

# Leasehold and Freehold Reform Bill

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## AMENDMENTS

### TO BE MOVED

#### IN COMMITTEE OF THE WHOLE HOUSE

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##### Schedule 4

BARONESS TAYLOR OF STEVENAGE

Schedule 4, page 167, line 35, at end insert –

“(8A) In setting the deferment rate the Secretary of State must have regard to the desirability of encouraging leaseholders to acquire their freehold at the lowest possible cost.”

***Member's explanatory statement***

*This amendment would ensure that when determining the applicable deferment rate, the Secretary of State would have to have regard to the desirability of encouraging leaseholders to acquire their freehold at the lowest possible cost.*

##### After Clause 43

BARONESS TAYLOR OF STEVENAGE

After Clause 43, insert following new Clause –

**“Report on providing leaseholders in flats with a share of the freehold**

- (1) The Secretary of State must publish a report outlining legislative options to ensure that all qualifying tenants in newly-constructed residential properties containing two or more flats have a proportionate share of the freehold of their property.
- (2) The report must be laid before Parliament within three months of the commencement of this Act.”

***Member's explanatory statement***

*This new clause would require the Secretary of State to publish a report outlining legislative options to provide leaseholders in flats with a share of the freehold.*

**After Clause 45**

BARONESS TAYLOR OF STEVENAGE

After Clause 45, insert the following new Clause –

**“Abolition of forfeiture of a long lease**

- (1) This section applies to any right of forfeiture or re-entry in relation to a dwelling held on a long lease which arises either –
  - (a) under the terms of that lease, or
  - (b) under or in consequence of section 146(1) of the Law of Property Act 1925.
- (2) The rights referred to in subsection (1) are abolished.
- (3) In this section –
  - “dwelling” means a building or part of a building occupied or intended to be occupied as a separate dwelling, together with any yard, garden, or outhouses and appurtenances belonging to it or usually enjoyed with it;
  - “lease” means a lease at law or in equity and includes a sub-lease, but does not include a mortgage term;
  - “long lease” has the meaning given by sections 76 and 77 of the Commonhold and Leasehold Reform Act 2002.”

***Member's explanatory statement***

*This new Clause would abolish the right of forfeiture in relation to residential long leases in instances where the leaseholder is in breach of covenant.*

**Schedule 9**

BARONESS TAYLOR OF STEVENAGE

Schedule 9, page 204, line 15, leave out sub-paragraph (a)

***Member's explanatory statement***

*This amendment would ensure that all leaseholders, not just those with residential leases of 150 years or over, have the right to vary their lease to replace rent with peppercorn rent.*

**After Clause 50**

BARONESS PINNOCK

After Clause 50, insert the following new Clause –

**“Commonhold and Leasehold Reform Act 2002: commonhold threshold**

- (1) Within six months of the day on which this Act is passed the Secretary of State must make regulations to amend the Commonhold and Leasehold Reform Act 2002 to lower the threshold of supportive eligible leaseholders needed to enter into a commonhold to 50%.

- (2) Regulations under subsection (1) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

***Member's explanatory statement***

*This amendment would require the Government to legislate for conversions from leasehold to commonhold where 50% of eligible leaseholders in a building support the conversion, rather than 100% as it currently stands, in line with the recommendation from the Law Commission.*

**Clause 55**

BARONESS TAYLOR OF STEVENAGE

Clause 55, page 67, leave out lines 5 to 12 and insert –

- “(4) P may not charge R any sum in excess of the prescribed amount in respect of the costs incurred by P in doing anything required under section 21F or this section.
- (5) The prescribed amount means an amount specified in regulations by the appropriate authority; and such regulations may prescribe different amounts for different activities.
- (6) If P is a landlord, P may not charge the tenant for the costs of allowing the tenant access to premises to inspect information (but may charge for the making of copies).”

