
Report Stage: Tuesday 27 February 2024

Leasehold and Freehold Reform Bill

(Report Stage Decisions)

This document sets out the fate of each clause, schedule, amendment and new clause considered at report stage.

A glossary with key terms can be found at the end of this document.

Secretary Michael Gove

Added Gov NC26

To move the following Clause—

“LTA 1985: Crown application

(1) Before section 40 of the LTA 1985 insert—

“39A Crown application

Sections 18 to 30P, and the Schedule, bind the Crown.”

(2) In section 172 of the CLRA 2002 (application to Crown of certain provisions)—

(a) in subsection (1), omit paragraph (a);

(b) omit subsection (3).”

Member's explanatory statement

This new clause, to be inserted after clause 41, would move provision about Crown application of the LTA 1985 currently in the CLRA 2002 into the LTA 1985, and clarify that the relevant provisions bind the Crown whether or not they relate to Crown land.

Secretary Michael Gove

Added Gov NC27

To move the following Clause—

“Part 4: Crown application

(1) Sections 66 to 69 (sales information requests) bind the Crown.

(2) The other provisions of this Part—

- (a) apply in relation to estate management carried out by, or on behalf of, a government department and otherwise bind the Crown in relation to such estate management, and
- (b) bind the Crown in relation to other estate management only if carried out by, or on behalf of, a person other than the Crown."

Member's explanatory statement

This new clause, to be inserted in place of clause 70, expands the extent to which Part 4 binds the Crown. Clauses 66 to 69 bind the Crown in all respects. The Crown is also bound as respects the other provisions of the Part where estate management is carried out by a government department or a person other than the Crown.

Secretary Michael Gove

Added Gov NC28

To move the following Clause—

"Redress schemes: no Crown status

A person exercising functions under a redress scheme (other than the Secretary of State) is not to be regarded as the servant or agent of the Crown or as enjoying any status, privilege or immunity of the Crown or as exempt from any tax, duty, rate, levy or other charge whatsoever, whether general or local, and any property held by a such a person is not to be regarded as property of, or held on behalf of, the Crown."

Member's explanatory statement

This new clause, to be inserted after clause 75, would clarify that people exercising functions under a redress scheme do not have Crown status.

Secretary Michael Gove

Added Gov NC29

To move the following Clause—

"Part 5: amendments to other Acts

Schedule (*Part 5: amendments to other Acts*) makes amendments to other Acts in connection with this Part."

Member's explanatory statement

This new clause, to be inserted after clause 80, would introduce NS1.

Secretary Michael Gove

Added Gov NC30

To move the following Clause—

"Steps relating to remediation of defects

- (1) The BSA 2022 is amended as follows.

- (2) In the heading of section 120 (meaning of “relevant defect”), at the end insert “and “relevant steps””.
- (3) In section 120, after subsection (4) insert—
 - “(4A) “Relevant steps”, in relation to a relevant defect, means steps which have as their purpose—
 - (a) preventing or reducing the likelihood of a fire or collapse of the building (or any part of it) occurring as a result of the relevant defect,
 - (b) reducing the severity of any such incident, or
 - (c) preventing or reducing harm to people in or about the building that could result from such an incident.”
- (4) In Schedule 8 (remediation costs under qualifying leases etc), in paragraph 1(1)—
 - (a) omit the definitions of “building safety risk” and “relevant risk”;
 - (b) for the definition of “relevant measure” substitute—
 - ““relevant measure”, in relation to a relevant defect, means—
 - (a) a measure taken to remedy the relevant defect, or
 - (b) a relevant step taken in relation to the relevant defect;“relevant step”: see section 120;”.

Member's explanatory statement

This new clause is to be inserted as the first clause of a new Part. It amends provisions of the Building Safety Act 2022 which are about remediation of building defects. A definition of “relevant steps” is added, meaning steps which are essentially preventative or mitigating (such as installing a fire alarm) rather than remedying the defect.

Secretary Michael Gove

Added Gov NC31

To move the following Clause—

“Remediation orders

- (1) Section 123 of the BSA 2022 (remediation orders) is amended in accordance with subsections (2) to (4).
- (2) In subsection (2), for “remedy specified relevant defects in a specified relevant building by a specified time” substitute “do one or both of the following by a specified time—
 - (a) remedy specified relevant defects in a specified relevant building;
 - (b) take specified relevant steps in relation to a specified relevant defect in a specified relevant building.”
- (3) For subsection (6) substitute—
 - “(6) In this section—
 - “relevant building”: see section 117;
 - “relevant defect”: see section 120;

“relevant steps”: see section 120;
 “specified” means specified in the order.”

(4) After subsection (7) insert—

“(8) In proceedings for a remediation order, a direction given by the First-tier Tribunal requiring a relevant landlord to provide or produce an expert report is to be regarded as a decision for the purposes of subsection (7).

(9) In subsection (8), “expert report” means an expert report or survey relating to—

- (a) relevant defects, or potential relevant defects, in a relevant building;
- (b) relevant steps taken or that might be taken in relation to a relevant defect in a relevant building.”

(5) The amendments made by this section apply in relation to proceedings for a remediation order as mentioned in section 123 of the BSA 2022 which are pending on the day on which those amendments come into force (as well as proceedings for such an order which are commenced on or after that day).”

Member's explanatory statement

This new clause amends provisions of the Building Safety Act 2022 which are about remediation orders, to make it clear that: (i) a remediation order can require a landlord to take relevant steps (see NC30), and (ii) the First-tier Tribunal may order, and enforce, the production of an expert report.

Secretary Michael Gove

Added Gov NC32

To move the following Clause—

“Remediation contribution orders

(1) Section 124 of the BSA 2022 (remediation contribution orders) is amended in accordance with subsections (2) to (6).

(2) In subsection (2), after “remedying” insert “, or otherwise in connection with,”.

(3) After subsection (2) insert—

“(2A) The following descriptions of costs, among others, fall within subsection (2)—

- (a) costs incurred or to be incurred in taking relevant steps in relation to a relevant defect in the relevant building;
- (b) costs incurred or to be incurred in obtaining an expert report relating to the relevant building;
- (c) temporary accommodation costs incurred or to be incurred in connection with a decant from the relevant building (or from part of it) that took place or is to take place—
 - (i) to avoid an imminent threat to life or of personal injury arising from a relevant defect in the building,

- (ii) (in the case of a decant from a dwelling) because works relating to the building created or are expected to create circumstances in which those occupying the dwelling cannot reasonably be expected to live, or
 - (iii) for any other reason connected with relevant defects in the building, or works relating to the building, that is prescribed by regulations made by the Secretary of State.
- (2B) The Secretary of State may make regulations for the purposes of this section specifying descriptions of costs which are, or are not, to be regarded as falling within subsection (2)."
- (4) In subsection (3), after "specified" insert "as a person required to make payments".
- (5) In subsection (4)—
 - (a) in paragraph (a), omit from "or payments" to the end;
 - (b) after paragraph (a) insert—
 - "(aa) if it does not require the making of payments of a specified amount, determine that a specified body corporate or partnership is liable for the reasonable costs of specified things done or to be done;"
- (6) In subsection (5)—
 - (a) after the definition of "developer" insert—
 - "expert report" has the meaning given by section 123(9);"
 - (b) after the definition of "relevant defect" insert—
 - "relevant steps": see section 120;"
 - (c) after the definition of "specified" insert—
 - "temporary accommodation costs", in relation to a decant from a relevant building, means—
 - (a) the costs of the temporary accommodation, and
 - (b) other costs resulting from the decant, including removal costs, storage costs and reasonable travel costs;
 - "works" means works—
 - (a) to remedy a relevant defect in a relevant building, or
 - (b) in connection with the taking of relevant steps in relation to such a defect."
- (7) The amendments made by this section apply—
 - (a) in relation to proceedings for a remediation contribution order under section 124 of the BSA 2022 which are pending on the day on which those amendments come into force (as well as proceedings for such an order which are commenced on or after that day);
 - (b) in relation to costs incurred before as well as after those amendments come into force."

Member's explanatory statement

This new clause amends provisions of the Building Safety Act 2022 which are about remediation contribution orders, to make it clear that a remediation contribution order may require payment in respect of the costs of taking relevant steps (see NC30), the costs of an expert report, and the costs of a temporary decant of tenants.

Secretary Michael Gove

Added Gov NC33

To move the following Clause—

“Recovery of legal costs etc through service charge

- (1) Schedule 8 to the BSA 2022 (remediation costs under qualifying leases etc) is amended in accordance with subsections (2) and (3).
- (2) After paragraph 9(1) insert—
 - “(1A) Sub-paragraph (1) does not apply to the extent that the service charge is payable to a management company in respect of legal or other professional services provided to the company in connection with an application or possible application by the company for or relating to a remediation contribution order under section 124.”
- (3) After paragraph 9(2) insert—
 - “(3) In sub-paragraph (1A) “management company” means—
 - (a) a resident management company, or
 - (b) an RTM company within the meaning of Chapter 1 of Part 2 of the Commonhold and Leasehold Reform Act 2002 (right to manage).
 - (4) “Resident management company” means a body corporate which is party to a lease of a building where—
 - (a) the body corporate is limited by guarantee and the members of that body are tenants under leases of dwellings in the building (“leaseholders”), or
 - (b) the majority of the shares of the body corporate are held by leaseholders.”
- (4) The amendments made by this section do not apply in relation to legal or other professional services provided before this section comes into force.”

Member's explanatory statement

This new clause amends provision in the Building Safety Act 2022 which prevents legal costs etc relating to liability for building defects being passed onto leaseholders via the service charge. The change allows the recovery of such costs via the service charge if they are incurred by a resident management company in connection with obtaining a remediation contribution order.

Secretary Michael Gove

Added Gov NC34

To move the following Clause—

“Repeal of section 125 of the BSA 2022

- (1) Omit section 125 of the BSA 2022 (meeting remediation costs of insolvent landlord).
- (2) In consequence of that repeal—
 - (a) in section 116(1), for “125” substitute “124”;
 - (b) omit section 116(2)(e);
 - (c) in section 117(1), for “125” substitute “124”;
 - (d) in section 119(1), for “125” substitute “124”;
 - (e) in section 119A(9), for “125” substitute “124”;
 - (f) in section 120(1), for “125” substitute “124”;
 - (g) in section 121(1), for “125” substitute “124”;
 - (h) in section 164(1)(c), for “125” substitute “124”.

Member's explanatory statement

This new clause repeals section 125 of the Building Safety Act 2022, which contains provision about meeting the remediation costs of insolvent landlords.

Secretary Michael Gove

Added Gov NC35

To move the following Clause—

“Higher-risk and relevant buildings: notifications in connection with insolvency

Before section 126 of the BSA 2022 (and the italic heading before it) insert—

“Insolvency of certain persons with an interest in higher-risk and relevant buildings

125A Notifications by insolvency practitioners

- (1) This section applies if an insolvency practitioner is appointed in relation to a responsible person for a higher-risk building or a relevant building.
- (2) For the purposes of this section, a person is “a responsible person” for a building if—
 - (a) in the case of a higher-risk building, the person is an accountable person for the building (see section 72 for the meaning of “accountable person” for a higher-risk building);
 - (b) in the case of a relevant building that is not a higher-risk building, the person would be an accountable person for the building if section 72 were read as applying to such a building (and as if the reference in that section to a residential unit were a reference to a dwelling).

- (3) The insolvency practitioner must give the information in subsection (6) (“the required information”) to—
 - (a) the local authority for the area in which the building for which the person is a responsible person is situated, or (if applicable) each local authority in whose area a building for which the person is a responsible person is situated, and
 - (b) the fire and rescue authority for the area in which the building for which the person is a responsible person is situated, or (if applicable) each fire and rescue authority in whose area a building for which the person is a responsible person is situated.
- (4) If the insolvency practitioner is appointed in relation to an accountable person for a higher-risk building, the practitioner must also give the required information to the regulator.
- (5) The required information must be provided within the period of 14 days beginning with the day on which the insolvency practitioner is appointed.
- (6) The information is as follows—
 - (a) the name and address of the person in relation to whom the insolvency practitioner is appointed;
 - (b) the address of each higher-risk building or relevant building for which the person is a responsible person (but see subsection (7));
 - (c) an official copy of the register of title and title plan relating to each registered estate or interest the person holds in such a building, if any (but see subsection (7));
 - (d) the nature of the practitioner’s appointment;
 - (e) the practitioner’s name, address, telephone number and email address (if any);
 - (f) so much of the information set out in the table in rule 1.6 of the Insolvency (England and Wales) Rules 2016 (S.I. 2016/1024) as is known to the practitioner.
- (7) A local authority or fire and rescue authority need only be notified about buildings, or registered estates or interests in buildings, in their area.
- (8) In this section “insolvency practitioner” means—
 - (a) an administrator;
 - (b) an administrative receiver;
 - (c) a receiver appointed by the courts or by a mortgagee;
 - (d) a liquidator;
 - (e) a trustee in bankruptcy.
- (9) In this section—
 - “fire and rescue authority” has the meaning given by section 30;
 - “higher-risk building” has the same meaning as in Part 4 (see section 65);
 - “local authority” has the meaning given by section 30;

“register of title” means the register kept under section 1 of the Land Registration Act 2002;
“the regulator” has the meaning given by section 2;
“relevant building” has the meaning given by section 117;
“title plan” means a plan based on the Ordnance Survey map and referred to in the register of title.””

Member's explanatory statement

This new clause amends the Building Safety Act 2022 to impose a new duty on insolvency practitioners to notify the local authority and others in the case of insolvency of certain persons who have repairing obligations relating to certain kinds of buildings.

