusts), the words "in accordance with section 84 below" shall be omitted.

(2) For subsection (1) of section 84 of that Act (provisions applicable to disposals of dwelling-houses let on secure tenancies) there shall be substituted the following subsection—

"(1) The provisions of this section apply in any case where—

(a) a housing action trust proposes to make a disposal of one or more houses let on secure tenancies which would result in a person who, before the disposal, is a secure tenant of the trust becoming, after the disposal, the tenant of another person, and

(b) that other person is not a local housing authority or other local authority."

(3) In subsection (7) of that section—

(a) after the words "a disposal to which this section applies," there shall be inserted the words " or a disposal which would be such a disposal if subsection (1)(b) above were omitted, "; and

(b) after the words "such further consultation" there shall be inserted the words " or, as the case may be, such consultation ".

(4) Where—

(a) a house held by a housing action trust is specified in a notice served by the trust under section 84(2) of the Housing Act 1988, and

(b) the building containing the house is specified in an application subsequently made to the trust under section 96 of that Act (application to exercise right conferred by Part IV),

that Part shall apply as if the building containing the house, and any other property reasonably required for occupation with that building, had not been specified in the application.

(5) Where—

(a) a building containing a house held by a housing action trust is specified in an application made to the trust under section 96 of the [M5]Housing Act 1988, and

(b) the house is specified in a notice subsequently served by the trust under subsection (2) of section 84 of that Act,

that section shall apply as if the house had not been specified in the notice.

(6) In this section "house" has the same meaning as in Part III of the Housing Act 1988.

Commencement Information

I20 S. 124 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

Marginal Citations

M4 1988 c. 50.

M5 1988 c. 50.

125 New rights with respect to such disposals.

(1) For subsections (2) and (3) of section 84 of the Housing Act 1988 (disposal by housing action trusts of dwelling-houses let on secure tenancies) there shall be substituted the following subsections—

"(2) Before applying to the Secretary of State for consent to the proposed disposal or serving notice under subsection (4) below, the housing action trust shall serve notice in writing on any local housing authority in whose area any houses falling within subsection (1) above are situated—

(a) informing the authority of the proposed disposal and specifying the houses concerned, and

(b) requiring the authority within such period, being not less than 28 days, as may be specified in the notice, to serve on the trust a notice under subsection (3) below.

(3) A notice by a local housing authority under this subsection shall inform the housing action trust, with respect to each of the houses specified in the notice under subsection (2) above which is in the authority's area, of the likely consequences for the tenant if the house were to be acquired by the authority."

(2) In subsection (4) of that section, for paragraphs (d) and (e) there shall be substituted the following paragraphs—

"(d) if the local housing authority in whose area the house of which he is tenant is situated has served notice under subsection (3) above, informing him (in accordance with the information given in the notice) of the likely consequences for him if the house were to be acquired by that authority;

(e) informing him, if he wishes to become a tenant of that authority, of his right to make representations to that effect under paragraph (f) below and of the rights conferred by section 84A below;".

(3) For subsection (5) of that section there shall be substituted the following subsections—

"(5) If, by virtue of any representations made to the housing action trust in accordance with subsection (4)(f) above, section 84A below applies in relation to any house or block of flats, the trust shall—

(a) serve notice of that fact on the Secretary of State, on the local housing authority and on the tenant of the house or each of the tenants of the block, and

(b) so amend its proposals with respect to the disposal as to exclude the house or block;

and in this subsection "house" and "block of flats" have the same meanings as in that section.

(5A) The housing action trust shall consider any other representations so made and, if it considers it appropriate to do so having regard to any of those representations—

(a) may amend (or further amend) its proposals with respect to the disposal, and

(b) in such a case, shall serve a further notice under subsection (4) above (in relation to which this subsection will again apply)."

(4) In subsection (6) of that section, after the words "subsection (5)" there shall be inserted the words " or subsection (5A) ".

(5) After that section there shall be inserted the following section—

"**84A Transfer by order of certain dwelling-houses let on secure tenancies.**

(1) This section applies in relation to any house or block of flats specified in a notice under subsection (2) of section 84 above if—

(a) in the case of a house, the tenant makes representations in accordance with paragraph (f) of subsection (4) of that section to the effect that he wishes to become a tenant of the local housing authority in whose area the house is situated; or

(b) in the case of a block of flats, the majority of the tenants who make representations in accordance with that paragraph make representations to the effect that they wish to become tenants of the local housing authority in whose area the block is situated.

(2) The Secretary of State shall by order provide for the transfer of the house or block of flats from the housing action trust to the local housing authority.

