

Leasehold and Freehold Reform Bill

AMENDMENTS
TO BE MOVED
IN COMMITTEE OF THE WHOLE HOUSE

Schedule 1

BARONESS SCOTT OF BYBROOK

Schedule 1, page 136, line 10, leave out from “tenancy” to the end of line 12 and insert “_

- (a) allows for the tenant to acquire the freehold of the house (if the landlord has the freehold), or
- (b) provides that the terms of the lease which make the lease a shared ownership lease cease to have effect (if the landlord does not have the freehold),

without the payment of further consideration.”

Member's explanatory statement

This amendment amends the definition of a shared ownership lease so that it includes the case where a tenant has the right to acquire the freehold. This is in line with the definition being inserted into the LRA 1967 by paragraph 13 of Schedule 8 to the Bill.

Clause 27

BARONESS SCOTT OF BYBROOK

Clause 27, page 18, line 8, at end insert –

- “(ca) in section 23 (agreements excluding or modifying rights of tenant), in subsection (2)(b), omit the words from “or any provision” to “or any part of it”;

Member's explanatory statement

This amendment would prevent a landlord and tenant agreeing to a restriction on the tenant making a repeated enfranchisement or extension claim.

Schedule 3

BARONESS SCOTT OF BYBROOK

Schedule 3, page 151, line 13, at end insert –

“(ea) any combined county authority established under section 9(1) of the Levelling-up and Regeneration Act 2023;”

Member's explanatory statement

This amendment would reflect provision that has come into force since the Bill was introduced.

BARONESS SCOTT OF BYBROOK

Schedule 3, page 152, line 17, leave out paragraph (f)

Member's explanatory statement

This amendment would reflect that the Development Board for Rural Wales has been abolished.

BARONESS SCOTT OF BYBROOK

Schedule 3, page 152, line 25, at end insert –

“(ma) any clinical commissioning group;
(mb) any Strategic Health Authority;
(mc) any Primary Care Trust;”

Member's explanatory statement

This amendment would ensure that the bodies listed are “local authorities” for the purpose of section 57 of the Landlord and Tenant Act 1954.

BARONESS SCOTT OF BYBROOK

Schedule 3, page 152, line 30, leave out “National Rivers Authority” and insert “Environment Agency”

Member's explanatory statement

This amendment would replace reference to the National Rivers Authority with reference to its successor body, the Environment Agency.

Clause 36

BARONESS ANDREWS

Clause 36, page 29, line 29, at end insert “and has effect subject to section (LRHUDA 1993: Non-development guarantee)”

Member's explanatory statement

This amendment is related to another amendment in the name of Baroness Andrews inserting a new Clause (LRHUDA 1993: Non-development Guarantee).

After Clause 36

BARONESS ANDREWS

After Clause 36, insert the following new Clause—

“LRHUDA 1993: Non-development guarantee

- (1) For the purpose of securing a reduction in the price payable for collective enfranchisement in relation to any premises, a nominee purchaser (“N”) may propose to give a guarantee, in this Act referred to as a “non-development guarantee” or “NDG”, specifying works of development, including, if any, demolition, reconstruction or substantial works of construction on the whole or a substantial part of those premises (the “specified works”), which, if N were successful in securing the statutory grant or transfer it sought, it would, for the duration of the guarantee, warrant not to undertake, or permit to be undertaken.
- (2) Where such an NDG is proposed, then, in calculating the compensation, if any, payable under Schedule 5 for a loss of development value, there shall be disregarded the possibility of any demolition, reconstruction or substantial work of construction in relation to the premises which corresponds to some or all of the specified works.
- (3) Where in consequence of proceedings under Chapter 1 of Part 1 of the LRHUDA 1993 a statutory grant or transfer is effected, whether under binding contract to which the nominee purchaser is party or by order under section 24(4) of the LRHUDA 1993, then, where the price payable has been reduced in consequence of the terms of an NDG, whether as proposed in the notice under section 13(1) of the LRHUDA 1993, or as varied in the course of those proceedings, those terms shall be set out expressly in the contract or order as the case may be.
- (4) When the statutory grant or transfer has been effected, the immediately former freeholder may register any applicable NDG as a local land charge in relation to the premises in question.
- (5) The NDG registered under (4) above is enforceable by injunction by the immediately former freeholder of the premises in question.
- (6) An NDG expires 10 years after the date of the statutory grant or transfer to which it is applicable.
- (7) From the date of expiry of an NDG the freeholder of the premises to which it is applicable shall, for the purposes of discharging the registration of the NDG as a local land charge, be treated for the purposes of the Local Land Charges Act 1975, to the exclusion of the immediately former freeholder, as the person by whom the charge was enforceable.