Secretary Michael Gove

Added Gov NC42

To move the following Clause—

“Ban on grant or assignment of certain long residential leases of houses

- (1) A person may not grant or enter into an agreement to grant a long residential lease of a house on or after the day on which this section comes into force, unless it is a permitted lease (see section (*Permitted leases*)).
- (2) A person may not assign or enter into an agreement to assign the whole or a part of a lease which was granted on or after the day on which this section comes into force if—
 - (a) at the time of the assignment the lease is a long residential lease of a house, but
 - (b) at the time of the grant the lease was not a long residential lease of a house.
- (3) This section does not affect—
 - (a) the validity of a lease granted, or an assignment entered into, in breach of this section, and does not affect the powers of a person to grant or assign such a lease (whether under section 23(1) of the Land Registration Act 2002 or otherwise);
 - (b) any contractual rights of a party to an agreement entered into in breach of this section.”

Member's explanatory statement

This new clause, to be inserted as the first clause of a new Part before Part 1, would ban the grant, and certain assignments, of long residential leases of houses, other than permitted leases.

Secretary Michael Gove

Added Gov NC43

To move the following Clause—

“Long residential leases of houses

- (1) A lease is a “long residential lease of a house” if conditions A to C are met in relation to the lease.
- (2) Condition A: the lease has a long term (see sections (*Leases which have a long term*) and (*Series of leases whose terms would extend beyond 21 years*)).
- (3) Condition B: the lease demises one house (see section (*Houses*)), with or without appurtenant property, and nothing else.
- (4) Condition C: the lease is a residential lease (see section (*Residential leases*)).”

Member's explanatory statement

This new clause, to be inserted after NC42, would define “long residential lease of a house” for the purposes of the new Part before Part 1.

Secretary Michael Gove

Added Gov NC44

To move the following Clause—

“Leases which have a long term

- (1) A lease has a “long term” in any of cases A to D.
- (2) Case A: the lease is granted for a term certain exceeding 21 years.
- (3) Case B: section 149(6) of the Law of Property Act 1925 applies to the lease (lease granted for life or until marriage or civil partnership) and the lease accordingly takes effect with a term fixed by law.
- (4) Case C: the lease is granted with a covenant or obligation for perpetual renewal and accordingly takes effect with a term fixed by law - unless it is a sub-lease with a term fixed by law of 21 years or shorter.
- (5) Case D: the lease is capable of forming part of a series of leases whose terms would extend beyond 21 years (see section (*Series of leases whose term would extend beyond 21 years*)).
- (6) In determining whether a lease has a long term, it is irrelevant if the lease is, or may become, terminable by notice, re-entry or forfeiture.”

Member's explanatory statement

This new clause, to be inserted after NC43, would define when a lease has a “long term” for the purposes of the new Part before Part 1.

Secretary Michael Gove

Added Gov NC45

To move the following Clause—

“Series of leases whose term would extend beyond 21 years

- (1) A lease (“the original lease”) is “capable of forming part of a series of leases whose terms would extend beyond 21 years” if conditions A to C are met at the time when the original lease is granted.
- (2) Condition A: the original lease does not have a long term under section (*Leases which have a long term*)(2), (3) or (4).
- (3) Condition B: provision for the grant of another lease of the same house (the “new lease”) is included in—
 - (a) the original lease, or
 - (b) any related arrangements.
- (4) Condition C: the total duration of—
 - (a) the term of the original lease,
 - (b) the term of the new lease (if granted), and
 - (c) the term or terms of any subsequent leases (if granted),would exceed 21 years.
- (5) In a case where the provision for the grant of the new lease, or for the grant of any subsequent lease, allows for the possibility of the term of the lease being one of a number of differing durations, the reference in condition C to the term of the lease is to the longest of those possible durations.
- (6) A lease is a “lease of the same house” if the lease demises one house, being the house comprised in the original lease, with or without any appurtenant property, and nothing else.
- (7) Arrangements are “related arrangements” if they are entered into in connection with the grant of the original lease (whether or not they are entered into in writing).
- (8) A lease is a “subsequent lease” if—
 - (a) it is not the new lease,
 - (b) it is a lease of the same house, and
 - (c) provision for the grant of the lease—
 - (i) is included in the original lease or any related arrangements,
 - (ii) would be included in the new lease (if granted), or
 - (iii) would be included in any other lease that (if granted) would itself be a subsequent lease.”

Member's explanatory statement

This new clause, to be inserted after NC44, would define when a lease is “capable of forming part of a series of leases whose terms would extend beyond 21 years” for the purposes of subsection (5) of NC44.

Secretary Michael Gove

Added Gov NC46

To move the following Clause—

“Houses

- (1) A “house” is a separate set of premises (on one or more floors) which—
 - (a) forms the whole, or part, of a building, and
 - (b) is constructed or adapted for use for the purposes of a dwelling.
- (2) But where the separate set of premises forms part of a building, it is not a house if the whole of or a material part of the set of premises lies above or below some other part of the building.”

Member's explanatory statement

This new clause, to be inserted after NC45, would define a “house” for the purposes of the new Part before Part 1.

Secretary Michael Gove

Added Gov NC47

To move the following Clause—

“Residential leases

A lease is a “residential lease” if it is a lease of a house and the terms of the lease do not prevent the house from being occupied under that lease as a separate dwelling.”

Member's explanatory statement

This new clause, to be inserted after NC46, would define a “residential lease” for the purposes of the new Part before Part 1.

Secretary Michael Gove

Added Gov NC48

To move the following Clause—

“Permitted leases

A lease is a “permitted lease” if—

- (a) it is a long residential lease of a house, and
- (b) it falls into one or more of the categories set out in Schedule (*Categories of permitted lease*).”

Member's explanatory statement

This new clause, to be inserted after NC47, would define “permitted lease” for the purposes of the new Part before Part 1.

Secretary Michael Gove

Added Gov NC49

To move the following Clause—

“Permitted leases: certification by the appropriate tribunal

- (1) The appropriate tribunal must, on an application by a person, issue a certificate (a “permitted lease certificate”) in relation to a new long residential lease of a house, where the tribunal is satisfied that the lease is or will be a permitted lease falling within Part 1 of Schedule (*Categories of permitted lease*).
- (2) An application under this section may be made and determined whether or not the application includes a draft of the instrument creating the new lease.
- (3) The appropriate tribunal may issue a permitted lease certificate on such terms and conditions as it considers appropriate, but the certificate must—
 - (a) identify the house or the land on which the house will be built, and
 - (b) state the category or categories set out in Part 1 of Schedule (*Categories of permitted lease*) into which the lease will fall.
- (4) If an application under this section relates to two or more leases, the appropriate tribunal may issue just one certificate relating to some or all of those leases.”

Member's explanatory statement

This new clause, to be inserted after NC48, would require the appropriate tribunal to issue a permitted lease certificate on an application if the tribunal is satisfied that a lease falls within certain categories of permitted lease.

Secretary Michael Gove

Added Gov NC50

To move the following Clause—

“Permitted leases: marketing restrictions

- (1) This section applies in relation to the marketing of a house where—
 - (a) the house is to be comprised in a new lease, and
 - (b) the lease will be a long residential lease of the house.
- (2) A person (“a promoter”) may not make any material marketing the house to be comprised in the lease available to any person, unless the permitted lease information relating to the lease is included in or provided with that material.
- (3) The “permitted lease information”, in relation to a lease, means—
 - (a) if the lease falls or will fall into one or more of the categories set out in Part 1 of Schedule (*Categories of permitted lease*), a copy of the permitted lease certificate together with a statement identifying that category or those categories,
 - (b) if to the best of the knowledge and belief of the promoter at the time the material is made available the lease falls or will fall into one or more of the categories set out in Part 2 of Schedule (*Categories of*

permitted lease), a statement identifying that category or those categories, or

- (c) if both paragraphs (a) and (b) apply to the lease, the information required under both those paragraphs.

- (4) “Marketing” includes any form of advertising or promotion.”

Member's explanatory statement

This new clause, to be inserted after NC49, would impose restrictions on the marketing of long residential leases of houses.

Secretary Michael Gove

Added Gov NC51

To move the following Clause—

“Permitted leases: transaction warning conditions

- (1) A person may not, on or after the day on which section (*Ban on grant or assignment of certain long residential leases of houses*) comes into force —
 - (a) enter into an agreement to grant a permitted lease unless the transaction warning conditions are met in relation to the agreement, or
 - (b) subject to subsection (5), grant a permitted lease unless the transaction warning conditions are met in relation to the lease.
- (2) The “transaction warning conditions” are as follows—
 - (a) at least 7 days before the relevant date the grantor must give a warning notice relating to the permitted lease—
 - (i) to the proposed tenant, or
 - (ii) where there is more than one proposed tenant, to each of them;
 - (b) a notice of receipt of the warning notice must be given to the grantor—
 - (i) by the proposed tenant, or
 - (ii) where there is more than one proposed tenant, jointly by all of the proposed tenants;
 - (c) a reference to the warning notice and the notice of receipt must be included in or endorsed on the relevant instrument in the specified manner.
- (3) A “warning notice” is a notice provided in a specified form and manner and containing—
 - (a) sufficient information to identify the house to be comprised in the lease,
 - (b) if the lease falls within Part 1 of Schedule (*Categories of permitted lease*), a copy of the permitted lease certificate,
 - (c) if the lease falls into one or more of the categories set out in Part 2 of Schedule (*Categories of permitted lease*), a statement identifying that category or those categories,
 - (d) if both paragraphs (b) and (c) apply to the lease, the information required under both those paragraphs, and

- (e) such other information as may be specified.
- (4) A “notice of receipt” is a notice provided in a specified form and manner and containing such information as may be specified.
- (5) A person does not breach subsection (1) in relation to the grant of a lease if—
 - (a) the person previously entered into an agreement to grant that lease,
 - (b) the transaction warning conditions were met in relation to that agreement, and
 - (c) a reference to the warning notice and the notice of receipt relating to that agreement is included in or endorsed on the instrument creating the lease.
- (6) This section does not apply to the grant of a permitted lease which falls within paragraph 5 of Schedule (*Categories of permitted lease*) (leases agreed before commencement).
- (7) This section does not affect—
 - (a) the validity of a lease granted in breach of subsection (1), and does not affect the powers of a person to grant such a lease (whether under section 23(1) of the Land Registration Act 2002 or otherwise);
 - (b) any contractual rights of a party to an agreement entered into in breach of subsection (1).
- (8) In this section—
 - “grantor”, in relation to a lease, means the person proposing to grant the lease (whether or not that person holds the freehold or leasehold title out of which the lease will be granted);
 - “proposed tenant”, in relation to a lease, means the proposed tenant of the house to be comprised in the lease;
 - “relevant date” means—
 - (a) in the case of an agreement to grant a lease, the day on which the agreement is entered into, and
 - (b) in the case of a grant of a lease, the day on which the lease is granted;
 - “relevant instrument” means—
 - (a) in the case of an agreement to grant a lease, that agreement, and
 - (b) in the case of a grant of a lease, the instrument creating that lease;
 - “specified” means specified or described in regulations made—
 - (a) in relation to a lease of a house in England, by the Secretary of State;
 - (b) in relation to a lease of a house in Wales, by the Welsh Ministers.
- (9) A statutory instrument containing regulations under this section is subject to the negative procedure.”

Member's explanatory statement

This new clause, to be inserted after NC50, would require certain warnings to be given to the prospective tenant under a permitted lease before it is granted or an agreement to grant the lease is entered into.

Secretary Michael Gove

Added Gov NC52

To move the following Clause—

“Prescribed statements in new long leases

- (1) This section applies to a lease of land which—
 - (a) has a long term, and
 - (b) is granted on or after the day on which section (*Ban on grant or assignment of certain long residential leases of houses*) comes into force.
- (2) If the lease is not a long residential lease of a house, the lease must include a statement to that effect.
- (3) If the lease is a permitted lease, the lease must include a statement to that effect.
- (4) A statement under subsection (2) or (3) must comply with such requirements as may be prescribed by land registration rules under the Land Registration Act 2002.
- (5) This section does not apply to—
 - (a) a lease with a long term only by virtue of falling within section (*Leases which have a long term*)(5);
 - (b) a lease which takes effect as a deemed surrender and regrant of a lease.”

Member's explanatory statement

This new clause, to be inserted after NC51, would require certain leases to contain statements that they are either not long residential leases of houses or that they are permitted leases.

Secretary Michael Gove

Added Gov NC53

To move the following Clause—

“Restriction on title

- (1) Subsection (3) applies where—
 - (a) the Chief Land Registrar approves an application for registration of a lease (the “registered lease”),
 - (b) section (*Prescribed statements in new long leases*) applies to the registered lease, but
 - (c) the registered lease does not contain a statement made in accordance with subsection (2) or (3) of that section.

- (2) An “application for registration of a lease” is an application for—
 - (a) registration of a disposition of registered land, if that disposition is the grant of a lease, or
 - (b) registration of a lease within section 4(1)(c) of the Land Registration Act 2002.
- (3) The Chief Land Registrar must enter in the register a restriction that no registrable disposition, other than the grant of a legal charge, of the registered lease is to be registered.
- (4) The restriction under subsection (3) may be removed if the registered lease is varied to include a statement made in accordance with section (*Prescribed statements in new long leases*)(2) or (3).
- (5) Subsection (6) applies where—
 - (a) a restriction has been entered in the register in accordance with subsection (3) in relation to a registered lease, and
 - (b) the Chief Land Registrar approves an application for registration of a deed of variation relating to the lease by virtue of which a new lease takes effect as a deemed surrender and regrant of the lease.
- (6) The Chief Land Registrar must enter in the register a restriction that no registrable disposition, other than the grant of a legal charge, of the new lease is to be registered.
- (7) The restriction under subsection (6) may be removed if the Chief Land Registrar is satisfied that the new lease—
 - (a) is not a long residential lease of a house, or
 - (b) is a permitted lease.
- (8) An expression used in this section and in the Land Registration Act 2002 has the same meaning in this section as in that Act.”

