

SCHEDULES

SCHEDULE 8

Section 124

ENFRANCHISEMENT BY COMPANY: AMENDMENTS

Land Compensation Act 1973 (c. 26)

- 1 (1) Section 12A of the Land Compensation Act 1973 (tenants participating in collective enfranchisement or entitled to individual lease extension) is amended as follows.
 - (2) In subsection (2)(b)—
 - (a) in sub-paragraph (i), for “participating tenant in relation to” substitute “participating member of a RTE company which is making”, and
 - (b) in sub-paragraph (ii), for the words from “one” to “made” substitute “a member of a RTE company which has made an acquisition”.
 - (3) In subsection (4), for “nominee purchaser” substitute “RTE company”.
 - (4) In subsection (9), for paragraph (b) substitute—
 - “(b) “participating member” and “RTE company” have the same meanings as in Chapter 1 of Part 1 of that Act; and
 - (c) the reference to the making of an acquisition by a RTE company shall be construed in accordance with section 38(2) of that Act.”

Leasehold Reform, Housing and Urban Development Act 1993 (c. 28)

- 2 The 1993 Act has effect subject to the following amendments.
- 3 (1) Section 1 (right to collective enfranchisement) is amended as follows.
 - (2) In subsection (1), for the words from “on qualifying tenants” to the end of paragraph (b) substitute “the right to acquire the freehold of premises to which this Chapter applies on the relevant date, at a price determined in accordance with this Chapter, exercisable subject to and in accordance with this Chapter by a company (referred to in this Chapter as a RTE company) of which qualifying tenants of flats contained in the premises are members;”.
 - (3) In subsection (2)(a), for the words from “the qualifying tenants” to “have acquired,” substitute “the RTE company by which the right to collective enfranchisement is exercised is entitled, subject to and in accordance with this Chapter, to acquire,”.
 - (4) In subsection (5)—
 - (a) for “qualifying tenants” substitute “a RTE company”, and
 - (b) for “those tenants are” substitute “the RTE company is”.
- 4 For section 2(1) (acquisition of leasehold interests) substitute—

Status: This is the original version (as it was originally enacted).

“(1) Where the right to collective enfranchisement is exercised by a RTE company in relation to any premises to which this Chapter applies (“the relevant premises”), then, subject to and in accordance with this Chapter—

- (a) there shall be acquired by the RTE company every interest to which this paragraph applies by virtue of subsection (2); and
- (b) the RTE company shall be entitled to acquire any interest to which this paragraph applies by virtue of subsection (3);

and any interest which the RTE company so acquires shall be acquired in the manner mentioned in section 1(1).”

5 In section 11(4) (right of qualifying tenant to obtain information about superior interests), for “by the tenant in connection with the making” substitute “in connection with the making by a RTE company”.

6 (1) Section 13 (initial notice) is amended as follows.

(2) In subsection (3)—

- (a) in paragraph (e), after “premises” insert “who are participating members of the RTE company”, and
- (b) for paragraph (f) substitute—
“(f) state the name and registered office of the RTE company;”.

(3) After subsection (5) insert—

“(5A) A copy of a notice under this section must be given to each person who at the relevant date is the qualifying tenant of a flat contained in the premises specified under subsection (3)(a)(i).”

(4) In subsection (11), for “nominee purchaser” substitute “RTE company”.

(5) In subsection (13), for “contains restrictions on participating in the exercise of the right to collective enfranchisement” substitute “specifies circumstances in which the fact that a qualifying tenant is a member of a RTE company is to be disregarded when considering whether the requirement in subsection (2)(b) is satisfied”.

7 (1) Section 17 (access for valuation purposes) is amended as follows.

(2) In subsection (1), for “nominee purchaser” substitute “RTE company”.

(3) In subsection (2)—

- (a) for “nominee purchaser” (in both places) substitute “RTE company”, and
- (b) for “his” substitute “its”.

8 (1) Section 18 (duty to disclose existence of agreements affecting premises etc.) is amended as follows.

(2) In subsection (1)—

- (a) for “nominee purchaser”, in the first and last place, substitute “RTE company”, and
- (b) for “tenant”, in the first place, substitute “member”.

(3) In subsection (2)—

- (a) for “nominee purchaser” (in each place) substitute “RTE company”, and
- (b) for “tenants” substitute “members”.

