

COMMONHOLD AND LEASEHOLD REFORM ACT 2002

EXPLANATORY NOTES

COMMENTARY ON THE SECTIONS: PART 1

Acquisition of right

Sections 91 and 92: Notices relating to management contracts

164. *Sections 91 and 92* place an obligation on the manager of premises where the right to manage is acquired by a RTM company to serve notices in respect of management contracts he has entered into prior to the date on which the company takes over the management of the premises. These requirements are intended to allow all parties employed in the management of the premises to make the necessary arrangements to prepare for the company taking over the management of the premises. That could include negotiating with the company to continue to provide the services in question.
165. The first notice to be served by virtue of these provisions is a notice to each of the contractors employed by the existing manager to carry out the management of the premises. This is known as a ‘contractor notice’. This notice will inform all such contractors that the right to manage is to be acquired, and state the date on which the company is to take over the management of the premises.
166. The second notice to be served by virtue of these provisions is a notice informing the RTM company of the contractors already employed by the existing manager to carry out the management of the premises. This is known as a ‘contract notice’.
167. Where a contractor receives a ‘contractor notice’, he is in turn required to serve a copy of that notice on any sub-contractor employed by him to carry out the management of the premises. He must also serve a ‘contract notice’ on the RTM company to notify it of such sub-contractors.