Member's explanatory statement

This new clause, to be inserted after NC52, would require the Land Registry to enter restrictions on the disposition of land where requirements in NC52 are not met.

Secretary Michael Gove

Added Gov NC54

To move the following Clause—

“Redress: right to acquire a freehold or superior leasehold estate

- (1) This section applies where a long residential lease of a house is granted or assigned in breach of section (*Ban on grant or assignment of certain long residential leases of houses*).
- (2) The rights holder in relation to the lease has the right to acquire (for no consideration)—
 - (a) the freehold estate in the land comprised in the lease, and
 - (b) any superior leasehold estate or estates in that land.

- (3) References in the rest of this section, and in sections (*Redress: application of the right to acquire*) to (*Redress regulations: exercising and giving effect to the right to acquire*), to the right to acquire are to be construed in accordance with subsection (2).
- (4) The right to acquire the freehold or leasehold estate is exercisable against the person holding that estate for the time being (the "landlord").
- (5) The "rights holder", in relation to a lease, means—
 - (a) in a case where a mortgagee or chargee has for the time being the right to deal with the house comprised in the lease, that person, or
 - (b) in any other case the tenant for the time being under the lease.
- (6) In this section, "superior leasehold estate", in relation to a long residential lease of a house, means a leasehold estate that is superior to the long residential lease."

Member's explanatory statement

This new clause, to be inserted after NC53, would give a tenant under a lease granted or assigned in breach of NC42, or where relevant their mortgagee or chargee, the right to acquire the freehold and any superior lease of the land.

Secretary Michael Gove

Added Gov NC55

To move the following Clause—

"Redress: application of the right to acquire

- (1) Section (*Redress: right to acquire a freehold or superior leasehold estate*) ceases to apply in relation to a long residential lease of a house if—
 - (a) the term of the lease expires (but see subsection (2)), or
 - (b) the lease otherwise ceases to exist.
- (2) Where the term of the lease expires, section (*Redress: right to acquire a freehold or superior leasehold estate*) continues to apply for as long as the lease is continued under a relevant enactment.
- (3) Section (*Redress: right to acquire a freehold or superior leasehold estate*) ceases to apply in relation to a long residential lease of a house if the tenant for the time being under the lease acquires the freehold estate and any superior leasehold estate or estates in the land comprised in the lease (whether or not by exercising the right to acquire).
- (4) In subsection (2) "relevant enactment" means—
 - (a) Part 1 of the Landlord and Tenant Act 1954, or
 - (b) Schedule 10 to the Local Government and Housing Act 1989."

Member's explanatory statement

This new clause, to be inserted after NC54, would make provision for when the right to redress in NC54 ceases to apply.

Secretary Michael Gove

Added Gov NC56

To move the following Clause—

“Redress: general provision

- (1) A lease to which section (*Redress: right to acquire a freehold or superior leasehold estate*) applies is not as a result of any right to acquire—
 - (a) registrable under the Land Charges Act 1972, or
 - (b) to be taken to be an estate contract within the meaning of that Act.
- (2) An agreement relating to a long residential lease of a house (whether or not contained in the instrument creating the lease or made before the grant of the lease) is of no effect to the extent that it makes provision—
 - (a) excluding or modifying the right to acquire, or
 - (b) providing for the surrender or termination of the lease, or for the imposition of any penalty, in the event of the rights holder taking steps to exercise the right to acquire.
- (3) Subsection (2) does not prevent a tenant under a long residential lease of a house from—
 - (a) surrendering the lease,
 - (b) terminating the lease, or
 - (c) entering into an agreement to acquire the freehold estate in the land comprised in the lease, or any superior leasehold estate or estates in that land, other than by way of exercising the right to acquire.
- (4) The right to acquire in relation to a long residential lease of a house is not capable of subsisting apart from the lease.
- (5) In this section, “rights holder” has the meaning given by section (*Redress: right to acquire a freehold or superior leasehold estate*).”

Member's explanatory statement

This new clause, to be inserted after NC55, would make general provision in relation to the right to redress in NC54.

Secretary Michael Gove

Added Gov NC57

To move the following Clause—

“Redress regulations: exercising and giving effect to the right to acquire

- (1) The Secretary of State may by regulations (“redress regulations”) make provision for and in connection with the exercise of the rights holder’s right to acquire in relation to a long residential lease of a house.
- (2) Redress regulations may, in particular, include provision for or in connection with—
 - (a) the period within which the right to acquire must be exercised;

- (b) the giving of notice by the rights holder to the landlord or any other specified person for the purpose of exercising the right to acquire (including the form and manner in which, and the period within which, any such notice must be given);
- (c) registration under the Land Charges Act 1972 or the Land Registration Act 2002 of any notice given by virtue of paragraph (b);
- (d) the giving of notice by the landlord to the rights holder or any other specified person for the purpose of accepting or rejecting the rights holder's right to acquire (including the form and manner in which, and the period within which, any such notice must be given);
- (e) the making by the appropriate tribunal or a court of an order on an application by a specified person determining whether or not, in the absence of agreement between the rights holder and the landlord, the rights holder has the right to acquire (including provision for the order to be made subject to such terms and conditions as the tribunal or court considers appropriate, including terms about costs);
- (f) further steps that must be taken by the rights holder (including the provision of specified information or specified documents), and any conditions that must be met in relation to the taking of those further steps (including conditions about timing), in order to exercise the right to acquire;
- (g) requirements that must be met in relation to a conveyance executed to give effect to the right to acquire (a "relevant conveyance"), including requirements for the conveyance to include specified provisions in respect of specified easements or rights over property, rights of way or covenants (positive or restrictive);
- (h) any other requirements that must be met in relation to a relevant conveyance, including a requirement that the conveyance is granted free of specified incumbrances, and subject to such burdens as may be specified;
- (i) the effect of the execution of a relevant conveyance, including provision for the conveyance to have the effect of discharging the house comprised in the lease from any specified incumbrance (including a charge);
- (j) any statement which must be included in a relevant conveyance, including a statement identifying the conveyance as executed for the purposes of this Part, and any requirements that must be met in relation to such a statement (including any requirements prescribed by land registration rules under the Land Registration Act 2002);
- (k) the making by the appropriate tribunal or a court of an order (a "relevant order") on an application by a specified person for the purpose of giving effect to the right to acquire (whether or not in connection with an application to the appropriate tribunal or a court for a determination as described in paragraph (e));
- (l) the modification of the right to acquire in relation to any appurtenant property comprised in the lease (including for the rights holder to continue to hold a lease of such property, or conferring on them a right to use the property);

- (m) the circumstances in which the rights holder exercising the right to acquire is to be treated as a purchaser for value of the legal estate of the land comprised in the lease;
 - (n) the circumstances in which a mortgagee or chargee is to be treated for the purposes of section (*Redress: right to acquire a freehold or superior leasehold estate*)(5)(a) as having the right to deal with the house comprised in the lease;
 - (o) in a case where the rights holder is a tenant for the time being under the lease—
 - (i) the circumstances in which a representative of the rights holder has the right to acquire instead of that tenant, and
 - (ii) the exercise by such a representative of any powers or duties of a rights holder conferred or imposed by this Part or under redress regulations;
 - (p) the liability for specified costs in connection with the exercise of the right to acquire (including provision as to how to calculate such costs or for the amount of any costs payable to be determined, in the absence of agreement, by the appropriate tribunal or a court);
 - (q) proceedings for the recovery by specified persons from the landlord who granted the lease of compensation for any loss or damage resulting from the breach of section (*Ban on grant or assignment of certain long residential leases of houses*), including provision as to how to calculate the value of such loss or damage, and conferring powers on the appropriate tribunal or a court in connection with the recovery of such compensation (including provision as to costs).
- (3) Provision under subsection (2)(k) may, in particular, include provision—
- (a) for the making of a relevant order where the landlord cannot be found or identified, including where the rights holder has been unable to give notice for the purpose of exercising the right to acquire;
 - (b) for a relevant order to determine the content of a relevant conveyance and who may execute it, and to be made subject to such further terms and conditions as the appropriate tribunal or court considers appropriate, including terms about costs.
- (4) Redress regulations may include provision about cases where the rights holder's right to acquire in relation to a lease is exercisable in relation to more than one landlord, including (but not limited to) provision—
- (a) for or in connection with functions to be carried out by one landlord (the "reversioner") on behalf of the other landlords;
 - (b) for the landlord holding the freehold estate to be the reversioner;
 - (c) for another landlord to be the reversioner in specified circumstances;
 - (d) for or in connection with the appointment or removal of a reversioner by order of the appropriate tribunal or a court, on an application by a specified person;
 - (e) for things done by the reversioner to be binding on the other landlords and on their interests in the land comprised in the lease;
 - (f) for or in connection with the provision of information, documents or other assistance by other landlords to the reversioner for the purpose

- of enabling the reversioner to carry out functions under redress regulations;
- (g) for the indemnification of the reversioner against any liability incurred by the reversioner in consequence of failure by other landlords to comply with any requirement imposed on them by redress regulations;
 - (h) excluding the reversioner from liability to any of the other landlords in specified circumstances;
 - (i) for or in connection with the making of an order by the appropriate tribunal or a court, on an application by the reversioner, directing how the right to acquire may be given effect if any of the other landlords cannot be found or identified, or in case of a dispute between the reversioner and any other landlord.
- (5) Redress regulations may—
- (a) apply or incorporate (with or without modifications) any provision made by or under any relevant enactment;
 - (b) amend or repeal any provision made by an Act.
- (6) A statutory instrument containing redress regulations is subject to the negative procedure.
- (7) In this section—
- “incumbrances” has the same meaning as in section 9 of the LRA 1967;
 - “landlord” has the meaning given by section (*Redress: right to acquire a freehold or superior leasehold estate*);
 - “relevant enactment” means—
 - (a) the LRA 1967;
 - (b) the LRHUDA 1993;
 - (c) the Tribunals, Courts and Enforcement Act 2007;
 - “representative”, in relation to a rights holder, means the personal representative, trustee in bankruptcy, trustee in sequestration, receiver, liquidator or person otherwise acting in a representative capacity in relation to that person;
 - “rights holder” has the meaning given by section (*Redress: right to acquire a freehold or superior leasehold estate*);
 - “specified” means specified or described in redress regulations.”

Member's explanatory statement

This new clause, to be inserted after NC56, would allow the Secretary of State to make regulations giving effect to the right to acquire under NC54.

Secretary Michael Gove

Added Gov NC58

To move the following Clause—

“Enforcement by trading standards authorities

- (1) It is the duty of every local weights and measures authority in England or Wales (an “enforcement authority”) to enforce the leasehold house restrictions in its area.
- (2) In this section and in sections (*Financial penalties*) to (*Further powers and duties of enforcement authorities*) the “leasehold house restrictions” means—
 - (a) section (*Ban on grant or assignment of certain long residential leases of houses*)(1) so far as it relates to an agreement to grant a lease,
 - (b) section (*Ban on grant or assignment of certain long residential leases of houses*)(1) so far as it relates to the grant of a lease,
 - (c) section (*Ban on grant or assignment of certain long residential leases of houses*)(2) so far as it relates to an agreement to assign a lease,
 - (d) section (*Ban on grant or assignment of certain long residential leases of houses*)(2) so far as it relates to the assignment of a lease,
 - (e) section (*Permitted leases: marketing restrictions*)(2) (marketing restrictions on permitted leases),
 - (f) section (*Permitted leases: transaction warning conditions*)(1)(a) (conditions on agreement to grant permitted lease), and
 - (g) section (*Permitted leases: transaction warning conditions*)(1)(b) (conditions on grant of permitted lease).
- (3) For the purposes of this section and sections (*Financial penalties*) to (*Further powers and duties of enforcement authorities*), a breach of a leasehold house restriction is taken to occur in the area in which the house in question is located (and if the house is located in more than one area, the breach is taken to have occurred in each of those areas).
- (4) The duty in subsection (1) is subject to sections (*Financial penalties: cross-border enforcement*)(4) (enforcement by another enforcement authority) and (*Enforcement by lead enforcement authority*) (enforcement by the lead enforcement authority).”

Member's explanatory statement

This new clause, to be inserted after NC57, provides for local weights and measures authorities to enforce the specified provisions restricting the grant or assignment of, or agreement to grant or assign, long residential leases of houses (referred to in the enforcement provisions as “the leasehold house restrictions”).

Secretary Michael Gove

Added Gov NC59

To move the following Clause—

“Financial penalties

- (1) An enforcement authority may impose a financial penalty on a person if the authority is satisfied beyond reasonable doubt that the person has breached a leasehold house restriction.
- (2) The amount of a penalty for a breach is to be such amount as the authority determines but—
 - (a) is not to be less than £500, and
 - (b) is not to be more than £30,000.
- (3) Conduct within any one of the following paragraphs is to be regarded as a single breach of one leasehold house restriction—
 - (a) entering into an agreement to grant a lease in breach of section (*Ban on grant or assignment of certain long residential leases of houses*)(1) and subsequently granting the lease in breach of that provision;
 - (b) entering into an agreement to assign a lease in breach of section (*Ban on grant or assignment of certain long residential leases of houses*)(2) and subsequently assigning the lease in breach of that provision;
 - (c) entering into an agreement to grant a lease in breach of section (*Permitted leases: transaction warning conditions*)(1)(a) and subsequently granting the lease in breach of section (*Permitted leases: transaction warning conditions*)(1)(b).