- (8) Notwithstanding any provision in or having effect under the Local Land Charges Act 1975, no variation to a registered NDG shall have effect unless agreed to by both the immediately former freeholder and the current freeholder of the premises concerned.
- (9) In section 13(3) of the LRHUDA 1993, after paragraph (d) insert—
 “(da) specifying the terms of any NDG proposed by the nominee purchaser”
- (10) In section 24(8) of the LRHUDA 1993, after paragraph (c) insert—
 “(ca) the terms of any NDG affecting such amounts payable”
- (11) In section 38(1) of the LRHUDA 1993, after the entry for “the nominee purchaser” insert—
 ““non-development guarantee” or “NDG” has the meaning given by section (LRHUDA 1993: *Non-development Guarantee*)(1) of the Leasehold and Freehold Reform Act 2024””

Member's explanatory statement

The new clause gives effect to Option 9 of the Law Commission's "Report on options to reduce the price payable", Law Com 387, as adopted by the Government in January 2021, to the effect that "Leaseholders will also be able to voluntarily agree to a restriction on future development of their property to avoid paying "development value".

Schedule 4

BARONESS SCOTT OF BYBROOK

Schedule 4, page 157, line 35, at end insert—

- “(1A) If section 3(3) of the LRA 1967 applies to the current lease (successive leases treated as a single lease), sub-paragraph (1) is to apply only if the one of those leases which is in effect at the valuation date is a market rack rent lease.”

Member's explanatory statement

This modifies the application of paragraph 8 where successive leases are "chained" to constitute a long lease under the LRA 1967.

LORD HOWARD OF RISING
 BARONESS DEECH

Schedule 4, page 160, line 27, at end insert “, but see sub-paragraph (3A).”

LORD HOWARD OF RISING
BARONESS DEECH

Schedule 4, page 161, line 15, at end insert “, but see sub-paragraph (3A).

- (3A) Assumption 2 is not to be made where –
- (a) the claimant held the lease on the day on which this Act was passed, and
 - (b) on that day the lease was of less than 80 years’ duration.
- Accordingly, marriage or hope value is payable in the case of a lease of less than 80 years’ duration at the date of the passage of this Act.”

BARONESS SCOTT OF BYBROOK

Schedule 4, page 161, line 24, leave out from “of” to “a” in line 27 and insert “–

- (a) the relevant freehold on the transfer of a freehold house under the LRA 1967, or
- (b) the notional lease on”

Member's explanatory statement

This amendment would correct the references in paragraph 18 to what is being valued under Schedule 4.

BARONESS SCOTT OF BYBROOK

Schedule 4, page 163, line 40, leave out “time of valuation” and insert “valuation date”

Member's explanatory statement

This changes the terminology used in paragraph 21(2)(a) so that the correct defined term is used.

BARONESS SCOTT OF BYBROOK

Schedule 4, page 165, line 26, leave out “a lease (the “lease being valued”)” and insert “the current lease”

Member's explanatory statement

This amendment would avoid the “current lease” (the terminology otherwise used in Schedule 4) being referred to by a different term (“lease being valued”) in paragraph 25.

BARONESS SCOTT OF BYBROOK

Schedule 4, page 165, line 28, leave out “lease being valued” and insert “current lease”

Member's explanatory statement

This amendment would avoid the “current lease” (the terminology otherwise used in Schedule 4) being referred to by a different term (“lease being valued”) in paragraph 25.