(3) The Secretary of State may also by order transfer from the housing action trust to the local housing authority so much as appears to the Secretary of State to be appropriate of any property belonging to or usually enjoyed with the house or, as the case may be, the block or any flat contained in it; and for this purpose "property" includes chattels of any description and rights and liabilities, whether arising by contract or otherwise.

(4) A transfer of any house, block of flats or other property under this section shall be on such terms, including financial terms, as the Secretary of State thinks fit; and an order under this section may provide that, notwithstanding anything in section 141 of the Law of Property Act 1925 (rent and benefit of lessee's covenants to run with the reversion), any rent or other sum which—

(a) arises under the tenant's tenancy or any of the tenants' tenancies, and

(b) falls due before the date of the transfer,

shall continue to be recoverable by the housing action trust to the exclusion of the authority.

(5) Without prejudice to the generality of subsection (4) above, the financial terms referred to in that subsection may include provision for payments to a local housing authority (as well as or instead of payments by a local housing authority); and the transfer from a housing action trust of any house, block of flats or other property by virtue of this section shall not be taken to give rise to any right to compensation.

(6) In this section—

"block of flats" means a building containing two or more flats;

"common parts", in relation to a building containing two or more flats, means any parts of the building which the tenants of the flats are entitled under the terms of their tenancies to use in common with each other;

"flat" and "house" have the meanings given by section 183 of the Housing Act 1985;

and any reference to a block of flats specified in a notice under section 84(2) above is a reference to a block in the case of which each flat which is let on a secure tenancy is so specified.

(7) For the purposes of subsection (6) above, a building which contains—

(a) one or more flats which are let, or available for letting, on secure tenancies by the housing action trust concerned, and

(b) one or more flats which are not so let or so available,

shall be treated as if it were two separate buildings, the one containing the flat or flats mentioned in paragraph (a) above and the other containing the flat or flats mentioned in paragraph (b) above and any common parts."

Commencement Information

I21 S. 125 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

Housing welfare services

126 Provision of housing welfare services.

Part II of the 1985 Act (provision of housing accommodation) shall have effect, and be deemed at all times on and after 1st April 1990 to have had effect, as if after section 11 there were inserted the following section—

"**11A Provision of welfare services.**

(1) A local housing authority may provide in connection with the provision of housing accommodation by them (whether or not under this Part) such welfare services, that is to say, services for promoting the welfare of the persons for whom the accommodation is so provided, as accord with the needs of those persons.

(2) The authority may make reasonable charges for welfare services provided by virtue of this section.

(3) In this section "welfare services" does not include the repair, maintenance, supervision or management of houses or other property.

(4) The powers conferred by this section shall not be regarded as restricting those conferred by section 137 of the Local Government Act 1972 (powers to incur expenditure for purposes not authorised by any other enactment) and accordingly the reference to any other enactment in subsection (1)(a) of that section shall not include a reference to this section."

127 Accounting for housing welfare services.

Schedule 4 to the [M6]Local Government and Housing Act 1989 (the keeping of the Housing Revenue Account) shall have effect, and be deemed always to have had effect, as if—

(a) at the end of paragraph (b) of item 2 of Part I (credits to the account) there were inserted the words " or income in respect of services provided under section 11A of that Act (power to provide welfare services) "; and

(b) after paragraph 3 of Part III (special cases) there were inserted the following paragraph—

"3A **Provision of welfare services**

(1) This paragraph applies where in any year a local housing authority provide welfare services (within the meaning of section 11A of the [M7]Housing Act 1985) for persons housed by them in houses or other property within their Housing Revenue Account.

(2) The authority may carry to the credit of the account—

(a) an amount equal to the whole or any part of the income of the authority for the year from charges in respect of the provision of those services;

(b) any sum from some other revenue account of theirs which represents the whole or any part of that income.

(3) The authority may carry to the debit of the account—

(a) an amount equal to the whole or any part of the expenditure of the authority for the year in respect of the provision of those services;

(b) any sum from some other revenue account of theirs which represents the whole or any part of that expenditure.”

Modifications etc. (not altering text)

C1 S. 127 restricted (12.1.1994) by S.I. 1994/42, art.2, **Sch.**; and (9.10.1995) by S.I. 1995/2720, art.2, **Sch.**

Marginal Citations

M6 1989 c. 42.

M7 1985 c. 68.

VALID FROM 11/10/1993

128 Power to repeal provisions made by sections 126 and 127.

(1) The Secretary of State may at any time by order made by statutory instrument provide that, on such day or in relation to such periods as may be appointed by the order, the provisions made by sections 126 and 127—

(a) shall cease to have effect; or

(b) shall cease to apply for such purposes as may be specified in the order.