Subsection (5) is to be read in accordance with this subsection.

- (4) A person who makes marketing material available in relation to the same lease on more than one occasion in breach of section (*Permitted leases: marketing restrictions*)(2) is to be regarded as committing only one breach of that provision.
- (5) The following are to be regarded as separate breaches—
 - (a) breaches by the same person of the same leasehold house restriction in relation to different leases, and
 - (b) breaches by the same person of different leasehold house restrictions in relation to the same lease,
 and accordingly an enforcement authority may impose a separate penalty in relation to each breach (or may impose a single penalty of an amount equal to the total of the amounts of the penalties that could have been separately imposed).
- (6) The Secretary of State may by regulations amend an amount for the time being specified in subsection (2) to reflect a change in the value of money.
- (7) A statutory instrument containing regulations under subsection (6) is subject to the negative procedure.
- (8) Schedule (*Leasehold houses: financial penalties*) contains further provision about financial penalties under this section.”

Member's explanatory statement

This new clause, to be inserted after NC58, gives local weights and measures authorities powers to impose financial penalties for breach of the leasehold house restrictions.

Secretary Michael Gove

Added Gov NC60

To move the following Clause—

“Financial penalties: cross-border enforcement

- (1) An enforcement authority may impose a penalty under section (*Financial penalties*) in respect of a breach of a leasehold house restriction which occurs outside that authority's area (as well as in respect of a breach which occurs within that area).
- (2) If an enforcement authority (“LA1”) proposes to impose a penalty in respect of a breach which occurred in the area of a different enforcement authority (“LA2”), LA1 must notify LA2 that it proposes to do so.
- (3) If LA1 notifies LA2 under subsection (2) but does not impose the penalty, LA1 must notify LA2 of that fact.
- (4) If an enforcement authority receives a notification under subsection (2), the authority is relieved of its duty under section (*Enforcement by trading standards authorities*)(1) in relation to the breach unless the authority receives a notification under subsection (3).
- (5) If an enforcement authority (“LA1”) imposes a penalty in respect of a breach which occurred in the area of a different enforcement authority (“LA2”), LA1 must notify LA2 of that fact.”

Member's explanatory statement

This new clause, to be inserted after NC59, makes provision in connection with enforcement of the leasehold house restrictions across local authority boundaries.

Secretary Michael Gove

Added Gov NC61

To move the following Clause—

“Lead enforcement authority

- (1) In this section and in sections (*General duties of lead enforcement authority*) to (*Further powers and duties of enforcement authorities*) “lead enforcement authority” means—
 - (a) the Secretary of State, or
 - (b) a person whom the Secretary of State has arranged to be the lead enforcement authority in accordance with subsection (2).
- (2) The Secretary of State may make arrangements for a local weights and measures authority in England or Wales to be the lead enforcement authority instead of the Secretary of State.

- (3) The arrangements—
 - (a) may include provision for payments by the Secretary of State;
 - (b) may include provision about bringing the arrangements to an end.
- (4) The Secretary of State may by regulations make transitional or saving provision which applies when there is a change in the lead enforcement authority.
- (5) The regulations may relate to a specific change in the lead enforcement authority or to changes that might arise from time to time.
- (6) A statutory instrument containing regulations under subsection (4) is subject to the negative procedure.”

Member's explanatory statement

This new clause, to be inserted after NC60, requires the Secretary of State, or a local weights and measures authority with which the Secretary of State makes arrangements, to be the lead enforcement authority in relation to the leasehold house restrictions.

Secretary Michael Gove

Added Gov NC62

To move the following Clause—

“General duties of lead enforcement authority

- (1) It is the duty of the lead enforcement authority to oversee the operation of the relevant provisions of this Part in England and Wales.
- (2) The “relevant provisions of this Part” means the provisions of this Part except sections (*Prescribed statements in new long leases*) and (*Restriction on title*) (statements in leases and restriction on title).
- (3) It is the duty of the lead enforcement authority to issue guidance to enforcement authorities about their enforcement of the leasehold house restrictions (and if the lead enforcement authority is not the Secretary of State, the Secretary of State may give directions as to the content of the guidance).
- (4) It is the duty of the lead enforcement authority to provide information and advice to the public in England and Wales about the operation of the relevant provisions of this Part, in such form and manner as it considers appropriate.
- (5) The lead enforcement authority may disclose information to an enforcement authority for the purposes of enabling that authority to determine whether there has been a breach of a leasehold house restriction.
- (6) If the lead enforcement authority is not the Secretary of State, the lead enforcement authority must keep under review and from time to time advise the Secretary of State about—
 - (a) the operation of the relevant provisions of this Part, and
 - (b) social and commercial developments relating to the grant or assignment of long residential leases of houses in England and Wales.”

Member's explanatory statement

This new clause, to be inserted after NC61, gives the lead enforcement authority (see NC61) general functions in relation to the enforcement of the leasehold house restrictions.

Secretary Michael Gove

Added Gov NC63

To move the following Clause—

“Enforcement by lead enforcement authority

- (1) The lead enforcement authority may—
 - (a) take steps to enforce the leasehold house restrictions if it considers it is necessary or expedient to do so;
 - (b) for that purpose, exercise any powers that an enforcement authority may exercise for the purpose of the enforcement of the leasehold house restrictions.
- (2) If the lead enforcement authority proposes to take steps in respect of a breach (or suspected breach) of a leasehold house restriction, it must notify the enforcement authority for the area in which the breach occurred (or may have occurred) that it proposes to do so.
- (3) If the lead enforcement authority notifies an enforcement authority under subsection (2) but does not take the proposed steps, the lead enforcement authority must notify the enforcement authority of that fact.
- (4) If an enforcement authority receives a notification under subsection (2), the authority is relieved of its duty under section (*Enforcement by trading standards authorities*)(1) in relation to the breach unless the authority receives a notification under subsection (3).
- (5) But the lead enforcement authority may require the enforcement authority to assist the lead enforcement authority in taking steps to enforce the leasehold house restriction referred to in subsection (2).”

Member's explanatory statement

This new clause, to be inserted after NC62, provides that the lead enforcement authority is able to enforce the leasehold house restrictions itself if necessary or expedient.

Secretary Michael Gove

Added Gov NC64

To move the following Clause—

“Further powers and duties of enforcement authorities

- (1) An enforcement authority must notify the lead enforcement authority if the enforcement authority believes that a breach of a leasehold house restriction has occurred in its area.
- (2) An enforcement authority must report to the lead enforcement authority, whenever the lead enforcement authority requires and in such form and with

such particulars as it requires, on that enforcement authority's enforcement of the leasehold house restrictions.

- (3) An enforcement authority must have regard to the guidance issued under section (*General duties of lead enforcement authority*)(3).
- (4) For the investigatory powers available to an enforcement authority for the purposes of enforcing a leasehold house restriction, see Schedule 5 to the Consumer Rights Act 2015 (investigatory powers of enforcers etc).
- (5) In paragraph 10 of Schedule 5 to the Consumer Rights Act 2015 (duties and powers to which Schedule 5 applies), at the appropriate places insert—
 - (a) "section (*Enforcement by trading standards authorities*) of the Leasehold and Freehold Reform Act 2024;"
 - (b) "section (*Enforcement by lead enforcement authority*) of the Leasehold and Freehold Reform Act 2024".
- (6) See also paragraph 44 of Schedule 5 to the Consumer Rights Act 2015 (exercise of functions outside enforcer's area)."

Member's explanatory statement

This new clause, to be inserted after NC63, makes further provision about the enforcement of the leasehold house restrictions, including by providing for the investigatory powers in the Consumer Rights Act 2015 to be available to local weights and measures authorities enforcing the regime.

Secretary Michael Gove

Added Gov NC65

To move the following Clause—

"Power to amend: permitted leases and definitions

- (1) The Secretary of State may by regulations—
 - (a) amend the following definitions—
 - (i) "long residential lease of a house" in section (*Long residential leases of houses*);
 - (ii) a lease which has a "long term" in section (*Leases which have a long term*);
 - (iii) "house" in section (*Houses*);
 - (b) amend Schedule (*Categories of permitted lease*).
- (2) A statutory instrument containing (whether alone or with other provision)—
 - (a) regulations under subsection (1)(a), or
 - (b) regulations under subsection (1)(b) which add a category of lease to Schedule (*Categories of permitted lease*) or omit a category of lease from that Schedule,
 is subject to the affirmative procedure.
- (3) Any other statutory instrument containing regulations under subsection (1)(b) is subject to the negative procedure.

- (4) See also the powers to make regulations under paragraphs 2(1)(b), 3(1)(b), 6(2) and 7(1)(b) of Schedule (*Categories of permitted lease*).
- (5) The provision that may be made by regulations under this section by virtue of section 86(1) (consequential etc provision) includes provision amending or repealing any provision of this Part.”

Member's explanatory statement

This new clause, to be inserted after NC64, would allow the Secretary of State to make regulations to amend certain definitions and categories of permitted lease in the new Part before Part 1.

Secretary Michael Gove

Added Gov NC66

To move the following Clause—

“Interpretation of Part A1

(1) In this Part—

“appropriate tribunal” means—

- (a) in relation to a lease of a house in England, the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal; and
- (b) in relation to a lease of a house in Wales, a leasehold valuation tribunal;

“appurtenant property”, in relation to a house, means any garage, outhouse, garden, yard or appurtenances belonging to, or usually enjoyed with, the house;

“enforcement authority” means a local weights and measures authority in England or Wales;

“house”: see section (*Houses*);

“lead enforcement authority” has the meaning given by section (*Lead enforcement authority*);

“lease”—

- (a) means a lease at law or in equity (and references to the grant or assignment of a lease are to be construed accordingly);
- (b) includes a sub-lease;
- (c) does not include a mortgage term;

“leasehold house restrictions” has the meaning given by section (*Enforcement by trading standards authorities*)(2);

“long residential lease of a house”: see section (*Long residential leases of houses*);

“long term”, in relation to a lease: see section (*Leases which have a long term*);

“notify” means notify in writing, and “notification” is to be construed accordingly;

“permitted lease”: see section (*Permitted leases*);

“permitted lease certificate” means a certificate issued by the appropriate tribunal under section (*Permitted leases: certification by the appropriate tribunal*);

“residential lease”: see section (*Residential leases*).

- (2) In this Part, references to the grant of a lease in relation to a lease which takes effect as a deemed surrender and regrant of a lease are to the regrant of the lease.”

Member's explanatory statement

This new clause, to be inserted after NC65, would contain interpretation provision for the new Part before Part 1.

Helen Morgan

Negatived on division NC1

Wera Hobhouse
Sarah Dyke
Munira Wilson
Daisy Cooper
Sarah Olney

To move the following Clause—

“Estate management services

- (1) Within three months of the passage of this Act, the Secretary of State must by regulation provide for residents of managed dwellings to take ownership, at nominal cost, of—
- (a) an estate management company, or
 - (b) the assets of an estate management company, or other company or business connected with the development or management of the dwellings, which are used to provide services to managed dwellings
- if the estate management company or connected company or business does not—
- (i) provide the residents of the managed dwellings with a copy of its budget for the forthcoming year and accounts for the past year;
 - (ii) give sufficient notice to enable residents to attend its annual meeting;
 - (iii) acknowledge correspondence sent by registered post to its registered office within a reasonable length of time.
- (2) Regulations under subsection (1) may amend primary legislation.”

Stella Creasy

Not called NC2

To move the following Clause—

“Estate management: compensation

- (1) This section applies where the first and second condition are met.

- (2) The first condition is that it would not be reasonable for the residents of a property to continue to occupy that property as their primary residence due to a defect which the estate manager—
 - (a) is responsible for remedying, or
 - (b) could reasonably have foreseen would arise.
- (3) The second condition is that—
 - (a) the defect is the direct result of actions taken or not taken by the estate manager, or
 - (b) the estate manager has failed to remedy the defect within a reasonable period of time.
- (4) The estate manager must—
 - (a) provide compensation to the residents of the property equal to any reasonable financial loss they incurred as a result of the defect, or
 - (b) provide suitable alternative accommodation for the duration of the period for which this section applies.
- (5) No cost incurred by an estate manager as a consequence of this section may be recouped from the estate in question through an estate management charge.”

Member's explanatory statement

This new clause would allow estate residents to claim compensation or alternative accommodation where it is not reasonable for them to remain in their homes due to defects caused, or left unremedied for an unreasonable length of time, by an estate manager.

Matthew Pennycook

Not called NC3

To move the following 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.

Matthew Pennycook

Not called NC4

To move the following 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, which is intended to replace clause 59, would remove the provision of existing law which, among other things, allows a rentcharge owner to take possession of a freehold property in instances where a freehold homeowner failed to pay a rentcharge.

Matthew Pennycook

Negatived on division NC5

To move the following 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.