BARONESS SCOTT OF BYBROOK

Schedule 4, page 165, line 31, leave out “lease being valued” and insert “current lease”

Member's explanatory statement

This amendment would avoid the “current lease” (the terminology otherwise used in Schedule 4) being referred to by a different term (“lease being valued”) in paragraph 25.

BARONESS SCOTT OF BYBROOK

Schedule 4, page 165, line 35, leave out “lease being valued” and insert “current lease”

Member's explanatory statement

This amendment would avoid the “current lease” (the terminology otherwise used in Schedule 4) being referred to by a different term (“lease being valued”) in paragraph 25.

BARONESS SCOTT OF BYBROOK

Schedule 4, page 165, line 38, leave out “lease being valued” and insert “current lease”

Member's explanatory statement

This amendment would avoid the “current lease” (the terminology otherwise used in Schedule 4) being referred to by a different term (“lease being valued”) in paragraph 25.

BARONESS SCOTT OF BYBROOK

Schedule 4, page 166, line 21, leave out “lease being valued” and insert “current lease”

Member's explanatory statement

This amendment would avoid the “current lease” (the terminology otherwise used in Schedule 4) being referred to by a different term (“lease being valued”) in paragraph 25.

BARONESS SCOTT OF BYBROOK

Schedule 4, page 166, line 23, leave out “lease being valued” and insert “current lease”

Member's explanatory statement

This amendment would avoid the “current lease” (the terminology otherwise used in Schedule 4) being referred to by a different term (“lease being valued”) in paragraph 25.

BARONESS SCOTT OF BYBROOK

Schedule 4, page 166, line 30, at end insert –

“(10A) If section 3(3) of the LRA 1967 applies to the current lease (successive leases treated as a single lease), sub-paragraph (9) is to apply only if the one of those

leases which is in effect at the valuation date meets the condition in sub-paragraph (9)(a) or (b).”

Member's explanatory statement

This modifies the application of paragraph 25 where successive leases are “chained” to constitute a long lease under the LRA 1967.

BARONESS SCOTT OF BYBROOK

Schedule 4, page 166, line 31, leave out “lease being valued” and insert “current lease”

Member's explanatory statement

This amendment would avoid the “current lease” (the terminology otherwise used in Schedule 4) being referred to by a different term (“lease being valued”) in paragraph 25.

Clause 41

BARONESS SCOTT OF BYBROOK

Clause 41, page 51, line 10, at beginning insert “the appropriate tribunal may”

Member's explanatory statement

This amendment would correct an error.

Schedule 8

BARONESS SCOTT OF BYBROOK

Schedule 8, page 196, line 17, leave out “paragraphs 11 to 15” and insert “this Part of this Schedule”

Member's explanatory statement

This amendment is consequential on the removal of the amendment to the Housing and Planning Act 1986 in paragraph 16 of Schedule 8.

BARONESS SCOTT OF BYBROOK

Schedule 8, page 199, line 34, leave out from beginning to end of line 3 on page 200

Member's explanatory statement

This amendment is consequential on alternative amendments to the Housing and Planning Act 1986 being made in the new Schedule of consequential amendments to be inserted after Schedule 8.

Clause 45

BARONESS SCOTT OF BYBROOK

Clause 45, page 55, line 37, at end insert –

- “(4) Subsection (1) does not apply in any of the following cases –
- (a) the tenancy was created by the grant of a lease under Part 5 of the Housing Act 1985 (a “right to buy lease”);
 - (b) the tenancy is, by virtue of section 3(3), treated as a single tenancy with a tenancy created by the grant of a right to buy lease;
 - (c) the tenancy is a sub-tenancy directly or indirectly derived out of a tenancy falling within paragraph (a) or (b);
 - (d) the tenancy was granted under this Part in substitution for a tenancy or sub-tenancy falling within paragraph (a), (b) or (c).”

Member's explanatory statement

This amendment would prevent the tenants listed from exercising the right in new section 7A of the LRA 1967 to have that Act apply without the amendments in the Bill.