(2) An order under this section—

(a) may appoint different days or periods for different provisions or purposes or for different authorities or descriptions of authority, and

(b) may contain such incidental, supplementary or transitional provisions as appear to the Secretary of State to be necessary or expedient.

VALID FROM 11/10/1993

Delegation of housing management

129 Management agreements.

(1) At the end of subsection (3) of section 27 of the 1985 Act (management agreements), there shall be inserted the words " and shall contain such provisions as may be prescribed by regulations made by the Secretary of State ".

(2) For subsection (5) of that section there shall be substituted the following subsection—

"(5) The Secretary of State's approval may be given—

(a) either generally to all local housing authorities or to a particular authority or description of authority, and

(b) either in relation to a particular case or in relation to a particular description of case,

and may be given unconditionally or subject to conditions."

(3) For subsection (6) of that section there shall be substituted the following subsections—

"(6) References in this section to the management functions of a local housing authority in relation to houses or land—

(a) do not include such functions as may be prescribed by regulations made by the Secretary of State, but

(b) subject to that, include functions conferred by any statutory provision and the powers and duties of the authority as holder of an estate or interest in the houses or land in question.

(7) Regulations under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas,

(b) may contain such incidental, supplementary or transitional provisions as appear to the Secretary of State to be necessary or expedient, and

(c) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament."

130 Consultation with respect to management agreements.

For section 27A of the 1985 Act there shall be substituted the following section—

"**27A Consultation with respect to management agreements.**

(1) A local housing authority who propose to enter into a management agreement shall make such arrangements as they consider appropriate to enable the tenants of the houses to which the proposal relates—

(a) to be informed of the following details of the proposal, namely—

(i) the terms of the agreement (including in particular the standards of service to be required under the agreement),

(ii) the identity of the person who is to be manager under the agreement, and

(iii) such other details (if any) as may be prescribed by regulations made by the Secretary of State, and

(b) to make known to the authority within a specified period their views as to the proposal;

and the authority shall, before making any decision with respect to the proposal, consider any representations made to them in accordance with those arrangements.

(2) A local housing authority who have made a management agreement shall—

(a) during the continuance of the agreement, maintain such arrangements as they consider appropriate to enable the tenants of the houses to which the agreement relates to make known to the authority their views as to the standards of service for the time being achieved by the manager, and

(b) before making any decision with respect to the enforcement of the standards of service required by the agreement, consider any representations made to them in accordance with those arrangements.

(3) Arrangements made or maintained under subsection (1) or (2) above shall—

(a) include provision for securing that the authority's responses to any representations made to them in accordance with the arrangements are made known to the tenants concerned, and

(b) comply with such requirements as may be prescribed by regulations made by the Secretary of State.

(4) Regulations under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas,

(b) may contain such incidental, supplementary or transitional provisions as appear to the Secretary of State to be necessary or expedient, and

(c) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(5) In the case of secure tenants the provisions of this section apply in place of the provisions of section 105 (consultation on matters of housing management) in relation to the making of a management agreement."

Commencement Information

I22 S. 130 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

131 Management agreements and compulsory competitive tendering.

After section 27A of the 1985 Act there shall be inserted the following section—

"**27AA Management agreements and compulsory competitive tendering.**

(1) This section shall apply if the Secretary of State makes an order under section 2(3) of the [M8]Local Government Act 1988 ("the 1988 Act") providing for the exercise of any management functions to be a defined activity for the purposes of Part I of that Act (compulsory competitive tendering).

(2) The Secretary of State may by regulations provide that in any case where—

(a) a local housing authority propose to make an invitation to carry out any functional work in accordance with the rules set out in subsection (4) of section 7 of the 1988 Act (functional work: conditions), and

(b) the proposal is such that any decision by the authority that the work should be carried out by the person or one of the persons proposed to be invited would necessarily involve their entering into a management agreement with that person,

the provisions of section 27A shall have effect with such modifications as appear to the Secretary of State to be necessary or expedient.

(3) Nothing in section 6 of the 1988 Act (functional work: restrictions) shall apply in relation to any functional work which, in pursuance of a management agreement, is carried out by the manager as agent of the local housing authority.

(4) In this section "functional work" has the same meaning as in Part I of the 1988 Act.

(5) Regulations under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament."

Marginal Citations

M8 1988 c. 9.