Matthew Pennycook

Not called NC6

To move the following Clause—

“Requirement to establish and operate a management company under leaseholder control

- (1) The Secretary of State may by regulations make provision—
 - (a) requiring any long lease of a dwelling to include a residents management company (“RMC”) as a party to that lease, and
 - (b) for that company to discharge under the long lease such management functions as may be prescribed by the regulations.
- (2) Regulations under subsection (1) must provide—
 - (a) for the RMC to be a company limited by share (with each share to have a value not to exceed £1), and
 - (b) for such shares to be allocated (for no consideration) to the leaseholder of the dwelling for the time being.
- (3) Regulations under subsection (1) must prescribe the content and form of the articles of association of an RMC.
- (4) The content and form of articles prescribed in accordance with subsection (3) have effect in relation to an RMC whether or not such articles are adopted by the company.
- (5) A provision of the articles of an RMC has no effect to the extent that it is inconsistent with the content or form of articles prescribed in accordance with subsection (3).
- (6) Section 20 of the Companies Act 2006 (default application of model articles) does not apply to an RMC.
- (7) The Secretary of State may by regulations make such provision as the Secretary of State sees fit for the enforcement of regulations made under subsection (1), and such provision may (among other things) include provision—
 - (a) conferring power on the First-Tier Tribunal to order that leases be varied to give effect to this section;
 - (b) providing for terms to be implied into leases without the need for any order of any court or tribunal.
- (8) The Secretary of State may by regulations prescribe descriptions of buildings in respect of which regulations may be made under subsection (1).
- (9) 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;

“long lease” has the meaning given by sections 76 and 77 of the Commonhold and Leasehold Reform Act 2002;

“management function” has the meaning given by section 96(5) of the Commonhold and Leasehold Reform Act 2002.

- (10) The Secretary of State may by regulations amend the definition of “management function” for the purposes of this section.”

Member's explanatory statement

This new clause would ensure that leases on new flats include a requirement to establish and operate a residents' management company responsible for all service charge matters, with each leaseholder given a share.

Matthew Pennycook

Not called NC7

To move the following Clause—

“Power to establish a Right to Manage regime for freeholders on private or mixed-use estates

In Section 71 of the Commonhold and Leasehold Reform Act 2002, after subsection (2) insert—

- “(3) The Secretary of State may by regulations make provision to enable freeholder owners of dwellings to exercise a right to manage in a way which corresponds with or is similar to this Part.
- (4) A statutory instrument containing regulations under subsection (3) 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 new clause would permit the Secretary of State to establish a Right to Manage regime for freeholders of residential property on private or mixed-use estates.

Matthew Pennycook

Not called NC8

To move the following Clause—

“Regulation of property agents

- (1) The Secretary of State must by regulations make provision for implementing the proposals of the Regulation of Property Agents Working Group final report of July 2019 as far as they relate to—
- (a) estate management;
 - (b) sale of leasehold properties; and
 - (c) sale of freehold properties subject to estate management or service charges.

- (2) Regulations under this section—
- (a) must be laid within 24 months of the date of Royal Assent to this Act,
 - (b) shall be made by statutory instrument, and
 - (c) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.
- (3) If, at the end of the period of 12 months beginning with the day on which this Act is passed, the power in subsection (1) is yet to be exercised, the Secretary of State must publish a report setting out the progress that has been made towards doing so.”

Member's explanatory statement

This new clause would require the Secretary of State to make regulations to implement the proposals of the Regulation of Property Agents Working Group final report within 24 months of the Act coming into force and to report on progress to that end at the end of the period of 12 months.

Matthew Pennycook

Not called NC9

To move the following Clause—

“Qualifying leases for the purposes of the remediation of building defects

Section 119 of the Building Safety Act 2022 is amended by the insertion after subsection (4) of the following —

- “(5) The Secretary of State may, by regulations, amend subsection (2) so as to bring additional descriptions of lease within the definition of “qualifying lease”. ””

Member's explanatory statement

This new clause would give the Secretary of State the power to bring “non qualifying” leaseholders within the scope of the protections of the Building Safety Act 2022.

Matthew Pennycook

Not called NC10

To move the following Clause—

“Meaning of “relevant building” for the purposes of the remediation of building defects

Section 117 of the Building Safety Act 2022 is amended by the insertion after subsection (6) of the following—

- “(7) The Secretary of State may, by regulations, amend subsection (2) so as to bring additional descriptions of building within the definition of “relevant building”. ””

Member's explanatory statement

This new clause would give the Secretary of State the power to bring buildings which are under 11m in height or have fewer than four storeys within the scope of the protections of the Building Safety Act 2022.

Matthew Pennycook

Not called NC11

To move the following 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.

Nickie Aiken

Not called NC12

Barry Gardiner

To move the following Clause—

“Proportion of qualifying tenants required for a notice of claim to acquire right to manage

Section 79 of the CLRA 2002 is amended, in subsection (5), by leaving out “one-half” and inserting “35%”.”

Member's explanatory statement

This new clause would reduce the proportion of qualifying tenants who must be members of a proposed Right to Manage company for a claim to be made from one-half to 35%.

Wendy Morton

Not called NC13

Sir Peter Bottomley
 Dr Thérèse Coffey
 Stephen McPartland
 Bob Blackman
 Sir Julian Lewis
 Mary Robinson

To move the following Clause—

“Prohibition on new leasehold homes

- (1) Within three months of the passage of this Act, the Secretary of State must by regulations prohibit the sale of any new leasehold home.
- (2) Regulations under this section—
 - (a) shall be made by statutory instrument,
 - (b) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament; and
 - (c) may amend primary legislation.”

Nickie Aiken

Not called NC14

Barry Gardiner

To move the following Clause—

“Premises to which leasehold right to manage applies

Section 72 of the CLRA 2002 is amended in subsection (1)(a), by the addition at the end of the words “or of any other building or part of a building which is reasonably capable of being managed independently.””

Member's explanatory statement

This new clause which is an amendment to the Commonhold and Leasehold Reform Act 2002 adopts the Law Commission's Recommendation 5 in its Right to Manage report which would allow leaseholders in mixed-use buildings with shared services or underground car park to exercise the Right to Manage.

Nickie Aiken

Not called NC15

Barry Gardiner

To move the following Clause—

“Meaning of “accountable person” for the purposes of the Building Safety Act 2022

- (1) Section 72 of the Building Safety Act 2022 is amended in accordance with subsections (2) and (3).
- (2) After subsection (2)(b), insert—
 - “(c) all repairing obligations relating to the relevant common parts which would otherwise be obligations of the estate owner are functions of a manager appointed under section 24 of the Landlord and Tenant Act 1987 in relation to the building or any part of the building.”

- (3) In subsection (6), in the definition of “relevant repairing obligation”, after “enactment”, insert “or by virtue of an order appointing a manager made under section 24 of the Landlord and Tenant Act 1987”.
- (4) Section 24 of the Landlord and Tenant Act 1987 is amended in accordance with subsection (5).
- (5) Omit subsection (2E).”

Member's explanatory statement

This new clause would provide for a manager appointed under section 24 of the Landlord and Tenant Act 1987 to be the “accountable person” for a higher-risk building.

Barry Gardiner

Not called NC16

To move the following Clause—

“Commencement of section 156 of the CLRA 2002

- (1) Section 181 of the CLRA 2002 is amended as follows.
- (2) In subsection (1), after “104” insert “, section 156”.
- (3) After subsection (1) insert—
 - “(1A) Section 156 comes into force at the end of the period of two months beginning with the day on which the Leasehold and Freehold Reform Act 2024 is passed.””

Member's explanatory statement

This new clause would bring into force a requirement of the Leasehold and Freehold Reform Act 2024 that service charge contributions be held in designated accounts.

Barry Gardiner

Not called NC17

To move the following Clause—

“Eligibility for enfranchisement

- (1) The LHRUDA 1993 is amended as follows.
- (2) In section 3—
 - (a) in subsection (2)(a), after third “building”, insert “, or could be separated out by way of the granting of a mandatory leaseback on the non-residential premises to the outgoing freeholder”;
 - (b) after sub-paragraph (2)(b)(ii), insert “or
 - (iii) are reasonably capable of being managed independently or are already subject to separate management arrangements;”

- (3) In section 4(1)(a)(ii), after “premises;”, insert “nor
- (iii) reasonably capable of being separated out by way of the granting of a mandatory leaseback and reasonably capable of being managed independently from the residential premises;”

Member's explanatory statement

This new clause would ensure that leaseholders in mixed-use blocks with shared services with commercial occupiers would qualify to buy their freehold.

Barry Gardiner

Not called NC18

To move the following Clause—

“Right to manage: procedure following an application to the appropriate tribunal

- (1) The CLRA 2002 is amended as follows.
- (2) After section 84, insert—

“84A Procedure following an application to the appropriate tribunal

- (1) Where an application is made to the appropriate tribunal under section 84(3) for a determination that an RTM company was on the relevant date entitled to acquire the right to manage the premises, the Tribunal may, if satisfied that it is reasonable to do so, dispense with—
- (a) service of any notice inviting participation;
- (b) service of any notice of claim;
- (c) any of the requirements in the provisions set out in subsection (2); or
- (d) any requirement of any regulations made under this part of this Act.
- (2) Subsection (1)(c) applies to the following provisions of this Act—
- (a) section 73;
- (b) section 74;
- (c) section 78;
- (d) section 79;
- (e) section 80;
- (f) section 81.”

Member's explanatory statement

This new clause would provide the appropriate tribunal with the discretion to dispense with certain procedural requirements where it is satisfied that it is reasonable to do so. It is designed to deal with cases where a landlord attempts to frustrate an RTM claim by procedural means.

Barry Gardiner

Not called NC19

To move the following Clause—

“Service charges: consultation requirements

(1) The Landlord and Tenant Act 1985 is amended as follows.

(2) In section 20ZA, after subsection (1), insert—

“(1A) “Reasonable” for the purpose of subsection (1) is a matter of fact for the tribunal, which—

- (a) may or may not consider the matter of relevant prejudice to the tenant. If prejudice is to be considered the burden is on the landlord to demonstrate a lack of prejudice or to prove the degree of prejudice;
- (b) must include consideration of the objectives of increasing transparency and accountability, and the promotion of professional estate management, as well as of ensuring that leaseholders are protected from paying for inappropriate works or paying more than would be appropriate;
- (c) must consider the dignity and investment of the tenant, who should be treated as a core participant in the process of service charge decisions;
- (d) must have regard to the tenant’s legitimate interest in a meaningful consultation process, bearing in mind that minor or technical breaches may not impinge on the tenant’s interest, nor prejudice the tenant;
- (e) at its discretion may or may not consider a reconstruction of the ‘what if’ situation, analysing what would have happened had the consultation been followed properly. The landlord is liable for the costs of such a reconstruction.””

Member's explanatory statement

This new clause would set matters for the tribunal to consider when deciding whether to dispense with all or any of the requirements for landlords to consult tenants in relation to any major works.

Barry Gardiner

Not called NC20

To move the following Clause—

“Building insurance and section 39 of the Financial Services and Markets Act 2000

A landlord may not manage or arrange insurance for their building under the protections of section 39 of the Financial Services and Markets Act 2000.”

Member's explanatory statement

This new clause precludes a landlord from operating as an appointed representative under the licence of Broker, where the landlord has no such licence themselves.

Barry Gardiner

Not called NC21

To move the following Clause—

“Collective enfranchisement: removal of prohibition on participation

- (1) Section 5 of the LRHUDA 1993 is amended in accordance with subsection (2).
- (2) Omit subsections (5) and (6).”

Member's explanatory statement

This new clause would implement recommendation 41 of the Law Commission’s report on enfranchisement, that the prohibition on leaseholders of three or more flats in a building being qualifying tenants for the purposes of a collective enfranchisement claim should be abolished.

Barry Gardiner

Not called NC22

To move the following Clause—

“Leases for new dwellings: default length

- (1) Where a lease is a regulated lease, it must be issued with a lease term of at least 990 years.
 - (2) In this section—
 - “regulated lease” means a lease which meets the following conditions—
 - (a) it is a long lease of a single dwelling;
 - (b) it is granted for a premium;
 - (c) it is granted on or after the relevant commencement day but not in pursuance of a contract made before that day; and
 - (d) when it is granted, it is not an excepted lease.
- the “relevant commencement day” is 1 January 2025.”

Member's explanatory statement

This new clause would ensure that all leases created for new flats following 1 January 2025 come with a default length of 990-years, bringing the position of future private sector leases into line with the existing requirements under Home England’s new model shared ownership lease

Wendy Morton

Not called NC23

Sir Peter Bottomley
Stephen McPartland
Bob Blackman
Sir Julian Lewis
Mary Robinson

To move the following Clause—

“Report on disadvantage suffered by existing leaseholders

- (1) Within 12 months of this Act receiving Royal Assent, the Secretary of State must commission an independent evaluation of the matter set out in subsection (2) and must lay the report of the evaluation before Parliament.
- (2) The matter is the extent to which a tenant who has extended their lease or purchased the freehold of their property after 27 November 2023 but prior to this Act receiving Royal Assent (Tenant A) is disadvantaged in comparison to a tenant who has extended their lease or purchased the freehold of their property after this Act received Royal Assent (Tenant B).
- (3) The report must take account of the following factors—
 - (a) marriage value;
 - (b) the legal costs likely to be incurred by the freeholder; and
 - (c) any charge for which Tenant A would be liable but Tenant B would not.
- (4) The report must make recommendations to redress any significant disparities between the costs for which Tenant A would be liable but Tenant B would not.
- (5) The Secretary of State may by regulations give effect to any recommendations made in the evaluation.
- (6) Regulations under this section—
 - (a) shall be made by statutory instrument; and
 - (b) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.”

Member's explanatory statement

This new clause would require the Secretary of State to commission an independent evaluation of any disadvantages faced by a tenant who has extended their lease or purchased the freehold of their property after the introduction of this Bill but prior to it receiving Royal Assent.

Sir Stephen Timms

Not called NC24

Jane Hunt
Matt Hancock

To move the following Clause—

“Asbestos remediation

- (1) The Leasehold Reform, Housing and Urban Development Act 1993 is amended as follows.