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

- 9 (1) Section 20 (right of reversioner to require evidence of tenant’s right to participate) is amended as follows.
- (2) In subsection (1), for “nominee purchaser a notice requiring him, in the case of any person by whom the initial notice was given, to deduce the title of that person” substitute “RTE company a notice requiring it, in the case of any qualifying tenant of a flat contained in the specified premises who was a participating member of the company at the relevant time, to deduce the title of that qualifying tenant”.
- (3) In subsection (2), for “nominee purchaser” substitute “RTE company”.
- (4) In subsection (3)—
- (a) for “nominee purchaser” (in both places) substitute “RTE company”,
 - (b) for “person” (in each place) substitute “qualifying tenant”, and
 - (c) for “included among the persons who gave the notice” substitute “members of the RTE company”.
- 10 (1) Section 21 (reversioner’s counter notice) is amended as follows.
- (2) In subsection (1), for “nominee purchaser” substitute “RTE company”.
- (3) In subsection (2), for “participating tenants were” (in both places) substitute “RTE company was”.
- (4) In subsection (3), for “nominee purchaser” (in each place) substitute “RTE company”.
- (5) In subsection (4)—
- (a) for “nominee purchaser may be required to acquire on behalf of the participating tenants” substitute “RTE company may be required to acquire”, and
 - (b) for “by the nominee purchaser” substitute “by the RTE company”.
- (6) In subsection (5)—
- (a) for “nominee purchaser” (in both places) substitute “RTE company”,
 - (b) for “his” substitute “its”, and
 - (c) for “him” substitute “it”.
- 11 (1) Section 22 (proceedings relating to validity of initial notice) is amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (a), for “nominee purchaser” substitute “RTE company”, and
 - (b) in paragraph (b), for “nominee purchaser, that the participating tenants were” substitute “RTE company, that it was”.
- (3) In subsections (2), (3) and (6), for “nominee purchaser” substitute “RTE company”.
- 12 In section 23 (claim liable to be defeated where landlord intends to redevelop), for “nominee purchaser” (in each place) substitute “RTE company”.
- 13 (1) Section 24 (applications where terms in dispute or failure to enter contract) is amended as follows.
- (2) In subsection (1), for “nominee purchaser” (in both places) substitute “RTE company”.
- (3) In subsection (2), for “nominee purchaser” substitute “RTE company”.

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- (4) In subsection (3), for “nominee purchaser” (in both places) substitute “RTE company”.
 - (5) In subsection (4)—
 - (a) for “nominee purchaser” (in both places) substitute “RTE company”, and
 - (b) for “him” (in both places) substitute “it”.
 - (6) In subsections (7) and (8), for “nominee purchaser” substitute “RTE company”.
- 14 (1) Section 25 (application where reversioner fails to give counter-notice or further counter-notice) is amended as follows.
- (2) In subsection (1), for—
 - (a) “nominee purchaser” (in each place), and
 - (b) “he”,
 substitute “RTE company”.
 - (3) In subsection (3), for “participating tenants were” substitute “RTE company was”.
 - (4) In subsections (4) and (5), for “nominee purchaser” substitute “RTE company”.
 - (5) In subsection (6)—
 - (a) for “nominee purchaser” (in both places) substitute “RTE company”, and
 - (b) for “him” (in both places) substitute “it”.
- 15 (1) Section 26 (applications where relevant landlord cannot be found) is amended as follows.
- (2) In subsection (1)—
 - (a) for the words from “not less” to “those premises” substitute “a RTE company which satisfies the requirement in section 13(2)(b) wishes to make a claim to exercise the right to collective enfranchisement”,
 - (b) for “qualifying tenants in question” substitute “RTE company”, and
 - (c) for “on behalf of those tenants” substitute “by the RTE company”.
 - (3) In subsection (2)—
 - (a) for the words from “not less” to “those premises” substitute “a RTE company which satisfies the requirement in section 13(2)(b) wishes to make a claim to exercise the right to collective enfranchisement”, and
 - (b) for “qualifying tenants in question” substitute “RTE company”.
 - (4) In subsection (3), for “those tenants” substitute “the RTE company”.
 - (5) In subsection (3A)—
 - (a) for the words from “not less” to “those premises” substitute “a RTE company which satisfies the requirement in section 13(2)(b) wishes to make a claim to exercise the right to collective enfranchisement”, and
 - (b) for “qualifying tenants in question” substitute “RTE company”.
 - (6) In subsection (4)—
 - (a) for “applicants” substitute “RTE company”, and
 - (b) insert at the end (but not as part of paragraph (b)) “and that the RTE company has given notice of the application to each person who is the qualifying tenant of a flat contained in those premises.”

