

SCHEDULES

THIRD SCHEDULE

Section 16.

REDUCTION OF RENTS

- 1 Where immediately before the commencement of the year first commencing after the passing of this Act (hereinafter referred to as " the relevant year") any lands and heritages are let under a lease other than such a lease as is mentioned in the next following paragraph, then subject to the following provisions of this Schedule the rent payable to the landlord by the tenant in respect of that year and of any subsequent year shall be reduced—
- (a) where the rent is payable in respect of the period of a year, by an amount equal to the owner's share of the rates payable in respect of the lands and heritages for the year in which this Act passed ;
 - (b) where the rent is payable in respect of any lesser period, by an amount which bears the same proportion to the owner's share of the rates so payable as the period in respect of which the rent is payable bears to the period of a year:

Provided that the foregoing provisions of this paragraph shall not apply in relation to any such lease unless immediately before the commencement of the relevant year the occupiers' rates in respect of the lands and heritages let under the lease are payable by the tenant or by a sub-tenant.

- 2 Where immediately before the commencement of the relevant year any lands and heritages are let under a lease for a period of more than twenty-one years or, in the case of minerals, thirty-one years, then subject to the following provisions of this Schedule the rent payable under the lease in respect of that year and of any subsequent year shall be reduced by an amount which bears the same proportion to the owner's share of the rates payable in respect of the lands and heritages for the year in which this Act passed as the rent payable under the lease bears to the gross annual value of the lands and heritages for the last-mentioned year:

Provided that the foregoing provisions of this paragraph shall not apply in relation to any such lease where by virtue of the terms thereof there is not available to the lessee thereunder the right of relief against the landlord conferred by section six of the Lands Valuation (Scotland) Act, 1854.

- 3 (1) Where immediately before the commencement of the relevant year any lands and heritages are let under a lease in terms of which the rent payable falls, or may fall, to be varied on a date occurring after the commencement of the said year, being a lease in relation to which either of the foregoing paragraphs applies, the rent payable in respect of any period after that date shall be a sum equal to the rent which would, apart from this Act, have been then payable reduced by an amount equal to the relevant fraction of such last-mentioned rent.
- (2) In this Schedule the expression " relevant fraction " means—
- (a) as applied to any amount related to lands and heritages to which subsection (1) of section twelve of the Rating (Scotland) Act, 1926, or

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section forty-five of the Local Government (Scotland) Act, 1929, applies, a fraction of which the numerator is the owner's share of the rates payable in respect of such lands and heritages for the year in which this Act passed and the denominator is the gross annual value of those lands and heritages for that year; and

- (b) as applied to any amount related to any other lands and heritages, a fraction of which the numerator is the number of pence per pound of rateable value payable by way of owner's rates in respect of such lands and heritages for the year in which this Act passed and the denominator is two hundred and forty.

4 Where immediately before the commencement of the relevant year any lands and heritages are let under a lease in terms of which the tenant is under an obligation to pay to the landlord an amount in respect of owners' rates, being a lease in relation to which paragraph 1 of this Schedule applies, then—

- (a) on and after the commencement of the said year the tenant shall be relieved of such obligation; and
- (b) the rent to be reduced in accordance with the foregoing provisions of this Schedule in any year shall be ascertained by taking the rent payable to the landlord by the tenant in respect of that year and adding thereto the amount payable to the landlord by the tenant in respect of owner's rates for the year in which this Act passed.

5 (1) Where by virtue of any condition contained in a lease to which paragraph 1 or paragraph 2 of this Schedule applies the rent payable to the landlord by the tenant would, apart from this paragraph, fall to be reduced in consequence of the passing of this Act such condition shall not have effect.

- (2) Where the rent payable under any lease to which paragraph 1 or paragraph 2 of this Schedule applies is varied by agreement between the parties made after the commencement of the relevant year or by virtue of arbitration or a decision of any court after such commencement the foregoing provisions of this Schedule (apart from sub-paragraph (2) of paragraph 3 thereof) shall cease to apply in relation to such lease.