After Clause 45

BARONESS SCOTT OF BYBROOK

After Clause 45, insert the following new Clause –

“Part 2: consequential amendments to other legislation

Schedule (*Part 2: consequential amendments to other legislation*) contains amendments to other legislation that are consequential on this Part.”

Member's explanatory statement

This new clause would introduce the new Schedule on consequential amendments to be inserted before Schedule 9.

Before Schedule 9

BARONESS SCOTT OF BYBROOK

Before Schedule 9, insert the following new Schedule –

“SCHEDULE**PART 2: CONSEQUENTIAL AMENDMENTS TO OTHER LEGISLATION**

Parliamentary Commissioner Act 1967

- 1 In Schedule 4 to the Parliamentary Commissioner Act 1967 (relevant tribunals), in the entry relating to rent assessment committees, omit “and also known as

leasehold valuation tribunals for the purpose of determinations pursuant to section 21(1), (2) and (3) of the Leasehold Reform Act 1967”.

Leasehold Reform Act 1979

- 2 In section 1 of the Leasehold Reform Act 1979 (price of enfranchisement under the LRA 1967 not to be made less favourable by reference to superior interest), in subsection (1), after “the price payable on a conveyance for giving effect to that section” insert “, in a case where the price payable is determined under section 9(1) of that Act by virtue of section 7A of that Act,”.

Local Government Act 1985

- 3 In Schedule 13 to the Local Government Act 1985 (residuary bodies) –
- (a) in paragraph 14(aa), at the end insert “, where it applies by virtue of section 7A or 32(5) of that Act”;
 - (b) omit paragraph 17.

Housing Act 1985

- 4 In the Housing Act 1985 –
- (a) in section 115 (meaning of “long tenancy”) –
 - (i) for subsection (2)(c) substitute –
 - “(c) at the time it is granted, it complies with the specified requirements.”;
 - (ii) after subsection (2) insert –
 - “(3) The “specified requirements” are –
 - (a) in the case of a tenancy granted before 11 December 1987, the requirements of the Housing (Exclusion of Shared Ownership Tenancies from the Leasehold Reform Act 1967) Regulations 1982 (S.I. 1982/62) (including where the tenancy was granted before those regulations came into force);
 - (b) in the case of a tenancy granted on or after 11 December 1987 and before the 2024 Act commencement day, the requirements in paragraph 2 of Schedule 2 to the Housing Association Shared Ownership Leases (Exclusion from Leasehold Reform Act 1967 and Rent Act 1977) Regulations 1987 (S.I. 1987/1940);
 - (c) in the case of a tenancy granted on or after the 2024 Act commencement day, requirements specified in regulations made by the appropriate authority.
 - (4) The “2024 Act commencement day” is the day on which paragraph 11 of Schedule 8 to the Leasehold and Freehold Reform Act 2024 comes into force.

- (5) “The appropriate authority” means –
 - (a) in relation to England, the Secretary of State;
 - (b) in relation to Wales, the Welsh Ministers.
- (6) Regulations under subsection (3)(c) –
 - (a) are to be made by statutory instrument;
 - (b) may make provision generally or only in relation to specific cases;
 - (c) may make different provision for different purposes or different areas;
 - (d) may include supplementary, incidental, transitional or saving provision.
- (7) A statutory instrument containing regulations under this section is subject to annulment in pursuance of –
 - (a) where it contains regulations made by the Secretary of State, a resolution of either House of Parliament;
 - (b) where it contains regulations made by the Welsh Ministers, a resolution of Senedd Cymru.”;
- (b) omit section 175 (determination of price payable on enfranchisement under LRA 1967 where tenancy created under right to buy).