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- (7) In subsection (5)—
- (a) for “applicants” (in both places) substitute “RTE company”, and
 - (b) for “their” substitute “its”.
- (8) In subsection (6), for “applicants” (in each place) substitute “RTE company”.
- (9) In subsection (9), for “persons making the application on any person who the applicants know or have” substitute “RTE company on any person who it knows or has”.
- 16 (1) Section 27 (supplementary provisions about vesting orders under section 26(1)) is amended as follows.
- (2) In subsection (1)—
- (a) for “such person or persons as may be appointed for the purpose by the applicants for the order” substitute “the RTE company”,
 - (b) for “that person or those persons” substitute “the RTE company”,
 - (c) for “applicants had” substitute “RTE company had”, and
 - (d) for “their” (in both places) substitute “its”.
- (3) In subsection (3)—
- (a) for “any person or persons” substitute “the RTE company”,
 - (b) for “his or their” substitute “its”, and
 - (c) for “person or persons to whom the conveyance is made” substitute “RTE company”.
- (4) In subsection (6)—
- (a) for “any person or persons” substitute “the RTE company”, and
 - (b) for “applicants for the vesting order under section 26(1), their personal representatives or assigns” substitute “RTE company”.
- (5) In subsection (7)—
- (a) for “any person or persons” substitute “the RTE company”, and
 - (b) for the words from “his or their” to the end substitute “its acquisition of that interest.”
- 17 (1) Section 28 (withdrawal from acquisition) is amended as follows.
- (2) In subsection (1), for “participating tenants” substitute “RTE company”.
- (3) For subsection (2) substitute—
- “(2) A notice of withdrawal must be given to—
- (a) each person who is the qualifying tenant of a flat contained in the specified premises;
 - (b) the reversioner in respect of the specified premises; and
 - (c) every other relevant landlord who has given to the RTE company a notice under paragraph 7(1) or (4) of Schedule 1.”
- (4) In subsection (4), for the words from “participating tenants” to the end of paragraph (b) substitute “RTE company under subsection (1)—
- (a) the company, and

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- (b) (subject to subsection (5)) every person who is, or has at any time been, a participating member of the company.”
- (5) In subsection (5)—
- (a) in paragraph (a), for “participating” substitute “qualifying”,
 - (b) in paragraph (b), for “tenant in accordance with section 14(4)” substitute “member of the RTE company”, and
 - (c) for “shall be construed in accordance with section 14(10)” substitute “includes an assent by personal representatives, and assignment by operation of law where the assignment is to a trustee in bankruptcy or to a mortgagee under section 89(2) of the Law of Property Act 1925 (c. 20) (foreclosure of leasehold mortgage)”.
- (6) In subsections (6) and (7), for “nominee purchaser” substitute “RTE company”.
- (7) In the sidenote, for “participating tenants” substitute “RTE company”.
- 18 (1) Section 29 (deemed withdrawal of initial notice) is amended as follows.
- (2) After subsection (4) insert—
- “(4A) The initial notice shall be deemed to have been withdrawn if—
- (a) a winding-up order or an administration order is made, or a resolution for voluntary winding up is passed, with respect to the RTE company,
 - (b) a receiver or a manager of the RTE company’s undertaking is duly appointed, or possession is taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the RTE company comprised in or subject to the charge,
 - (c) a voluntary arrangement proposed in the case of the RTE company for the purposes of Part 1 of the Insolvency Act 1986 (c. 45) is approved under that Part of that Act, or
 - (d) the RTE company’s name is struck off the register under section 652 or 652A of the Companies Act 1985 (c. 6).”
- (3) In subsection (8), for “nominee purchaser is, or would (apart from subsection (7)) be,” substitute “RTE company is”.
- 19 In section 30(5) (service of notice to treat before completion of acquisition), for “nominee purchaser” substitute “RTE company”.
- 20 (1) Section 31 (effect on initial notice of designation or application for designation for inheritance tax purposes) is amended as follows.
- (2) In subsection (5)—
- (a) in paragraph (a), for “nominee purchaser” substitute “RTE company”, and
 - (b) in paragraph (b), for the words from “liable” to the end substitute “liable to the RTE company for all reasonable costs incurred in the preparation or giving of the notice or in pursuance of it.”
- (3) In subsection (6), for “nominee purchaser” (in both places) substitute “RTE company”.
- 21 (1) Section 32 (determination of price) is amended as follows.
- (2) In subsection (1)—