***Member's explanatory statement***

*This amendment would make the appropriate authority (i.e. the Secretary of State or the Welsh Ministers) responsible for setting a prescribed amount for the costs of providing information to leaseholders. That prescribed amount would be the maximum amount that freeholders and managing agents employed by them could seek to recover through a service charge.*

**After Clause 57**

BARONESS PINNOCK

After Clause 57, insert the following new Clause –

**“Report on the impact of section 57**

- (1) Within one year of the day on which section 57 of this Act comes into force the Financial Conduct Authority (FCA) must conduct a report into the impact of that section in reducing instances of unreasonable insurance costs being passed on to leaseholders.
- (2) The FCA may make a recommendation as to whether further action is needed to protect leaseholders from unreasonable insurance costs.
- (3) The Secretary of State must lay a copy of the report in subsection (1) before Parliament.”

***Member's explanatory statement***

*This amendment would require the FCA to report on the impact of the provisions in the bill around insurance costs in order to monitor progress on reducing costs passed on to leaseholders.*

**Clause 60**

BARONESS TAYLOR OF STEVENAGE

Leave out Clause 60 and insert the following new Clause—

**“Prohibition on landlords claiming litigation costs from tenants**

- (1) Any term of a long lease of a dwelling which provides a right for a landlord to demand litigation costs from a leaseholder (whether as a service charge, administration charge or otherwise) is of no effect.
- (2) The Secretary of State may, by regulations, specify classes of landlord to which, or prescribed circumstances in which, subsection (1) does not apply.
- (3) In this section—
  - “administration charge” has the meaning given by Schedule 11 of the Commonhold and Leasehold Reform Act 2002;
  - “dwelling” means a building or part of a building occupied or intended to be occupied as a separate dwelling, together with any yard, garden, or outhouses and appurtenances belonging to it or usually enjoyed with it;
  - “long lease” has the meaning given by sections 76 and 77 of the Commonhold and Leasehold Reform Act 2002;
  - “service charge” has the meaning given by section 18 of the Landlord and Tenant Act 1985;
  - “landlord” has the meaning given by section 30 of the Landlord and Tenant Act 1985.”

***Member's explanatory statement***

*This new clause would prohibit landlords from claiming litigation costs from tenants other than under limited circumstances determined by the Secretary of State.*

**Clause 111**

BARONESS TAYLOR OF STEVENAGE

Leave out Clause 111 and insert the following new Clause—

**“Remedies for the recovery of annual sums charged on land**

- (1) Section 121 of the Law of Property Act 1925 is omitted.
- (2) The amendment made by subsection (1) has effect in relation to arrears arising before or after the coming into force of this section.”

***Member's explanatory statement***

*This new clause would remove the provision of existing law which, among other things, allows a rent charge owner to take possession of a freehold property in instances where a freehold homeowner failed to pay a rent charge.*

BARONESS TAYLOR OF STEVENAGE

*Baroness Taylor of Stevenage gives notice of her intention to oppose the Question that Clause 111 stand part of the Bill.*

***Member's explanatory statement***

*This amendment, along with that replacing clause 111, would remove the provision of existing law which, among other things, allows a rent charge owner to take possession of a freehold property in instances where a freehold homeowner failed to pay a rent charge.*

**After Clause 117**

BARONESS PINNOCK

After Clause 117, insert the following new Clause—

**“Reporting requirement: Building safety remediation**

- (1) Within three months of the day on which this Act is passed, and every year thereafter, the Government must lay before Parliament a report on progress with regard to building safety remediation.
- (2) The report in subsection (1) must include but is not limited to—
  - (a) an update on the number of buildings in England awaiting remediation works, and any significant delays to remediation,
  - (b) progress in ensuring leaseholders have access to a robust and independent dispute resolution process to allow them to hold developers to account and challenge delays in remediation works, and
  - (c) progress towards ensuring all leaseholders affected by building safety issues are able to access remediation, including those not currently able to access Government funding schemes.
- (3) The report must make recommendations as to whether further legislation is needed to improve progress towards the objectives outlined in subsection (2).”

***Member's explanatory statement***

*This amendment would require the Government to report on progress relating to building safety remediation.*

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