- (2) After section 37B, insert—

“37C Asbestos remediation

- (1) This section applies where a claim to exercise the right to collective enfranchisement in respect of any premises is made by tenants of dwellings contained in the premises and the claim is effective.
- (2) Not less than 3 months before the effective date of the enfranchisement, the landlord must cause a structural survey of the premises to be undertaken by an accredited professional to ascertain whether asbestos is, or is liable to be, present in those parts of the premises which the landlord is responsible for maintaining.
- (3) Where the survey required by subsection (2) reveals the presence of asbestos, the landlord must, at the landlord’s cost, arrange for its safe removal.
- (4) If the removal of asbestos required by subsection (3) is not carried out before the responsibility for maintaining the affected parts transfers to another person under the claim to exercise the right of collective enfranchisement, the landlord is liable for the costs of its removal.””

Sir Peter Bottomley

Not called NC25

To move the following Clause—

“Right to statutory compensation when landlord alters premises

- (1) This section applies when both of the following conditions are satisfied—
 - (a) the first condition is that there are premises in which at least one dwelling is let on a long lease to a person (“T”); and
 - (b) the second condition is that the landlord or any superior landlord (“L”) under T’s long lease undertakes substantial development to the premises containing T’s dwelling.
- (2) When both of the conditions mentioned in subsection (1) are satisfied, L must pay to T compensation reflecting the disruption caused by the substantial development.
- (3) The compensation due from L to T under subsection (2) is to be calculated and paid by L to T at a time and in a manner according to regulations made by the Secretary of State.
- (4) Notwithstanding any term of any agreement to the contrary, whether the agreement is made before or after the coming into force of this section—
 - (a) T may set-off any part of any compensation due from L but not paid by L in accordance with this section against any service charges demanded by L; and
 - (b) L may not exercise or omit to exercise any right, or otherwise take any step, to prejudice T as a result of any set-off exercised by T in accordance with this section.

- (5) The County Court has jurisdiction to determine any dispute regarding compensation payable under this section.
- (6) 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.
- (7) A statutory instrument containing regulations under this section is subject to the negative procedure.
- (8) In this section—
 - “long lease” has the same meaning as in Chapter 1 of Part 2 of the Commonhold and Leasehold Reform Act 2002 (see sections 76 and 77 of that Act);
 - “service charge” has the same meaning as in section 18 of the Landlord and Tenant Act 1985 (as amended by this Act);
 - “substantial development” means demolishing, reconstructing or carrying out substantial works of construction on, the whole or a substantial part of the premises.”

Member's explanatory statement

This new clause is proposed after clause 21. It would require landlords who extend or alter buildings to pay statutory compensation to residential leaseholders in that building, for example when adding new storeys under permitted development rights. Residential leaseholders would have the right to set-off this compensation against service charges if landlords did not pay.

Mr Clive Betts

Not called NC36

Nadia Whittome
Bob Blackman

To move the following Clause—

“Codes of management practice: requirement to adhere

In section 87 of the LRHUDA 1993 (codes of management practice)—

- (a) after subsection (1) insert—

“(1A) If—

- (a) the Secretary of State has not approved a code or codes of practice which appear to him to promote desirable practices in relation to all necessary matters concerned with the management of residential property by relevant persons within three months of the passage of the Leasehold and Freehold Reform Act 2024, or
- (b) as a consequence of the withdrawal of his approval of a code or modifications under subsection (1)(c) it appears to him that codes of practice in relation to all necessary matters are no longer in place,

he must draw up a code or modifications in relation to such matters as he considers necessary and treat that code, or those modifications, as if submitted to him under subsection (1)(a)(ii)."

- (b) in subsection (7)—
- (i) omit the words "not of itself", and
 - (ii) for "but", substitute "and"."

Member's explanatory statement

This new clause would amend section 87 of the Leasehold Reform, Housing and Urban Development Act 1993 so as to make the codes of practice allowed for under that section mandatory (paragraph (b)), and to require the Secretary of State to ensure that such codes of practice are in place (paragraph (a)).

Mr Clive Betts

Not called NC37

Nadia Whittome
Bob Blackman

To move the following Clause—

"Qualification in property management

In section 87 of the LRHUDA 1993 (codes of management practice), after subsection (6), insert—

- "(6A) A code of practice approved under this section must require a person who discharges management functions in respect of residential property to hold a relevant qualification in property management.""

Member's explanatory statement

This new clause, together with NC36, would require any person who discharges management functions in respect of residential property to hold a relevant qualification in property management.

Mr Clive Betts

Not called NC38

Nadia Whittome
Bob Blackman

To move the following Clause—

“Information to be given to prospective purchasers of leasehold residential property

In the LTA 1985, after section 30P (as inserted by section 40) insert—

“Information to be given to prospective purchasers of leasehold residential property

30Q Information to be given to prospective purchasers of leasehold residential property

- (1) The landlord must ensure that any person purchasing the lease of a dwelling is provided at the point of purchase with a copy of the Government guidance entitled “How to Lease”, as it may be updated from time to time.
- (2) For the purposes of this section, “landlord” has the same meaning as in sections 30K to 30N (see section 30P).”

Mr Clive Betts

Negatived on division NC39

Nadia Whittome
Bob Blackman

To move the following Clause—

“Rights of first refusal on disposal of freehold homes

- (1) Within three months of the passage of this Act, the Secretary of State must by regulations provide for the rights of first refusal granted to qualifying tenants of flats by Part 1 of the Landlord and Tenant Act 1987 to be extended to tenants of freehold houses.
- (2) Regulations under subsection (1)—
 - (a) may amend primary legislation;
 - (b) are subject to the affirmative procedure (but see subsection (3)).
- (3) If before approving a draft of regulations under subsection (1) both Houses of Parliament have agreed amendments to that draft, the Secretary of State must make the regulations in the form of the draft as so amended.”

Mr Clive Betts

Not called NC40

Nadia Whittome
Bob Blackman

To move the following Clause—

“Failure of landlords to respond to requests for enfranchisement

- (1) Within three months of the passage of this Act, the Secretary of State must conduct a review of the problems faced by tenants wishing to exercise their right to enfranchisement whose landlords do not respond to enfranchisement requests.
- (2) A report of the review must be laid before Parliament as soon as it has been completed.
- (3) The Secretary of State may by regulations implement any recommendation of the review.
- (4) Regulations under subsection (3) may amend primary legislation.”

Wendy Morton

Not called NC41

To move the following Clause—

“Report on disadvantage due to payment of marriage value

- (1) Within 12 months of the passage of this Act, the Secretary of State must commission an independent evaluation of the matter set out in subsection (2) and must lay the report of the evaluation before Parliament.
- (2) The matter is the extent to which a tenant who has been required to pay marriage value when extending their lease (Tenant A) is disadvantaged in comparison to a tenant who has extended their lease after the passage of this Act (Tenant B).
- (3) The report must—
 - (a) make recommendations to redress any significant disparities between the marriage value costs for which Tenant A would be liable but Tenant B would not; and
 - (b) recommend the date after which Tenant A must have extended their lease in order to be eligible for any financial redress.
- (4) The Secretary of State may by regulations give effect to any recommendations made in the evaluation.
- (5) Regulations under this section—
 - (a) are to be made by statutory instrument; and
 - (b) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.”

Member's explanatory statement

This new clause would require the Secretary of State to commission an independent evaluation of any disadvantages faced by a tenant who has been required to pay marriage value when extending their lease in comparison to a tenant who has extended their lease after the passage of this Act and therefore not been required to pay marriage value.

Janet Daby

Not called NC67

To move the following Clause—

“Liability of freeholders for central heating failures

- (1) Within 12 months of the passage of this Act, the Secretary of State must commission an independent evaluation of the matters set out in subsection (2) and must lay the report of the evaluation before Parliament.
- (2) The matters are, where there is a failure of a communal central heating system for which a freeholder is responsible which lasts for a minimum of 24 hours—
 - (a) the extent to which a freeholder should be liable; and
 - (b) whether, if the freeholder is considered to some extent to be liable, financial penalties should be imposed on the freeholder.
- (3) The Secretary of State may by regulations give effect to any recommendations made in the evaluation.
- (4) Regulations under this section—
 - (a) are to be made by statutory instrument; and
 - (b) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.”

Member's explanatory statement

This new clause would require the Secretary of State to commission an independent evaluation of the matter of holding freeholders financially liable for long-lasting central communal heating failures where the freeholder has a responsibility for upkeep.

George Eustice

Not called NC68

To move the following Clause—

“Shared ownership

- (1) Within three months of the passage of this Act, the Secretary of State must by regulations create certain rights and obligations for leaseholders and freeholders on all leasehold properties which are subject to a shared ownership model created after 1967.
- (2) The rights referred to in subsection (1) are that any leaseholder has the right to increase their share of the freehold in the property in increments of either ten percent or 25 percent on giving formal notice in writing to the freeholder.
- (3) The obligation referred to in subsection (1) is that the freeholder may not charge a rent on their freehold share of the property which is greater than 2.75% of the market value of the share of the property which they hold.
- (4) Rights and obligations created by regulations under this section are to apply notwithstanding any legal agreement previously entered into between the leaseholder and the freeholder.”

Matthew Pennycook

Not called 3

Clause 3, page 2, line 19, at end insert—

“(2) After section 4(5) of the LRHUDA 1993, insert—

“(6) The Secretary of State or the Welsh Ministers may by regulations amend this section to provide for a different description of premises falling within section 3(1) to which this Chapter does not apply.

(7) Regulations may not be made under subsection (6) unless a draft of the regulations has been laid before, and approved by resolution of—

(a) in the case of regulations made by the Secretary of State, both Houses of Parliament;

(b) in the case of regulations made by the Welsh Ministers, Senedd Cymru.”

(3) In section 100 of the LRHUDA 1993—

(a) in subsection (2), after “making”, insert “provision under section 4(6) or”;

(b) in subsection (3), after “making”, insert “provision under section 4(6) or”.

Member's explanatory statement

This amendment would enable the Secretary of State or (in the case of Wales) the Welsh Ministers to change the description of premises which are excluded from collective enfranchisement rights. Such a change would be subject to the affirmative resolution procedure.

Secretary Michael Gove

Agreed to Gov 24

Clause 8, page 11, line 9, leave out from “rent” to end of line 11 and insert—

“(2A) But if the existing tenancy is a shared ownership lease, the rent payable for the house and premises under the new tenancy is as follows (and subsection (2) does not apply)—

(a) if the existing tenancy provides for rent to be payable in respect of the landlord’s share in the house and premises, subsection (1) applies to the terms of the new tenancy relating to that rent;

(b) whether or not the existing tenancy provides for rent to be payable in respect of the tenant’s share in the house and premises, the new tenancy must provide that, as from the date it is granted, a peppercorn rent is payable in respect of the tenant’s share;

and a reference in any enactment (whenever passed or made) to rent payable in accordance with subsection (2) includes a reference to the rent payable in accordance with this subsection.

(2B) For the purposes of subsection (2A), if the existing tenancy does not reserve separate rents in respect of the tenant’s share in the house and premises and the landlord’s share in the house and premises, any rent reserved is to be treated as reserved in respect of the landlord’s share.

(2C) In this section “peppercorn rent” has the same meaning as in the Leasehold Reform (Ground Rent) Act 2022 — see section 4(3) of that Act.”;”

Member's explanatory statement

This provides that, where a shared ownership lease is extended under the LRA 1967, only the rent payable in respect of the tenant’s share will be a peppercorn rent (and the rent payable in respect of the landlord’s share will be on the same terms as in the existing tenancy).

Secretary Michael Gove

Agreed to Gov 25

Clause 8, page 11, line 25, at end insert—

“(4A) In section 31(2)(a) (ecclesiastical property), omit “or rent”.”

Member's explanatory statement

This amendment would make provision that is consequential on the rest of clause 8.

Secretary Michael Gove

Agreed to Gov 26

Clause 9, page 11, line 36, leave out subsection (2)

Member's explanatory statement

This amendment is consequential on Amendment 60.

Secretary Michael Gove

Agreed to Gov 27

Clause 10, page 12, line 16, after “freehold” insert “and other interests”

Member's explanatory statement

This amendment would clarify that the valuation mechanism in clause 11 and Schedule 2 extends to the acquisition of other interests in a collective enfranchisement, not just the freehold.

Secretary Michael Gove

Agreed to Gov 28

Clause 10, page 12, line 19, after “lease)” insert “—

(a)”

Member's explanatory statement

This amendment is consequential on Amendment 29.

Secretary Michael Gove

Agreed to Gov 29

Clause 10, page 12, line 23, at end insert—

“(b) after subsection (1) insert—

“(1A) But if the existing lease is a shared ownership lease, the rent payable under the new lease of the flat is as follows (and subsection (1) does not apply for the purpose of specifying the rent under the new lease)—

- (a) whether or not the existing lease provides for rent to be payable in respect of the tenant’s share in the flat, the new lease must provide for a peppercorn rent to be payable in respect of the tenant’s share;
- (b) if the existing lease provides for rent to be payable in respect of the landlord’s share in the flat, section 57(1) applies to the terms of the new lease relating to that rent;

and a reference in any enactment (whenever passed or made) to rent payable in accordance with subsection (1) includes a reference to the rent payable in accordance with this subsection.

(1B) For the purposes of subsection (1A), if the existing lease does not reserve separate rents in respect of the tenant’s share in the flat and the landlord’s share in the flat, any rent reserved is to be treated as reserved in respect of the landlord’s share.””

Member's explanatory statement

This provides that, where a shared ownership lease is extended under the LRHUDA 1993, only the rent payable in respect of the tenant’s share will be a peppercorn rent (and the rent payable in respect of the landlord’s share will be on the same terms as in the existing tenancy).