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- (a) for “nominee purchaser” substitute “RTE company”, and
 - (b) for “him” substitute “it”.
- (3) In subsection (5)—
 - (a) for “nominee purchaser” substitute “RTE company”,
 - (b) for “him” substitute “it”, and
 - (c) for “he” substitute “it”.
- 22 (1) Section 33 (costs of enfranchisement) is amended as follows.
- (2) In subsection (1), for “nominee purchaser” (in both places) substitute “RTE company”.
- (3) In subsection (3)—
 - (a) for “nominee purchaser's” substitute “RTE company's”, and
 - (b) for “him” substitute “it”.
- (4) In subsections (4) and (5), for “nominee purchaser” substitute “RTE company”.
- 23 In section 34 (conveyance), for “nominee purchaser” (in each place, including the sidenote) substitute “RTE company”.
- 24 In section 35 (discharge of existing mortgages on transfer), for “nominee purchaser” (in each place, including the sidenote) substitute “RTE company”.
- 25 (1) Section 36 (requirement to grant leases back to former freeholder) is amended as follows.
- (2) In subsection (1)—
 - (a) for “him” substitute “it”, and
 - (b) for “nominee purchaser” substitute “RTE company”.
- (3) In subsection (2), for “nominee purchaser” substitute “RTE company”.
- (4) In the sidenote, for “Nominee purchaser” substitute “RTE company”.
- 26 (1) Section 37A (compensation for postponement of termination in connection with ineffective claims) is amended as follows.
- (2) In subsection (1), for “tenants of flats contained in the premises” substitute “a RTE company”.
- (3) In subsection (2), for “person who is a participating tenant” substitute “qualifying tenant who is a participating member of the RTE company”.
- 27 (1) Section 38 (interpretation) is amended as follows.
- (2) In subsection (1), after the definition of “introductory tenancy” insert—
 - ““participating member” has the meaning given by section 4B;
 - “the notice of invitation to participate” means the notice given under section 12A;”.
- (3) In that subsection, after the definition of “the right to collective enfranchisement” insert—
 - ““RTE company” shall be construed in accordance with sections 1(1) and 4A;”.

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

- (4) In subsection (2), for—
- (a) “the nominee purchaser”, in the first place, substitute “a RTE company”, and
 - (b) for “nominee purchaser, on behalf of the participating tenants,” substitute “RTE company”.
- 28 (1) Section 41 (right of qualifying tenant to obtain information in connection with right to acquire new lease) is amended as follows.
- (2) In subsection (4), for the words from “address” to the end substitute “registered office of the RTE company by which it was given.”
 - (3) In subsection (5), for “nominee purchaser” substitute “RTE company”.
- 29 (1) Section 54 (suspension of tenant’s notice during currency of claim under Chapter 1) is amended as follows.
- (2) In subsection (3), for the words from “address” to the end substitute “registered office of the RTE company by which it was given.”
 - (3) In subsection (11), for “nominee purchaser” substitute “RTE company”.
- 30 (1) Section 74 (effect of scheme application on claim to acquire freehold) is amended as follows.
- (2) For “nominee purchaser” (in each place) substitute “RTE company”.
 - (3) In subsection (3), for “him” substitute “it”.
- 31 (1) Section 91 (jurisdiction of leasehold valuation tribunals) is amended as follows.
- (2) In subsection (2), for “nominee purchaser” substitute “RTE company”.
 - (3) In subsection (11), for ““the nominee purchaser” and “the participating tenants” have” substitute ““RTE company” has”.
- 32 (1) In section 93 (agreements excluding or modifying rights of tenant) is amended as follows.
- (2) In subsection (1)—
 - (a) in paragraph (a), for “participate in the making of a claim to exercise” substitute “be, or do any thing as, a member of a RTE company for the purpose of the exercise of”,
 - (b) in paragraph (b), for “a participating tenant for the purposes of Chapter 1 or” substitute “, or doing any thing as, a member of a RTE company (within the meaning of Chapter 1) or of such a RTE company doing any thing or in the event of a tenant”, and
 - (c) in paragraph (c), for “on the tenant in that event” substitute “in the event of a tenant becoming, or doing any thing as, a member of such a RTE company or of such a RTE company doing any thing”.
 - (3) In subsection (4)(a), for “participate in the making of a claim to exercise” substitute “be, or do any thing as, a member of a RTE company for the purpose of the exercise of”.
- 33 (1) Section 93A (powers of trustees in relation to rights) is amended as follows.
- (2) In subsection (1), for “participate in” substitute “become a member (and participating member) of a RTE company for the purpose of”.