VALID FROM 10/11/1993

132 Management agreements with tenant management organisations.

(1) After section 27AA of the 1985 Act there shall be inserted the following section—

"**27AB Management agreements with tenant management organisations.**

(1) The Secretary of State may make regulations for imposing requirements on a local housing authority in any case where a tenant management organisation serves written notice on the authority proposing that the authority should enter into a management agreement with that organisation.

(2) The regulations may make provision requiring the authority—

(a) to provide or finance the provision of such office accommodation and facilities, and such training, as the organisation reasonably requires for the purpose of pursuing the proposal;

(b) to arrange for such feasibility studies with respect to the proposal as may be determined by or under the regulations to be conducted by such persons as may be so determined;

(c) to arrange for such ballots or polls with respect to the proposal as may be determined by or under the regulations to be conducted of such persons as may be so determined; and

(d) in such circumstances as may be prescribed by the regulations (which shall include the organisation becoming registered if it has not already done so), to enter into a management agreement with the organisation.

(3) The regulations may make provision with respect to any management agreement which is to be entered into in pursuance of the regulations—

(a) for determining the houses and land to which the agreement should relate, and the amounts which should be paid under the agreement to the organisation;

(b) requiring the agreement to be in such form as may be approved by the Secretary of State and to contain such provisions as may be prescribed by the regulations;

(c) requiring the agreement to take effect immediately after the expiry or other determination of any previous agreement; and

(d) where any previous agreement contains provisions for its determination by the authority, requiring the authority to determine it as soon as may be after the agreement is entered into.

(4) The regulations may also make such procedural, incidental, supplementary and transitional provisions as may appear to the Secretary of State necessary or expedient, and may in particular make provision—

(a) for particular questions arising under the regulations to be determined by the authority;

(b) for other questions so arising to be determined by an arbitrator agreed to by the parties or, in default of agreement, appointed by the Secretary of State;

(c) requiring any person exercising functions under the regulations to act in accordance with any guidance given by the Secretary of State; and

(d) for enabling the authority, if invited to do so by the organisation concerned, to nominate one or more persons to be directors or other officers of any tenant management organisation with whom the

authority have entered into, or propose to enter into, a management agreement.

(5) Nothing in subsections (2) to (4) above shall be taken as prejudicing the generality of subsection (1).

(6) Regulations under this section—

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

(b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(7) Except as otherwise provided by regulations under this section—

(a) a local housing authority shall not enter into a management agreement with a tenant management organisation otherwise than in pursuance of the regulations; and

(b) the provisions of the regulations shall apply in relation to the entering into of such an agreement with such an organisation in place of—

(i) the provisions of section 27A (consultation with respect to management agreements),

(ii) in the case of secure tenants, the provisions of section 105 (consultation on matters of housing management), and

(iii) in the case of an organisation which is associated with the authority, the provisions of section 33 of the Local Government Act 1988 (restrictions on contracts with local authority companies).

(8) In this section—

"arbitrator" means a member of a panel approved for the purposes of the regulations by the Secretary of State;

"associated" shall be construed in accordance with section 33 of the Local Government Act 1988;

"previous agreement", in relation to an agreement entered into in pursuance of the regulations, means a management agreement previously entered into in relation to the same houses and land;

"registered" means registered under the Industrial and Provident Societies Act 1965 or the Companies Act 1985;

"tenant management organisation" means a body which satisfies such conditions as may be determined by or under the regulations."

(2) Section 27C of the 1985 Act (which is superseded by this section) shall cease to have effect.

Commencement Information

I23 S. 132 wholly in force; s. 132 not in force at Royal Assent see s. 188(2); s. 132 in force for certain purposes at 10.11.1993 by S.I. 1993/2762, **art. 3**; otherwise 1.4.1994 by S.I. 1994/935, **art. 3**

VALID FROM 11/10/1993

Priority of charges securing repayment of discount

133 Voluntary disposals by local authorities.

(1) For subsection (2) of section 36 of the 1985 Act (liability to repay discount is a charge on the premises) there shall be substituted the following subsections—

"(2) Subject to subsections (2A) and (2B), the charge has priority immediately after any legal charge securing an amount—

(a) left outstanding by the purchaser, or

(b) advanced to him by an approved lending institution for the purpose of enabling him to acquire the interest disposed of on the first disposal.

(2A) The following, namely—

(a) any advance which is made otherwise than for the purpose mentioned in subsection (2)(b) and is secured by a legal charge having priority to the charge taking effect by virtue of this section, and

(b) any further advance which is so secured,

shall rank in priority to that charge if, and only if, the local authority by written notice served on the institution concerned gives their consent; and the local authority shall so give their consent if the purpose of the advance or further advance is an approved purpose.