Secretary Michael Gove

Agreed to Gov 30

Clause 11, page 13, line 5, after “on” insert “sections 9 and 10,”

Member's explanatory statement

This amendment would clarify that the amendments in Schedule 5 are consequential on clauses 9 and 10 as well as clause 11 and Schedules 2 to 4.

Secretary Michael Gove

Agreed to Gov 31

Clause 12, page 16, leave out line 18

Member's explanatory statement

This is consequential on Amendment 63.

Matthew Pennycook

Not called 6

Clause 12, page 16, leave out from line 27 to line 20 on page 17

Member's explanatory statement

This amendment would leave out the proposed new section 19C of the Leasehold Reform Act 1967, and so ensure that leaseholders are not liable to pay their landlord's non-litigation costs in cases where a low value enfranchisement or extension claim is successful.

Secretary Michael Gove

Agreed to Gov 32

Clause 12, page 17, leave out line 12

Member's explanatory statement

This is consequential on Amendment 63.

Secretary Michael Gove

Agreed to Gov 33

Clause 12, page 17, leave out line 37

Member's explanatory statement

This is consequential on Amendment 63.

Secretary Michael Gove

Agreed to Gov 34

Clause 12, page 18, line 14, at end insert—

- “(za) in section 9(5)(c) (landlord's lien as vendor), for “him” substitute “the tenant”;
- “(zb) in section 14(3)(c) (conditions for grant of extended lease), for “him” substitute “the tenant”;

Member's explanatory statement

This amendment would make provision that is consequential on amendments to the LRA 1967 in clause 12(2)(c) and (4)(b).

Matthew Pennycook

Not called 7

Clause 13, page 22, leave out lines 1 to 29

Member's explanatory statement

This amendment would leave out the proposed new section 89C of the Leasehold Reform, Housing and Urban Development Act 1993, and so ensure that leaseholders are not liable to pay their landlord's non-litigation costs in cases where a low value enfranchisement or extension claim is successful.

Stella Creasy

Not called 2

Clause 14, page 26, line 40, at end insert—

“(ja) any matter arising under Clause [*Estate management: compensation*] of the Leasehold and Freehold Reform Act 2024.”

Member's explanatory statement

This is a paving amendment for NC2.

Stella Creasy

Not called 1

Clause 14, page 28, line 11, at end insert—

“(8A) When considering any matter under this section, the appropriate tribunal must have regard to previous decisions made by an appropriate tribunal in matters which appear, to it, to be materially similar to the matter under consideration under this section.”

Member's explanatory statement

This amendment would require tribunals considering cases related to leasehold to have regard to precedent set by previous decisions of tribunals in similar cases.

Secretary Michael Gove

Agreed to Gov 35

Clause 20, page 38, line 33, at beginning insert “(1)”

Member's explanatory statement

This is consequential on Amendment 36 (which adds new subsections to the new section 7A inserted into the LRA 1967).

Secretary Michael Gove

Agreed to Gov 36

Clause 20, page 39, line 2, at end insert—

“(2) If—

(a) a person makes a claim to acquire a freehold under the preserved law, and

(b) as a result of that claim, further notices by that person are void by virtue of a statutory bar under the preserved law,

only further notices making claims under the preserved law are void by virtue of that statutory bar.

(3) In subsection (2)—

“preserved law” means this Part as it has effect (by virtue of subsection (1)) without the amendments made by the Leasehold and Freehold Reform Act 2024;

“statutory bar” means—

- (a) section 9(3)(b), or
- (b) an order under section 20(6) or paragraph 4(3) of Schedule 3.”

Member's explanatory statement

This deals with cases where a tenant makes a “preserved law claim” (under the LRA 1967 as unamended by the Bill), and it results in the tenant being prevented from making a further claim for a certain period. Only a further preserved law claim is prevented.

Nickie Aiken

Not called 17

Barry Gardiner

Clause 22, page 39, line 14, leave out “50%” and insert “75%”

Member's explanatory statement

This amendment would allow leaseholders with a higher proportion of commercial or non-residential space in their building to claim the Right to Manage.

Matthew Pennycook

Not called 9

Clause 23, page 40, leave out from the beginning of line 27 to the end of line 27 on page 41

Member's explanatory statement

This amendment would leave out the proposed new section 87B of the Commonhold and Leasehold Reform Act 2002 and so ensure that RTM companies cannot incur costs in instances where claims cease.

Barry Gardiner

Not called 19

Clause 29, page 46, line 26, at end insert—

- “(iii) a statement of all transactions relating to any sinking fund or reserve fund.”

Member's explanatory statement

This amendment would require the written statement of account which the landlord will be required to provide to a tenant to include a statement of all transactions relating to any sinking fund or reserve fund in which their monies are held.

Matthew Pennycook

Not called 12

Clause 29, page 47, line 16, at end insert—

- “(8) Where a landlord of any such premises fails to comply with the terms implied into a lease by subsection (2), any rent, service charge or administration charge otherwise due from the tenant to the landlord shall be treated for all purposes

as not being due from the tenant to the landlord at any time before the landlord does comply with those subsections.”

Member's explanatory statement

This amendment would require courts and tribunals to treat the landlord's compliance with the implied term requirement for annual accounts and certification as a condition precedent to the lessee's obligation to pay their service charges.

Matthew Pennycook

Not called 13

Clause 29, page 48, line 11, at end insert—

“(9) Where a landlord fails to comply with subsection (1), any rent, service charge or administration charge otherwise due from the tenant to the landlord shall be treated for all purposes as not being due from the tenant to the landlord at any time before the landlord does comply with that subsection.”

Member's explanatory statement

This amendment would require courts and tribunals to treat the landlord's compliance with the implied term requirement for annual accounts and certification as a condition precedent to the lessee's obligation to pay their service charges.

Matthew Pennycook

Not called 14

Clause 30, page 50, leave out lines 12 to 19 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.

Matthew Pennycook

Not called 15

Clause 31, page 51, line 35, leave out “£5,000” and insert “£30,000”

Member's explanatory statement

This amendment would raise the cap on damages under this section for a failure to comply with duties relating to service charges to £30,000.

Matthew Pennycook

Not called 16

Clause 31, page 51, line 35, at end insert—

“(5A) Damages under this section must be at least £1,000.”

Member's explanatory statement

This amendment would insert a floor on damages under this section of £1,000.

Barry Gardiner

Not called 20

Clause 32, page 52, line 32, leave out from beginning to end of line 33 and insert—

“(a) exceed the net rate charged by the insurance underwriter for the insurance cover, and”

Member's explanatory statement

This amendment would define an excluded insurance cost as any cost in excess of the actual charge made by the underwriter for placing the risk, where such cost is not a permitted insurance payment.

Barry Gardiner

Not called 21

Clause 32, page 52, line 35, leave out from beginning to end of line 6 on page 53

Member's explanatory statement

This amendment, to leave out subsection (3) of the proposed new section 20G of the Landlord and Tenant Act 1985, is consequential on Amendment 20.

Barry Gardiner

Not called 22

Clause 32, page 53, line 18, at end insert—

“(5A) The regulations must specify a broker’s reasonable remuneration at market rates as a permitted insurance payment.

(5B) The regulations must exclude any payment which arises, directly or indirectly, from any breach of trust, fiduciary obligation or failure to act in the best interests of the tenant.”

Member's explanatory statement

This amendment would require “permitted insurance payment” to include payment of a reasonable sum to a broker at market rates for placing the cover, and to exclude any payments which have arisen from wrongdoing.

Matthew Pennycook

Not called 10

Page 60, line 2, leave out Clause 35

Secretary Michael Gove

Agreed to Gov 37

Clause 35, page 61, line 38, at end insert—

- “(8A) A reference in this section to proceedings concerning a lease includes—
- (a) proceedings concerning any matter arising out of—
 - (i) the existence of the lease,
 - (ii) any term of the lease, or
 - (iii) any agreement or arrangement entered into in connection with the lease;
 - (b) proceedings concerning any enactment relevant to—
 - (i) the lease, or
 - (ii) any agreement or arrangement entered into in connection with the lease;
 - (c) proceedings that otherwise have a connection with the lease.”

Member's explanatory statement

This amendment would clarify which proceedings concern a lease for the purpose of the new section 20CA of the Landlord and Tenant Act 1985.

Secretary Michael Gove

Agreed to Gov 38

Clause 35, page 63, line 38, at end insert—

- “(8) The reference in the definition of “relevant proceedings” to proceedings concerning a lease includes—
- (a) proceedings concerning any matter arising out of—
 - (i) the existence of the lease,
 - (ii) any term of the lease, or
 - (iii) any agreement or arrangement entered into in connection with the lease;
 - (b) proceedings concerning any enactment relevant to—
 - (i) the lease, or
 - (ii) any agreement or arrangement entered into in connection with the lease;
 - (c) proceedings that otherwise have a connection with the lease.”

Member's explanatory statement

This amendment would clarify which proceedings concern a lease for the purpose of the new paragraph 5B of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

Secretary Michael Gove

Agreed to Gov 39

Clause 36, page 65, line 15, at end insert—

- “(6A) A reference in this section to proceedings concerning a lease includes—
- (a) proceedings concerning any matter arising out of—
 - (i) the existence of the lease,
 - (ii) any term of the lease, or
 - (iii) any agreement or arrangement entered into in connection with the lease;
 - (b) proceedings concerning any enactment relevant to—
 - (i) the lease, or
 - (ii) any agreement or arrangement entered into in connection with the lease;
 - (c) proceedings that otherwise have a connection with the lease.”

Member's explanatory statement

This amendment would clarify which proceedings concern a lease for the purpose of the new section 30J of the Landlord and Tenant Act 1985.

Secretary Michael Gove

Agreed to Gov 40

Clause 36, page 65, line 25, leave out subsection (2)

Member's explanatory statement

This amendment is consequential on NC26.

Secretary Michael Gove

Agreed to Gov 41

Clause 40, page 72, line 13, leave out subsection (2)

Member's explanatory statement

This amendment is consequential on NC26.

Richard Fuller

Not called 18

Sir Desmond Swayne
 Alicia Kearns
 Adam Holloway
 Gary Sambrook
 Caroline Nokes

Henry Smith

Will Quince

Jason McCartney

Clause 46, page 75, line 23, at end insert—

- “(c) only where they are incurred in the provision of services or the carrying out of works that would not ordinarily be provided by local authorities.”

Member's explanatory statement

This amendment would mean that services or works that would ordinarily be provided by local authorities are not relevant costs for the purposes of estate management charges.

Secretary Michael Gove

Agreed to Gov 42

Page 93, line 27, leave out Clause 70

Member's explanatory statement

This amendment is consequential on NC27.

Mr Clive Betts

Not called 83

Bob Blackman

Clause 74, page 97, line 37, at end insert—

“(2) Within three months of the passage of this Act, the Secretary of State must publish guidance on the circumstances in which the Secretary of State will give financial assistance or make other payments under this section.”

Member's explanatory statement

This amendment would require the Secretary of State to publish guidance on the circumstances in which financial assistance would be made available for the establishment or maintenance of estate management redress schemes.

Secretary Michael Gove

Agreed to Gov 43

Clause 75, page 98, line 5, leave out from “for” to “to” on line 7 and insert “the appointment of an individual”

Member's explanatory statement

This amendment would allow regulations about approval or designation conditions for redress schemes to make wider provision about the appointment of an individual responsible for overseeing and monitoring the investigation and determination of complaints under a redress scheme than is currently permitted under clause 75(3)(a).

Secretary Michael Gove

Agreed to Gov 44

Clause 75, page 98, line 9, at end insert—

“(aa) about the terms and conditions of that individual and the termination of their appointment;”

Member's explanatory statement

This amendment would require regulations about approval or designation conditions for redress schemes to include provision about the terms and conditions of the individual responsible for

overseeing and monitoring the investigation and determination of complaints under a redress scheme, and the termination of their appointment.

Secretary Michael Gove

Agreed to Gov 45

Clause 75, page 98, line 20, leave out “under other schemes for providing redress” and insert “in relation to other kinds of complaint”

Member's explanatory statement

This amendment would widen the power to require co-operation by redress schemes in clause 75(3)(e) so it is not limited to co-operation with redress schemes but also co-operation in relation to other kinds of complaint.

Secretary Michael Gove

Agreed to Gov 46

Clause 75, page 98, line 31, after first “of” insert “, and the investigation and determination of complaints under,”

Member's explanatory statement

This amendment would clarify that regulations about approval or designation conditions for redress schemes must provide for fee income to be sufficient to meet the costs of investigation and determination of complaints under voluntary aspects of a redress scheme (where those aspects exist).

Secretary Michael Gove

Agreed to Gov 47

Clause 75, page 99, line 40, after “scheme” insert “and the investigation and determination of complaints under those aspects of the scheme”

Member's explanatory statement

This amendment would allow regulations under clause 75(6) to make provision requiring fees payable by a compulsory member of a redress scheme to be referable to costs incurred, or to be incurred, in the investigation and determination of complaints under the compulsory aspects of the scheme (as well as their administration).

Secretary Michael Gove

Agreed to Gov 48

Clause 75, page 99, line 42, leave out from “may” to end of line 43 and insert “—

- (a) confer functions (including functions involving the exercise of discretion) on the lead enforcement authority, or authorise or require a scheme to do so;
- (b) provide for the delegation of such functions by the lead enforcement authority, or authorise or require a scheme to provide for that.”

Member's explanatory statement

This amendment would allow regulations under clause 75 to confer functions on the lead enforcement authority (whether or not they involve a discretion) and make provision for the delegation of such functions.

Matthew Pennycook

Not called 11

Page 104, line 30, leave out Clause 83

Member's explanatory statement

See explanatory statement to NC4.