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

- (3) In subsection (4), for “participation in” substitute “becoming a member (or participating member) of a RTE company for the purpose of”.
- 34 In section 97(1) (registration)—
- (a) for “the tenant” substitute “a RTE company, tenant”, and
 - (b) for “a tenant” substitute “a RTE company or tenant”.
- 35 In section 98(2) (power to prescribe procedure), for “nominee purchaser” substitute “RTE company”.
- 36 (1) Schedule 1 (conduct of proceedings by reversioner on behalf of other landlords) is amended as follows.
- (2) For “nominee purchaser” (in each place) substitute “RTE company”.
 - (3) In paragraph 6(3), for “participating tenants” substitute “RTE company”.
- 37 (1) Schedule 3 (restrictions on participation, effect of claim on other notices, forfeitures etc.) is amended as follows.
- (2) In paragraphs 1, 2(1), 3(1) and (2) and 4(1), for “not participate in the giving of” substitute “be disregarded when considering whether the requirement in section 13(2)(b) is satisfied in relation to”.
 - (3) In paragraph 3(3), for “to participate in the giving of such a notice of claim” substitute “such a notice of claim to be given”.
 - (4) In paragraph 4(2)—
 - (a) in paragraph (b), for “participating” substitute “qualifying”, and
 - (b) for the words from “entitled” to the end substitute “a member of the RTE company.”
 - (5) In paragraphs 5 and 6(1), for “participating tenant” substitute “participating member of the RTE company”.
 - (6) In paragraph 7—
 - (a) in sub-paragraph (1), for “participating tenant” substitute “participating member of the RTE company”,
 - (b) in that sub-paragraph, for “tenant is participating in the making of the claim” substitute “member is a participating member”, and
 - (c) in sub-paragraph (2), for the words from “entitled” to the end substitute “a member of the RTE company.”
 - (7) In sub-paragraph (1) of paragraph 12—
 - (a) for “qualifying tenants” substitute “RTE company”, and
 - (b) for “them” substitute “it”,and in the heading before that paragraph, for “Qualifying tenants” substitute “RTE company”.
 - (8) In paragraph 12A(1)—
 - (a) for “qualifying tenants” substitute “RTE company”, and
 - (b) for “them” substitute “it”.
 - (9) In paragraph 13(3), for “qualifying tenants by whom” substitute “RTE company by which”.

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

- (10) In paragraph 14—
- (a) in sub-paragraph (1), for “any of the qualifying tenants by whom” substitute “a qualifying tenant who was a member of the RTE company by which”, and
 - (b) in sub-paragraph (2), for “qualifying tenants by whom” substitute “RTE company by which”.
- (11) In paragraph 15(1), after “required by” insert “or by virtue of”.
- (12) For paragraph 16 (and the heading before it) substitute—

“Effect on initial notice of member’s lack of qualification

- 16 Where any of the members of the RTE company by which an initial notice is given was not the qualifying tenant of a flat contained in the premises at the relevant date even though his name was stated in the notice, the notice is not invalidated on that account, so long as a sufficient number of qualifying tenants of flats contained in the premises were members of the company at that date; and for this purpose a “sufficient number” is a number (greater than one) which is not less than one-half of the total number of flats contained in the premises at that date.”
- 38 In Schedule 4 (information to be furnished by reversioner about exercise of rights under Chapter 2), for “nominee purchaser” (in each place) substitute “RTE company”.
- 39 (1) Schedule 5 (vesting orders under sections 24 and 25) is amended as follows.
- (2) For “nominee purchaser” (in each place) substitute “RTE company”.
 - (3) In paragraph 4, for “the participating tenants” substitute “its members”.
- 40 (1) Schedule 6 (purchase price) is amended as follows.
- (2) For “nominee purchaser” (in each place, including the heading) substitute “RTE company”.
 - (3) For “participating tenant” (in each place) substitute “participating member of the RTE company”.
 - (4) In paragraph 3(1)(c), for “the tenant” substitute “the member”.
 - (5) In paragraph 4(2)—
 - (a) for “participating tenants, as” substitute “persons who are participating members of the RTE company immediately before a binding contract is entered into in pursuance of the initial notice, as”, and
 - (b) for “participating tenants, once” substitute “those participating members, once”.
 - (6) In paragraph 10(2), for “he” substitute “it”.
- 41 (1) Schedule 7 (conveyance to nominee purchaser on enfranchisement) is amended as follows.
- (2) For “nominee purchaser” (in each place, including the heading) substitute “RTE company”.
 - (3) In paragraph 4, for “him” (in both places) substitute “it”.

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

- 42 (1) Schedule 8 (discharge of mortgages etc: supplementary provisions) is amended as follows.
- (2) For “nominee purchaser” (in each place) substitute “RTE company”.
- (3) In paragraph 3(1)—
- (a) for “any participating tenant” substitute “any member of the RTE company”,
and
- (b) for “a participating tenant” substitute “any of its members”.
- (4) In paragraph 4(3), for “him” (in both places) substitute “it”.
- 43 In Schedule 9 (grants of lease back to former purchaser), for “nominee purchaser” (in each place) substitute “RTE company”.