(2B) The local authority may at any time by written notice served on an approved lending institution postpone the charge taking effect by virtue of this section to any advance or further advance which—

(a) is made to the purchaser by that institution, and

(b) is secured by a legal charge not having priority to that charge;

and the local authority shall serve such a notice if the purpose of the advance or further advance is an approved purpose."

(2) After subsection (4) of that section there shall be inserted the following subsections—

"(5) The approved purposes for the purposes of this section are—

(a) to enable the purchaser to defray, or to defray on his behalf, any of the following—

(i) the cost of any works to the house,

(ii) any service charge payable in respect of the house for works, whether or not to the house, and

(iii) any service charge or other amount payable in respect of the house for insurance, whether or not of the house, and

(b) to enable the purchaser to discharge, or to discharge on his behalf, any of the following—

(i) so much as is still outstanding of any advance or further advance which ranks in priority to the charge taking effect by virtue of this section,

(ii) any arrears of interest on such an advance or further advance, and

(iii) any costs and expenses incurred in enforcing payment of any such interest, or repayment (in whole or in part) of any such advance or further advance.

(6) Where different parts of an advance or further advance are made for different purposes, each of those parts shall be regarded as a separate advance or further advance for the purposes of this section."

Commencement Information

I24 S. 133 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

134 Voluntary disposals by housing associations.

(1) For sub-paragraph (2) of paragraph 2 of Schedule 2 to the [M9]Housing Associations Act 1985 (liability to repay discount is a charge on the premises) there shall be substituted the following sub-paragraphs—

"(2) Subject to sub-paragraphs (2A) and (2B), the charge has priority immediately after any legal charge securing an amount—

(a) left outstanding by the purchaser, or

(b) advanced to him by an approved lending institution for the purpose of enabling him to acquire the interest disposed of on the first disposal.

(2A) The following, namely—

(a) any advance which is made otherwise than for the purpose mentioned in sub-paragraph (2)(b) and is secured by a legal charge having priority to the charge taking effect by virtue of this paragraph, and

(b) any further advance which is so secured,

shall rank in priority to that charge if, and only if, the housing association by written notice served on the institution concerned gives its consent; and the housing association shall so give its consent if the purpose of the advance or further advance is an approved purpose.

(2B) The housing association may at any time by written notice served on an approved lending institution postpone the charge taking effect by virtue of this paragraph to any advance or further advance which—

(a) is made to the purchaser by that institution, and

(b) is secured by a legal charge not having priority to that charge;

and the housing association shall serve such a notice if the purpose of the advance or further advance is an approved purpose."

(2) After sub-paragraph (4) of that paragraph there shall be inserted the following sub-paragraphs—

"(5) The approved purposes for the purposes of this paragraph are—

(a) to enable the purchaser to defray, or to defray on his behalf, any of the following—

(i) the cost of any works to the house,

(ii) any service charge payable in respect of the house for works, whether or not to the house, and

(iii) any service charge or other amount payable in respect of the house for insurance, whether or not of the house, and

(b) to enable the purchaser to discharge, or to discharge on his behalf, any of the following—

(i) so much as is still outstanding of any advance or further advance which ranks in priority to the charge taking effect by virtue of this paragraph,

(ii) any arrears of interest on such an advance or further advance, and

(iii) any costs and expenses incurred in enforcing payment of any such interest, or repayment (in whole or in part) of any such advance or further advance;

and in this sub-paragraph "service charge" has the meaning given by section 621A of the [M10]Housing Act 1985.

(6) Where different parts of an advance or further advance are made for different purposes, each of those parts shall be regarded as a separate advance or further advance for the purposes of this paragraph."

Commencement Information

I25 S. 134 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, **art. 4(b)**

Marginal Citations

M9 1985 c. 69.

M10 1985 c. 68.

Disposals of dwelling-houses by local authorities

135 Programmes for disposals.

(1) For the purposes of this section a disposal of one or more dwelling-houses by a local authority to any person (in this section referred to as a "disposal") is a qualifying disposal if—

(a) it requires the consent of the Secretary of State under section 32 of the 1985 Act (power to dispose of land held for the purposes of Part II), or section 43 of that Act (consent required for certain disposals not within section 32); and

(b) the aggregate of the following, namely—

(i) the number of dwelling-houses included in the disposal; and

(ii) the number of dwelling-houses which, within the relevant period, have been previously disposed of by the authority to that person, or that person and any associates of his taken together,

exceeds 499 or, if the Secretary of State by order so provides, such other number as may be specified in the order.