6 Any reference in any Act, order or other document to the net rent or the standard rent of a dwelling-house to which the Rent and Mortgage Interest Restrictions Acts, 1920 to 1939, apply shall, in respect of any period after the commencement of the relevant year, be construed—

- (a) in the case of the net rent, as a reference to such rent reduced by an amount equal to the relevant fraction of that rent; and
- (b) in the case of the standard rent, as a reference to such rent reduced by an amount equal to the relevant fraction of the net rent of that dwelling-house:

Provided that the foregoing provisions of this paragraph shall not apply in relation to the net rent or the standard rent of any dwelling-house of which—

- (i) the standard rent is the rent at which it was let on a lease entered into after the commencement of the relevant year or is an amount ascertainable by apportionment of the rent at which a property of which it formed part was let on such a lease as aforesaid (whether such an apportionment has been made or not);
- (ii) the standard rent has been determined by the court under section six of the Rent and Mortgage Interest Restrictions (Amendment) Act, 1933, after such commencement;

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- (iii) the standard rent is the rent determined under section one of the Landlord and Tenant (Rent Control) Act, 1949, by the Tribunal after such commencement;
 - (iv) the standard rent is the amount deemed to be the standard rent by virtue of proviso (ii) to section one hundred and twenty-five of the Housing (Scotland) Act, 1950, and the tenancy referred to in that proviso begins after such commencement ;
 - (v) the standard rent is—
 - (a) under paragraph (a) of subsection (4) of section sixteen of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act, 1951, or under paragraph (a) of subsection (5) of the said section, or under paragraph (a) of subsection (2) of section seventeen of the said Act, the rent payable in respect of a tenancy qualifying for protection beginning after such commencement or an amount to be ascertained by apportionment of the rent at which a property of which it formed part was let on such a tenancy as aforesaid; or
 - (b) the amount specified in a notice under paragraph (b) of subsection (5) of section sixteen of the said Act, being a notice served after such commencement; or
 - (c) the rent determined under paragraph (c) of subsection (5) of the said section sixteen by the Tribunal after such commencement,
and for the purposes of this sub-paragraph the references to the provisions of section sixteen of the said Act of 1951 shall include references to those provisions as applied by paragraph (b) of subsection (2) of section seventeen of the said Act or paragraph (b) of subsection (2) of section eighteen of that Act;
 - (vi) the standard rent is a rent determined under section twenty-six of the Housing (Repairs and Rents) (Scotland) Act, 1954, by the local authority after such commencement.
- 7 (1) Any reference in any Act, order or other document to the permitted increase in rent under paragraph (a) or paragraph (c) or paragraph (d) of subsection (1) of section two of the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920, shall, in relation to such an increase due and recoverable in respect of a dwelling-house immediately before the commencement of the relevant year, be construed in respect of any period after the commencement of that year as a reference to the said increase reduced by an amount equal to the relevant fraction of such increase.
- (2) Any reference in any Act, order or other document to the permitted increase in rent under paragraph (b) of subsection (1) of section two of the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920, shall, so far as such an increase is in respect of an increase in the amount of the rates payable by the landlord in respect of a dwelling-house other than rates for which he is responsible under the House Letting and Rating (Scotland) Acts, 1911 and 1920, be construed in respect of any period after the commencement of the relevant year as a reference to the said increase reduced by an amount equal to the relevant fraction of such increase.
- 8 (1) The reference in subsection (7) of section twelve of the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920, to the rateable value of any dwelling-house shall, in respect of any period after the commencement of the relevant year, be construed as a reference to the rateable value of that dwelling-house as defined in paragraph (e) of subsection (1) of the said section twelve reduced by an amount equal to the relevant fraction of such rateable value as so defined.