Landlord and Tenant Act 1985

- 5 In section 26 of the LTA 1985 (exception to service charge restrictions for public authority tenants) –
 - (a) for subsection (3)(c) substitute –
 - “(c) at the time it is granted it complies with the specified requirements.”;
 - (b) after subsection (3) insert –
 - “(4) The “specified requirements” are –
 - (a) in the case of a tenancy granted before 11 December 1987, the requirements of the Housing (Exclusion of Shared Ownership Tenancies from the Leasehold Reform Act 1967) Regulations 1982 (S.I. 1982/62) (including where the tenancy was granted before those regulations came into force);
 - (b) in the case of a tenancy granted on or after 11 December 1987 and before the 2024 Act commencement day, the requirements in paragraph 2 of Schedule 2 to the Housing Association Shared Ownership Leases (Exclusion from Leasehold Reform Act 1967 and Rent Act 1977) Regulations 1987 (S.I. 1987/1940);
 - (c) in the case of a tenancy granted on or after the 2024 Act commencement day, requirements specified in regulations made by the appropriate authority.

- (5) The “2024 Act commencement day” is the day on which paragraph 11 of Schedule 8 to the Leasehold and Freehold Reform Act 2024 comes into force.
- (6) Regulations under subsection (4)(c) –
 - (a) are to be made by statutory instrument;
 - (b) may make provision generally or only in relation to specific cases;
 - (c) may make different provision for different purposes or different areas;
 - (d) may include supplementary, incidental, transitional or saving provision.
- (7) A statutory instrument containing regulations under this section is subject to the negative procedure.”

Housing and Planning Act 1986

- 6 In Schedule 4 to the Housing and Planning Act 1986 (shared ownership leases), in paragraph 11 (transitional provisions and savings) –
 - (a) in sub-paragraph (1), at the end insert “, subject to sub-paragraphs (1A) and (2)”;
 - (b) for sub-paragraph (2) substitute –
 - “(1A) The amendment made by paragraph 7 (repeal of section 140 of the Housing Act 1980) also applies in relation to leases granted before the commencement of this Schedule, except in cases where, under section 7A or 32(5) of the Leasehold Reform Act 1967, the Leasehold Reform Act 1967 has effect without the amendments made by the Leasehold and Freehold Reform Act 2024.
 - (2) In those cases, this Schedule does not affect the operation of section 140 of the Housing Act 1980, the enactments applying that section or regulations made under it.”

Housing Act 1988

- 7 In Schedule 17 to the Housing Act 1988 (minor and consequential amendments) –
 - (a) omit paragraph 40;
 - (b) omit paragraph 68.

Local Government and Housing Act 1989

- 8 In paragraph 5 of Schedule 10 to the Local Government and Housing Act 1989 (security of tenure for long residential leases) –
 - (a) in sub-paragraph (4), for the words from “unless” to the end substitute “unless –
 - (a) the landlord is a relevant authority, and

- (b) the premises are required for relevant development.”;
- (b) after sub-paragraph (4) insert –
- “(4A) For those purposes –
- (a) “relevant authority” means a person referred to in any paragraph of section 38(2) of the Leasehold Reform Act 1967;
- (b) “relevant development” –
- (i) in relation to a relevant authority other than a health authority, means development for the purposes (other than investment purposes) of that body;
- (ii) in relation to a relevant authority that is a health authority, means development for the purposes of the National Health Service Act 2006 or the National Health Service (Wales) Act 2006;
- (iii) in relation to a relevant authority that is a university body, also includes development for the purposes of any related university body;
- (iv) in relation to a relevant authority that is a local authority, also includes area development;
- (c) “health authority” means –
- (i) NHS England;
- (ii) any integrated care board;
- (iii) any Local Health Board;
- (iv) any Special Health Authority;
- (v) any National Health Service trust;
- (vi) any NHS foundation trust;
- (vii) any clinical commissioning group;
- (viii) any Strategic Health Authority;
- (ix) any Primary Care Trust;
- (d) “university body” and “related university body” have the same meaning as in section 29(6ZA) of the Leasehold Reform Act 1967;
- (e) “local authority” has the same meaning as in section 29(5) of the Leasehold Reform Act 1967;
- (f) “area development” means any development to be undertaken, whether or not by a local authority, in order to secure –
- (i) the development or redevelopment of an area defined by a development plan under the Planning and Compulsory Purchase Act 2004 as an area of comprehensive development;
- (ii) the treatment as a whole, by development, redevelopment or improvement, or partly by one

and partly by another method, of any area in which the premises are situated.”