(2) In subsection (1) "the relevant period" means—

(a) the period of five years ending with the date of the disposal or, if that period begins before the commencement of this section, so much of it as falls after that commencement; or

(b) if the Secretary of State by order so provides, such other period ending with that date and beginning after that commencement as may be specified in the order.

(3) A local authority shall not make a qualifying disposal in any financial year unless the Secretary of State has included the disposal in a disposals programme prepared by him for that year.

(4) A disposal may be included in a disposals programme for a financial year either—

(a) by specifically including the disposal in the programme; or

(b) by including in the programme a description of disposal which includes the disposal.

(5) An application by a local authority for the inclusion of a disposal in a disposals programme for a financial year—

(a) shall be made in such manner and contain such information; and

(b) shall be made before such date,

as the Secretary of State may from time to time direct.

(6) In preparing a disposals programme for any financial year, the Secretary of State shall secure that the aggregate amount of his estimate of the exchequer costs of each of the disposals included in the programme does not exceed such amount as he may, with the approval of the Treasury, determine.

(7) In deciding whether to include a disposal in a disposals programme for a financial year or, having regard to subsection (6), which disposals to include in such a programme, the Secretary of State may, in relation to the disposal or (as the case may be) each disposal, have regard in particular to—

(a) his estimate of the exchequer costs of the disposal;

(b) whether or not a majority of the secure tenants who would be affected by the disposal are (in his opinion) likely to oppose it; and

(c) the matters mentioned in section 34(4A) or 43(4A) (as the case may be) of the 1985 Act;

and in this subsection "secure tenant" has the same meaning as inPart IV of that Act.

(8) In subsections (6) and (7) "the exchequer costs", in relation to a disposal, means any increase which is or may be attributable to the disposal in the aggregate of any subsidies payable under—

(a) section 135(1) of the [M11]Social Security Administration Act 1992 (housing benefit finance); or

(b) section 79 of the 1989 Act (Housing Revenue Account subsidy);

and the Secretary of State's estimate of any such increase shall be based on such assumptions (including assumptions as to the period during which such subsidies may be payable) as he may, with the approval of the Treasury, from time to time determine, regardless of whether those assumptions are or are likely to be borne out by events.

(9) The inclusion of a disposal in a disposals programme for a financial year shall not prejudice the operation of section 32 or 43 of the 1985 Act in relation to the disposal.

(10) The Secretary of State may prepare different disposals programmes under this section for different descriptions of authority; and any disposals programme may be varied or revoked by a subsequent programme.

(11) An order under this section—

(a) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament;

(b) may make different provision for different cases or descriptions of case, or for different authorities or descriptions of authority; and

(c) may contain such transitional and supplementary provisions as the Secretary of State considers necessary or expedient.

(12) Any direction or determination under this section—

(a) may make different provision for different cases or descriptions of case, or for different authorities or descriptions of authority; and

(b) may be varied or revoked by a subsequent direction or determination.

(13) In this section—

"the 1989 Act" means the [M12]Local Government and Housing Act 1989;

"dwelling-house" has the same meaning as in Part V of the 1985 Act except that it does not include a hostel (as defined in section 622 of that Act) or any part of a hostel;

"local authority" has the meaning given by section 4 of that Act;

"long lease" means a lease for a term of years certain exceeding 21 years other than a lease which is terminable before the end of that term by notice given by or to the landlord;

"subsidiary" has the same meaning as in section 28(8) of the [M13]Housing Associations Act 1985.

(14) For the purposes of this section—

(a) a disposal of any dwelling-house shall be disregarded if at the time of the disposal the local authority's interest in the dwelling-house is or was subject to a long lease;

(b) two persons are associates of each other if—

(i) one of them is a subsidiary of the other;

(ii) they are both subsidiaries of some other person; or

(iii) there exists between them such relationship or other connection as may be specified in a determination made by the Secretary of State; and

(c) a description of authority may be framed by reference to any circumstances whatever.

Marginal Citations

M11 1992 c. 5.
M12 1989 c. 42.
M13 1985 c. 69.

136 Levy on disposals.

(1) For the purposes of this section a disposal of one or more dwelling-houses by a local authority to any person is a qualifying disposal if—

(a) it requires the consent of the Secretary of State under section 32 of the 1985 Act (power to dispose of land held for the purposes of Part II), or section 43 of that Act (consent required for certain disposals not within section 32); and

(b) the aggregate of the following, namely—

(i) the number of dwelling-houses included in the disposal; and

(ii) the number of dwelling-houses which, within any relevant period, have been previously or are subsequently disposed of by the authority to that person, or that person and any associates of his taken together,

exceeds 499 or, if the Secretary of State by order so provides, such other number as may be specified in the order.