- (2) Any alteration in the rent or the rateable value of any dwelling-house effected by this Act shall, in any question as to the application of subsection (7) of section twelve of the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920, in relation to a lease subsisting at the commencement of the relevant year, be disregarded.
- 9 Where at the commencement of the relevant year the amount of the rent or, as the case may be, the maximum amount of the rent is fixed, determined or approved in respect of any dwelling-house by or in pursuance of any of the enactments specified in the next succeeding paragraph, the amount of such rent or, as the case may be, such maximum amount of the rent shall be reduced by an amount equal to the relevant fraction of such rent or maximum rent.
- 10 The enactments referred to in the last foregoing paragraph are—
- (a) paragraph (b) of subsection (1) of section three of the Housing (Rural Workers) Act, 1926 ;
 - (b) section eighty of the Housing (Scotland) Act, 1950 ;
 - (c) subsection (3) of section one hundred and one of the Housing (Scotland) Act, 1950;
 - (d) subsection (3) of section one hundred and one of the Housing (Scotland) Act, 1950, as applied by subsection (8) of section three of the Housing (Scotland) Act, 1952;
 - (e) section one hundred and thirteen of the Housing (Scotland) Act, 1950;
 - (f) paragraph (c) (ii) of subsection (1) of section one hundred and fourteen of the Housing (Scotland) Act, 1950;
 - (g) section one hundred and twenty-one of the Housing (Scotland) Act, 1950;
 - (h) section six of Housing (Repairs and Rents) (Scotland) Act, 1954.
- 11 Where the maximum rent of any dwelling-house which immediately before the commencement of the relevant year is subject to the conditions specified in subsection (1) of section one hundred and fourteen of the Housing (Scotland) Act, 1950, has been reduced under paragraph 9 of this Schedule, the local authority for the purposes of that Act shall send by registered post to the owner of the said dwelling-house notice in the prescribed form setting forth the effect of this Schedule on such maximum rent.
- 12 Where at any time after the commencement of the relevant year a dwelling-house becomes subject to the condition as to maximum rent specified in paragraph (c) of subsection (1) of section one hundred and fourteen of the Housing (Scotland) Act, 1950, and the maximum rent of such dwelling-house falls to be determined under that paragraph by reference to the rent which was payable under a lease which had terminated before the commencement of the said year, such maximum rent shall not be determined by reference to the rent payable under that lease but shall be determined by reference to that rent reduced by an amount equal to the relevant fraction of that rent.
- 13 It shall be the duty of any landlord who by virtue of section sixteen of this Act ceases to be liable in payment of any rate to give, not later than the commencement of the relevant year, to the occupier who becomes liable in payment of such rate, notice in the prescribed form setting forth the total amount of such rate in the year in which this Act passed, or the proportion thereof attributable to the lands and heritages occupied by the occupier, as the case may be, and such other information as appears to the Secretary of State expedient for informing the occupier of the effect of this Schedule.

- 14 Any dispute as to the amount of the owner's share of the rates payable in respect of any lands and heritages shall, failing agreement between the parties, be determined by the rating authority, whose decision shall be final.
- 15 For the purposes of this Schedule—
- (a) the expression " lease " means a letting for a term of years or for lives or for lives and years or from year to year or for a part of a year, and includes a sub-lease; and "landlord," "tenant" and "lessee" shall be construed accordingly ;
 - (b) a lease shall be deemed to have been entered into on the date of the term of entry thereunder ;
 - (c) a tenant shall include a tenant as defined in paragraph (g) of subsection (1) of section twelve of the Increase of Rent and Mortgage Interest (Restrictions) Act, 1920, and a tenant or lessee occupying under tacit relocation following on a lease or by virtue of the Rent and Mortgage Interest Restrictions Acts, 1920 to 1939, after the termination of a lease shall be deemed to be occupying under that lease;
 - (d) a landholder or a statutory small tenant within the meaning of the Small Landholders (Scotland) Acts, 1886 to 1931, who is occupying a holding immediately before the commencement of the relevant year, and a crofter within the meaning of the Crofters (Scotland) Act, 1955, who is occupying a croft immediately before such commencement, and the statutory successor of any such landholder, statutory small tenant or crofter, shall be deemed to be occupying the holding or croft, as the case may be, under a lease for a period of not more than twenty-one years.
 - (e) " prescribed" means prescribed by regulations made by statutory instrument by the Secretary of State.