Local Government (Wales) Act 1994

- 9 In Schedule 13 to the Local Government (Wales) Act 1994, in paragraph 24 –
- (a) omit paragraph (b);
 - (b) in paragraph (c), at the end insert “, where it applies by virtue of section 7A or 32(5) of that Act”.

Housing Act 1996

- 10 In the Housing Act 1996 –
- (a) omit section 109 (collective enfranchisement: valuation);
 - (b) omit section 110 (lease extension for flats: valuation);
 - (c) in Schedule 10 (consequential amendments) –
 - (i) in paragraph 6, omit sub-paragraph (4);
 - (ii) omit paragraph 18;
 - (d) in Schedule 11 (compensation for postponement of termination in connection with ineffective claims) –
 - (i) in paragraph 2, omit sub-paragraph (2);
 - (ii) in paragraph 3, omit sub-paragraph (2).

Commonhold and Leasehold Reform Act 2002

- 11 In the CLRA 2002 –
- (a) omit section 126 (collective enfranchisement: valuation date);
 - (b) omit section 127 (collective enfranchisement: freeholder’s share of marriage value);
 - (c) omit section 128 (collective enfranchisement: disregard of marriage value for very long leases);
 - (d) in section 130 (lease extension for flats: residence test), omit subsection (2);
 - (e) omit section 132 (lease extension for flats: personal representatives);
 - (f) omit section 134 (lease extension for flats: valuation date);
 - (g) omit section 135 (lease extension for flats: freeholder’s share of marriage value);
 - (h) omit section 136 (lease extension for flats: disregard of marriage value for very long leases);
 - (i) in Schedule 13 (leasehold valuation tribunals), omit paragraph 15.

Finance Act 2003

- 12 In the Finance Act 2003 –
- (a) in Schedule 4 (stamp duty land tax: chargeable consideration), for paragraph 16C substitute –
 - “16C The following do not count as chargeable consideration –

- (a) costs borne by the purchaser under section 9(4) of the Leasehold Reform Act 1967, where it applies by virtue of section 7A of that Act;
 - (b) any amount payable by the purchaser under section 19C of the Leasehold Reform Act 1967;
 - (c) any amount payable by the purchaser under section 89C or 89D of the Leasehold Reform, Housing and Urban Development Act 1993.”;
- (b) in Schedule 17A (leases: further provision), in paragraph 10 (tenants’ obligations etc that do not count as chargeable consideration), for sub-paragraph (1)(f) substitute –
- “(f) any liability of the tenant for costs under section 14(2) of the Leasehold Reform Act 1967, where it applies by virtue of section 32(5) of that Act;
 - (fa) any amount payable by the tenant under section 19C of the Leasehold Reform Act 1967 or section 89F of the Leasehold Reform, Housing and Urban Development Act 1993;”.

Companies Act 2006

- 13 In section 1181 of the Companies Act 2006 (access to constitutional documents of RTE and RTM companies) –
- (a) in the heading, omit “RTE and”;
 - (b) in subsection (1), omit paragraph (a);
 - (c) in subsection (4), omit the definition of “RTE companies”.

Enterprise and Regulatory Reform Act 2013

- 14 In section 84 of the Enterprise and Regulatory Reform Act 2013 (redress schemes: property management work), in subsection (10), omit the words from “or which” to the end.

Immigration Act 2014

- 15 In Schedule 3 to the Immigration Act 2014 (excluded residential tenancy agreements), in paragraph 13(2)(a), omit the words from “or which” to the end.

Consumer Rights Act 2015

- 16 In section 88 of the Consumer Rights Act 2015 (duty of letting agents to publicise fees: supplementary provisions), in subsection (1), in the definition of “long lease”, omit paragraph (a)(ii) and the “or” preceding it.