(2) In subsection (1) "relevant period" means—

(a) any period of five years beginning after the commencement of this section and including the date of the disposal; or

(b) if the Secretary of State by order so provides, any such other period beginning after that commencement and including that date as may be specified in the order.

(3) A local authority which after the commencement of this section makes a disposal which is or includes, or which subsequently becomes or includes, a qualifying disposal shall be liable to pay to the Secretary of State a levy of an amount calculated in accordance with the formula—

$$L = (\mathrm{CR} - D) \times P$$

where—

L = the amount of the levy;

CR = the aggregate of—

(i) any sums received by the authority in respect of the disposal which are, by virtue of section 58 of the 1989 Act (capital receipts), capital receipts for the purposes of Part IV of that Act and do not fall within a description determined by the Secretary of State; and

(ii) where paragraph (a) or (c) of subsection (1) of section 61 of that Act (capital receipts not wholly in money paid to the authority) applies in relation to the disposal, any notional capital receipts determined in accordance with subsections (2) and (3) of that section;

D = such amount as may be calculated in accordance with such formula as the Secretary of State may determine;

P = 20 per cent. or, if the Secretary of State by order so provides, such other percentage as may be specified in the order.

(4) A formula determined for the purposes of item D in subsection (3) may include any variable which is included in a determination made for the purposes of section 80 of the 1989 Act (calculation of Housing Revenue Account subsidy).

[F1(4A) The power of the Secretary of State to determine a formula for the purposes of item D in subsection (3) shall include power to determine that, in such cases as he may determine, item D is to be taken to be equal to item CR.**]**

(5) The administrative arrangements for the payment of any levy under this section shall be such as may be specified in a determination made by the Secretary of State, and such a determination may in particular make provision as to—

(a) the information to be supplied by authorities;

(b) the form and manner in which, and the time within which, the information is to be supplied;

(c) the payment of the levy in stages in such circumstances as may be provided in the determination;

(d) the date on which payment of the levy (or any stage payment of the levy) is to be made;

(e) the adjustment of any levy which has been paid in such circumstances as may be provided in the determination;

(f) the payment of interest in such circumstances as may be provided in the determination; and

(g) the rate or rates (whether fixed or variable, and whether or not calculated by reference to some other rate) at which such interest is to be payable;

and any such administrative arrangements shall be binding on local authorities.

(6) Any amounts by way of levy or interest which are not paid to the Secretary of State as required by the arrangements mentioned in subsection (5) shall be recoverable in a court of competent jurisdiction.

(7) For the purposes of Part IV of the 1989 Act (revenue accounts and capital finance of local authorities) any payment of levy by a local authority under this section shall be treated as expenditure for capital purposes.

(8) Notwithstanding the provisions of section 64 of the 1989 Act (use of amounts set aside to meet credit liabilities) but subject to subsection (9), amounts for the time being set aside by a local authority (whether voluntarily or pursuant to a requirement under Part IV of that Act) as provision to meet credit liabilities may be applied to meet any liability of the authority in respect of any levy payable under this section, other than a liability in respect of interest.

(9) The Secretary of State may by regulations provide that the amounts which may by virtue of subsection (8) be applied as mentioned in that subsection shall not exceed so much of the levy concerned as may be determined in accordance with the regulations.

(10) Any sums received by the Secretary of State under this section shall be paid into the Consolidated Fund; and any sums paid by the Secretary of State by way of adjustment of levies paid under this section shall be paid out of money provided by Parliament.

(11) Before making an order or determination under this section, the Secretary of State shall consult such representatives of local government as appear to him to be appropriate.

(12) An order or regulations under this section—

(a) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament;

(b) may make different provision for different cases or descriptions of case, or for different authorities or descriptions of authority; and

(c) may contain such transitional and supplementary provisions as the Secretary of State considers necessary or expedient.

(13) Any determination under this section—

(a) may make different provision for different cases or descriptions of case, or for different authorities or descriptions of authority; and

(b) may be varied or revoked by a subsequent determination.

(14) Subsections (13) and (14) of section 135 shall apply for the purposes of this section as they apply for the purposes of that section.

Textual Amendments

F1 S. 136(4A) inserted (*retrospectively*) by 1997 c. 16, **s.109**

Modifications etc. (not altering text)

C2 S. 136 amended (28.11.1994) by S.I. 1994/2825, **reg. 53**

137 Disposals: transitional provisions.

(1) The period beginning with the commencement of section 135 and ending with 31st March 1994 (in this section referred to as "the first financial year") shall be treated as a financial year for the purposes of that section; but in relation to that period subsection (5) of that section shall not apply.