Housing and Planning Act 2016

- 17 In Schedule 10 to the Housing and Planning Act 2016 (leasehold enfranchisement and extension: calculations) –
- (a) omit paragraph 4;

- (b) omit paragraph 5.

Tenant Fees Act 2019

- 18 In section 28 of the Tenant Fees Act 2019 (interpretation), in subsection (1), in the definition of “long lease”, omit paragraph (b) and the “or” preceding it.

Building Safety Act 2022

- 19 In Schedule 8 to the BSA 2022 (remediation costs), in paragraph 6 (permitted maximum) –
- (a) in sub-paragraph (5), omit “total” in each place it occurs;
 - (b) in sub-paragraph (8) –
 - (i) for “total” substitute “tenant’s”;
 - (ii) for “section 7” substitute “section 101(1)”.

Member's explanatory statement

This new Schedule would make amendments to other legislation in consequence of Part 2.

Schedule 9

BARONESS SCOTT OF BYBROOK

Schedule 9, page 212, line 22, at beginning insert “the appropriate tribunal may”

Member's explanatory statement

This amendment would correct an error.

BARONESS SCOTT OF BYBROOK

Schedule 9, page 221, line 16, first column, leave out “premium” and insert “price”

Member's explanatory statement

This amendment would reflect other amendments in the Bill to change references to the premium to references to the price.

Clause 51

BARONESS SCOTT OF BYBROOK

Clause 51, page 59, line 15, leave out “as follows” and insert “in accordance with subsections (2) to (6)”

Member's explanatory statement

This amendment is consequential on the other Government amendment to this clause.

BARONESS SCOTT OF BYBROOK

Clause 51, page 60, line 19, at end insert –

- “(7) The Landlord and Tenant Act 1987 (“the LTA 1987”) is amended in accordance with subsections (8) to (10).
- (8) In the provisions referred to in subsection (9), in each place they occur –
- (a) for “service charge” substitute “variable service charge”;
 - (b) for “service charges” substitute “variable service charges”.
- (9) The provisions are –
- (a) in section 24 (appointment of manager by tribunal), subsections (2) and (2A);
 - (b) in section 35 (application by party to lease for variation of lease), subsections (2) and (4);
 - (c) in section 42 (service charge contributions to be held in trust), the heading and subsections (1), (2), (3), (4), (6), and (8).
- (10) In section 35(8), for ““service charge” has the meaning” substitute ““service charge” and “variable service charge” have the meaning”.
- (11) In section 167 of the CLRA 2002 (failure to pay small amount for short period) –
- (a) in subsection (1), for “service charges” substitute “variable service charges”;
 - (b) in subsection (5), for “service charge” substitute “variable service charge”.

Member's explanatory statement

This amendment would, in light of the amended definition of “service charges” in section 18 of the LTA 1985, make amendments to provisions in the LTA 1987 and CLRA 2002 that use that definition so that they refer to “variable service charges” (and accordingly preserve the current effect of those provisions).

Clause 53

BARONESS SCOTT OF BYBROOK

Clause 53, page 62, line 28, leave out “the Landlord and Tenant Act 1987 (“the LTA 1987”)” and insert “the LTA 1987”

Member's explanatory statement

This amendment is consequential on the Government amendments to clause 51.

Clause 54

BARONESS SCOTT OF BYBROOK

Clause 54, page 63, line 21, leave out paragraph (b) and insert –

- “(b) that, on or before the account date for an accounting period in respect of which a statement of account is provided, the landlord must

provide the tenant with a written report about the statement prepared by a qualified accountant, which –

- (i) is prepared in accordance with specified standards for the review of financial information, and
- (ii) includes a statement by the accountant, in a specified form and manner, that the report is a faithful representation of what it purports to represent;
- (c) that the landlord must provide adequate accounts, receipts or other documents or explanations to the accountant to enable them to provide the report;
- (d) that, if the landlord incurs costs in obtaining the report, the tenant must pay the landlord a fair and reasonable contribution to those costs.”

Member's explanatory statement

This amendment would clarify that the obligations of the landlord are to obtain a report from a qualified accountant as to the accuracy of the statement of account and to provide adequate documents to the accountant, and would require the tenant to contribute towards the costs of the report.

BARONESS SCOTT OF BYBROOK

Clause 54, page 63, line 36, at end insert –

- “(4A) An amount payable under the term implied by subsection (2)(d) –
- (a) is a variable service charge for the purposes of section 18, and the provisions of this Act relating to service charges apply accordingly;
 - (b) is payable irrespective of whether a lease, contract or other arrangement provides for it to be payable as a service charge.”

Member's explanatory statement

This amendment would subject any costs payable under the new section 21D(2)(d) to the restrictions relating to variable service charges.

BARONESS SCOTT OF BYBROOK

Clause 54, page 65, line 7, leave out “certification of” and insert “report on”

Member's explanatory statement

This amendment is consequential on the amendment to new section 21D(2)(b).

BARONESS SCOTT OF BYBROOK

Clause 54, page 65, line 8, at end insert –

- “(aa) for subsection (2) substitute –
- “(2) A person has the necessary qualification if the person –

- (a) is eligible for appointment as a statutory auditor under Part 42 of the Companies Act 2006, or
- (b) satisfies such other requirement or requirements as may be specified in regulations made by the appropriate authority.”;

Member's explanatory statement

This amendment would allow an appropriate authority to expand the meaning of “the necessary qualification” in section 28(2) of the LTA 1985.

BARONESS SCOTT OF BYBROOK

Clause 54, page 65, line 10, at end insert –

“(c) after subsection (6) insert –

“(7) Regulations under this section –

- (a) are to be made by statutory instrument;
 - (b) may make provision generally or only in relation to specific cases;
 - (c) may make different provision for different purposes;
 - (d) may include supplementary, incidental, transitional or saving provision.
- (8) A statutory instrument containing regulations under this section (whether alone or with other provision) is subject to the affirmative procedure.””

Member's explanatory statement

This amendment would make provision about regulations about the meaning of “the necessary qualification” in section 28(2) of the LTA 1985.

Schedule 10

BARONESS SCOTT OF BYBROOK

Schedule 10, page 227, line 11, leave out “subsection (4)” and insert “subsections (4) and (7)”

Member's explanatory statement

This amendment is consequential on clause 67 repealing section 172(1)(a) of the CLRA 2002, which is amended by section 112(7) of the BSA 2022.

Clause 77

BARONESS SCOTT OF BYBROOK

Clause 77, page 97, line 6, leave out “provides” and insert “carries out”

Member's explanatory statement

This amendment would align the terminology used with terminology used elsewhere in Part 5.

BARONESS SCOTT OF BYBROOK

Clause 77, page 97, line 8, leave out “provided” and insert “carried out”

Member's explanatory statement

This amendment would align the terminology used with terminology used elsewhere in Part 5.

Clause 81

BARONESS SCOTT OF BYBROOK

Clause 81, page 100, line 25, at end insert –

- “(1A) But “administration charge” does not include an amount payable by a tenant of a dwelling in a case where all of the following conditions are met –
- (a) the tenant’s lease specifies that only a person who has attained a minimum age may occupy the dwelling;
 - (b) the amount is payable under a term of the tenant’s lease or is otherwise payable in connection with the tenant’s lease;
 - (c) the amount is payable if –
 - (i) the tenant’s lease is granted, assigned or terminated,
 - (ii) a lease of the dwelling which is inferior to the tenant’s lease is granted, assigned or terminated, or
 - (iii) there is a change in the person or persons occupying the dwelling;
 - (d) the amount is fixed or is calculated by a method determinable in advance;
 - (e) any other conditions specified in regulations made by the appropriate authority.”

Member's explanatory statement

This amendment would provide for “administration charge” in clause 81 to exclude “event fees” (which will generally be “fixed” service charges subject to the provisions regulating those charges inserted by Part 4).

Leasehold and Freehold Reform Bill

AMENDMENTS
TO BE MOVED
IN COMMITTEE OF THE WHOLE HOUSE

15 April 2024

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