(2) If before the commencement of section 135 any statement was made by or on behalf of the Secretary of State—

(a) that, if that section were then in force, he would prepare under that section such disposals programmes for the first financial year as are set out in the statement, and

(b) that, when that section comes into force, he is to be regarded as having prepared under that section the programmes so set out,

those programmes shall have effect as if they had been validly made under that section at the time of the statement.

(3) Any determination or estimate made, or any approval given—

(a) before the commencement of section 135,

(b) before the making of such a statement as is mentioned in subsection (2), and

(c) in connection with the disposals programmes proposed to be set out in the statement,

shall be as effective, in relation to those programmes, as if that section had been in force at the time the determination or estimate was made, or the approval was given.

(4) If before the commencement of section 136 any statement was made by or on behalf of the Secretary of State—

(a) that, if that section were then in force, he would make under that section such determinations as are set out in the statement, and

(b) that, when that section comes into force, he is to be regarded as having made under that section the determinations set out in the statement,

those determinations shall have effect as if they had been validly made under that section at the time of the statement.

(5) Any consultation undertaken—

(a) before the commencement of section 136,

(b) before the making of such a statement as is mentioned in subsection (4), and

(c) in connection with determinations proposed to be set out in the statement,

shall be as effective, in relation to those determinations, as if that section had been in force at the time the consultation was undertaken.

Expenses on defective housing

138 Contributions in respect of certain post-March 1989 expenses.

(1) In section 157 of the [M14]Local Government and Housing Act 1989 (commutation of and interest on periodic payments of grants etc.), in subsection (8) (which changes certain contributions under section 569 of the 1985 Act from annual payments to lump sums), for paragraph (b) there shall be substituted the following paragraph—

"(b) so much of any contributions in respect of an expense incurred on or after 1st April 1989 and before 1st April 1990 as have not been made before 1st April 1990".

(2) This section shall be deemed to have come into force on 1st January 1993.

Marginal Citations
M14 1989 c. 42.

139 Contributions in respect of certain pre-April 1989 expenses.

(1) Where—

(a) before 1st April 1989 a local housing authority incurred any such expense as is referred to in subsection (1) of section 569 of the 1985 Act (assistance by way of reinstatement grant, repurchase or payments for owners of defective housing); and

(b) before 1st January 1993, the Secretary of State has not made in respect of that expense any contribution of such a description as is referred to in subsection (2) of that section, as amended by section 157(8) of the Local Government and Housing Act 1989 (single commuted contributions),

any contributions in respect of that expense which are made under section 569 on or after 1st January 1993 shall be annual payments calculated and payable in accordance with the following provisions of this section.

(2) The amount of the annual payment in respect of any relevant financial year shall be a sum equal to the relevant percentage of the annual loan charges referable to the amount of the expense incurred.

(3) Notwithstanding that annual loan charges are calculated by reference to a 20 year period, annual payments made by virtue of this section shall be made only in respect of relevant financial years ending at or before the end of the period of 20 years beginning with the financial year in which, as the case may be—

(a) the work in respect of which the reinstatement grant was payable was completed;

(b) the acquisition of the interest concerned was completed; or

(c) the payment referred to in subsection (1)(c) of section 569 was made.

(4) Subsections (3) and (4) of section 569 (which determine the relevant percentage and the amount of the expense incurred) apply for the purposes of the preceding provisions of this section as they apply for the purposes of that section.

(5) Nothing in this section affects the operation of subsection (6) of section 569 (terms etc. for payment of contributions).

(6) In this section—

"the annual loan charges referable to the amount of the expense incurred" means the annual sum which, in the opinion of the Secretary of State, would fall to be provided by a local housing authority for the payment of interest on, and the repayment of, a loan of that amount repayable over a period of 20 years;

"relevant financial year" means the financial year beginning on 1st April 1991 and each successive financial year.

(7) This section shall be deemed to have come into force on 1st January 1993.

Housing Revenue Account subsidy

140 Calculation of Housing Revenue Account subsidy.

In subsection (1) of section 80 of the [M15]Local Government and Housing Act 1989 (determination of formulae for calculating Housing Revenue Account subsidy), the words "and for any year the first such determination shall be made before the 25th December immediately preceding that year" shall cease to have effect.

Marginal Citations

M15 1989 c. 42.

Status:
Point in time view as at 02/09/1993. This version of this chapter contains provisions that are not valid for this point in time.

Changes to legislation:
Leasehold Reform, Housing and Urban Development Act 1993, Chapter I is up to date with all changes known to be in force on or before 27 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.