Secretary Michael Gove

Agreed to Gov 85

Clause 87, page 109, line 12, at end insert “, subject to subsection (2).

- (2) Section (*Further powers and duties of enforcement authorities*)(5) extends to England and Wales, Scotland and Northern Ireland.”

Member's explanatory statement

This amendment amends the extent clause of the Bill in connection with amendments made by NC64.

Secretary Michael Gove

Agreed to Gov 49

Clause 88, page 109, line 15, leave out subsection (2) and insert—

- “(2) The following provisions come into force at the end of the period of two months beginning with the day on which this Act is passed—
- (a) section 83 (regulation of remedies for rentcharge arrears);
 - (b) section (*Recovery of legal costs etc through service charge*) (recovery of legal costs etc through service charge);
 - (c) section (*Repeal of section 125 of the BSA 2022*) (repeal of section 125 of the BSA 2022);
 - (d) section (*Higher-risk and relevant buildings: notifications in connection with insolvency*) (higher-risk and relevant buildings: notifications in connection with insolvency).”

Member's explanatory statement

This amendment revises the commencement clause of the Bill so as to ensure that specified proposed new clauses concerning building safety and the insolvency of persons who have repairing obligations relating to certain kinds of buildings come into force two months after the Bill receives Royal Assent.

Secretary Michael Gove

Added Gov NS1

To move the following Schedule—

“SCHEDULE

PART 5: AMENDMENTS TO OTHER ACTS

Local Government Act 1974

- 1 (1) The Local Government Act 1974 is amended in accordance with paragraphs 2 to 5.
- 2 (1) Section 33 (consultation between Local Commissioner and other Commissioners and Ombudsmen) is amended as follows.
 - (2) In subsection (1)—
 - (a) before paragraph (ba) insert—

“(bzc) under a leasehold and estate management redress scheme,”;
 - (b) in the words after paragraph (c)—
 - (i) for “or Ombudsman” substitute “, Ombudsman or head of leasehold and estate management redress”;
 - (ii) before “the Public Services Ombudsman (Wales) Act 2005” insert “the leasehold and estate management redress scheme,”.
 - (3) In subsection (2)—
 - (a) before “the Public Services Ombudsman for Wales” insert “the head of leasehold and estate management redress,”;
 - (b) for “Commissioner or that Ombudsman” substitute “person”.
 - (4) Before subsection (4) insert—

“(3C) If at any stage in the course of an investigation under a leasehold and estate management redress scheme, the head of leasehold and estate management redress forms the opinion that the complaint relates partly to a matter which could be the subject of an investigation under this Part of this Act, the head of leasehold and estate management redress must consult with the appropriate Local Commissioner about the complaint and, if the head of leasehold and estate management redress considers it necessary, inform the person initiating the complaint of the steps necessary to initiate a complaint under this Part of this Act.”
 - (5) In subsection (4)—
 - (a) for “or (3B)” substitute “, (3B) or (3C)”;
 - (b) for “or the new homes ombudsman scheme” substitute “, the new homes ombudsman scheme or a leasehold and estate management redress scheme”.
- 3 (1) Section 33ZA (collaborative working between Local Commissioners and others) is amended as follows.

- (2) In subsection (1)—
- (a) in paragraph (c), omit the final “or”;
 - (b) at the end of paragraph (d), insert “or
 - (e) an individual who investigates complaints under a leasehold and estate management redress scheme,”.
- (3) In subsection (1A) for “or (d)” substitute “, (d) or (e)”.
- (4) After subsection (1A) insert—
- “(1B) For the purposes of subsections (1) and (1A) a matter is “within the jurisdiction” of an individual who investigates complaints under a leasehold and estate management redress scheme if it is a matter which could be the subject of an investigation under that scheme.”
- (5) In subsection (3)—
- (a) in paragraph (c), omit the final “or”;
 - (b) at the end of paragraph (d), insert “or
 - (e) an individual who investigates complaints under a leasehold and estate management redress scheme,”;
 - (c) in the words after paragraph (d), for “or (d)” substitute “, (d) or (e)”.
- 4 In section 33ZB (arrangements for provision of administrative and other services), in subsection (4)—
- (a) in paragraph (e), omit the final “and”;
 - (b) at the end of paragraph (f), insert “, and
 - (g) the administrator of a leasehold and estate management redress scheme.”
- 5 In section 34 (interpretation) in subsection (1), at the appropriate places insert—
- ““leasehold and estate management redress scheme” means a redress scheme within the meaning of section 72(4) of the Leasehold and Freehold Reform Act 2024 (leasehold and estate management: redress schemes);”
- ““head of leasehold and estate management redress”, in relation to a leasehold and estate management redress scheme, means the person responsible for overseeing and monitoring the investigation and determination of complaints under the scheme;”

Housing Act 1996

- 6 (1) Paragraph 10A of Schedule 2 to the Housing Act 1996 (housing complaints: collaborative working with Local Commissioners) is amended as follows.
- (2) In sub-paragraph (1)—
- (a) for “or the new homes ombudsman” substitute “, the new homes ombudsman or an individual who investigates complaints under a leasehold and estate management redress scheme”;

- (b) for the words from “that Commissioner” to the end substitute “any one or more of them”.
- (3) After sub-paragraph (1) insert—
 - “(1A) For the purposes of sub-paragraph (1) a matter is “within the jurisdiction” of an individual who investigates complaints under a leasehold and estate management redress scheme if it is a matter which could be the subject of an investigation under that scheme.”
- (4) In sub-paragraph (3)—
 - (a) for “or the new homes ombudsman” substitute “, the new homes ombudsman or an individual who investigates complaints under a leasehold and estate management redress scheme (or two or more of them)”;
 - (b) for the words from “that Commissioner” to the end substitute “them”.
- (5) In sub-paragraph (4) for “a Local Commissioner, the new homes ombudsman (or both)” substitute “one or more persons”.
- (6) After sub-paragraph (5) insert—
 - “(6) In this paragraph “leasehold and estate management redress scheme” means a redress scheme within the meaning of section 72(4) of the Leasehold and Freehold Reform Act 2024.”

Building Safety Act 2022

- 7 In paragraph 3(5) of Schedule 3 to the BSA 2022—
 - (a) in paragraph (c), omit the final “or”;
 - (b) at the end of paragraph (d) insert “, or—
 - (e) a redress scheme within the meaning of section 72(4) of the Leasehold and Freehold Reform Act 2024 (leasehold and estate management: redress schemes).”.

Member's explanatory statement

This new schedule, to be inserted after Schedule 9, would make amendments to other Acts in connection with Part 5.

Secretary Michael Gove

Added Gov NS2

To move the following Schedule—

“SCHEDULE

CATEGORIES OF PERMITTED LEASE

PART 1

CATEGORIES OF PERMITTED LEASE FOR TRIBUNAL CERTIFICATION

Leases granted out of historic leasehold estates

- 1 A lease granted out of a leasehold estate (the “superior leasehold estate”) where—
- (a) the superior leasehold estate was granted before 22 December 2017, or
 - (b) the superior leasehold estate was granted on or after 22 December 2017 in pursuance of an agreement entered into before that date.

Community housing leases

- 2 (1) A lease that—
- (a) is a community housing lease, and
 - (b) meets any further conditions which may be specified in regulations made by the Secretary of State.
- (2) A lease is a community housing lease if—
- (a) the landlord under the lease is a community land trust within the meaning of section 2(7A) of the LR(GR)A 2022 (excepted leases), or
 - (b) it is a lease of a house which is, or is in, a building within paragraph 2B of Schedule 14 to the Housing Act 2004 (buildings controlled or managed by co-operative societies), disregarding sub-paragraph (3)(b) of that paragraph.
- (3) A statutory instrument containing regulations made under sub-paragraph (1)(b) is subject to the negative procedure.

Retirement housing leases

- 3 (1) A lease that—
- (a) is a retirement housing lease, and
 - (b) meets any further conditions which may be specified in regulations made by the Secretary of State.
- (2) A lease is a retirement housing lease if conditions A to C are met—
- (a) Condition A: the lease is granted to a tenant who is at least 55 years old at the date of the grant,
 - (b) Condition B: the lease includes a covenant not to assign, underlet or part with possession of the house or any part of it, unless at least one

- of the proposed assignees or tenants is at least 55 years old at the date of the assignment, underletting or transfer, and
- (c) Condition C: the house comprised in the lease is part of a retirement development or scheme in which the leases of all of the houses in that development or scheme meet conditions A and B.
- (3) A statutory instrument containing regulations made under sub-paragraph (1)(b) is subject to the negative procedure.

Leases of certain National Trust property

- 4 A lease of a house specified in—
- (a) Part 1 of Schedule 1 to the National Trust Act 1907 (properties to be held and preserved for the benefit of the nation), or
- (b) section 8 of the National Trust Act 1939 (mansion and lands to be inalienable by National Trust).

PART 2

CATEGORIES OF PERMITTED LEASE FOR SELF-CERTIFICATION

Leases agreed before commencement

- 5 A lease granted in pursuance of an agreement entered into before the day on which section (*Ban on grant or assignment of certain long residential leases of houses*) comes into force.

Shared ownership leases

- 6 (1) A lease that—
- (a) is a shared ownership lease, and
- (b) meets conditions A to D.
- (2) But conditions C and D do not need to be met if the shared ownership lease is of a description specified for this purpose in regulations made by the Secretary of State.
- (3) A shared ownership lease means a lease of a house—
- (a) granted on payment of a premium calculated by reference to a percentage of the value of the house or of the cost of providing it, or
- (b) under which the tenant (or the tenant's personal representatives) will or may be entitled to a sum calculated by reference, directly or indirectly, to the value of the house.
- (4) Condition A: the lease allows for the tenant to increase the tenant's share in the house by increments of 25% or less (whether or not the lease also provides for increments of more than 25%).
- (5) Condition B: the lease provides—
- (a) for the price payable for an increase in the tenant's share in the house to be proportionate to the market value of the house at the time the share is to be increased, and

- (b) if the tenant's share is increased, for the rent payable by the tenant in respect of the landlord's share in the house to be reduced by an amount reflecting the increase in the tenant's share.
- (6) Condition C: the lease allows for the tenant's share in the house to reach 100%.
- (7) Condition D: if and when the tenant's share in the house is 100%, the tenancy provides that the terms of the lease which make the lease a shared ownership lease cease to have effect, without the payment of any further consideration.
- (8) A statutory instrument containing regulations made under sub-paragraph (2) is subject to the negative procedure.

Home finance plan leases

- 7 (1) A lease that —
- (a) is a home finance plan lease, and
 - (b) meets any further conditions which may be specified in regulations made by the Secretary of State.
- (2) A lease is a home finance plan lease if—
- (a) it is granted pursuant to an arrangement which is a regulated home reversion plan within the meaning of Article 63B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), or
 - (b) it is granted by a finance provider to a home buyer, pursuant to a rent to buy arrangement.
- (3) A "rent to buy arrangement" is an arrangement in relation to which the following conditions are met—
- (a) a person (the "finance provider") buys a qualifying interest, or an undivided share of a qualifying interest, in land, and
 - (b) the arrangement provides for the obligation of another person (the "home buyer") to buy the interest bought by the finance provider over the course of, or at the end of, a specified period.
- (4) A "qualifying interest in land" means an estate in fee simple absolute or a term of years absolute, whether subsisting at law or in equity.
- (5) A statutory instrument containing regulations made under sub-paragraph (1)(b) is subject to the negative procedure.

Extended leases

- 8 (1) An extended lease, which is a lease that falls within any of cases A to C.
- (2) Case A: a lease of a house granted under Part 1 of the LRA 1967 (tenant of leasehold house entitled to extended lease) in substitution for a lease of a house granted before this Part comes into force.
- (3) Case B: a lease of a house granted in consideration of the surrender in whole or part of a lease of that house granted before this Part comes into force.

- (4) Case C: a lease of a house which takes effect as a deemed surrender and regrant of a lease of a house granted before this Part comes into force.

Agricultural leases

- 9 An agricultural lease, which is a lease where the house is comprised in—
- (a) an agricultural holding within the meaning of the Agricultural Holdings Act 1986 which is held under a tenancy to which that Act applies, or
 - (b) a farm business tenancy within the meaning of the Agricultural Tenancies Act 1995.”

Member's explanatory statement

This new Schedule, to be inserted before Schedule 1, sets out the categories of permitted lease for the purposes of the new Part before Part 1 (see the explanatory statements to NC42 and NC48).

Secretary Michael Gove

Added Gov NS3

To move the following Schedule—

“SCHEDULE

LEASEHOLD HOUSES: FINANCIAL PENALTIES

Notice of intent

- 1 (1) Before imposing a financial penalty on a person under section (*Financial penalties*), an enforcement authority must give the person notice of its proposal to do so (a “notice of intent”).
- (2) A notice of intent must set out—
- (a) the date on which it is given,
 - (b) the amount of the proposed penalty,
 - (c) the reasons for proposing to impose the penalty, and
 - (d) information about the right to make representations under paragraph 3.

Time limits for notice of intent

- 2 (1) A notice of intent may not be given to a person in respect of a breach of a leasehold house restriction after the earlier of the following—
- (a) the end of the period of 6 years beginning with the day the breach occurs, and
 - (b) the end of the period of 6 months beginning with the day on which evidence comes to the knowledge of the enforcement authority which the authority considers sufficient to justify giving the notice.
- (2) For the purposes of sub-paragraph (1)(a)—
- (a) a breach of section (*Ban on grant or assignment of certain long residential leases of houses*)(1) or (*Permitted leases: transaction*

warning conditions)(1) occurs on the day the lease is granted or (as the case may be) the agreement is entered into (or, in the case of a breach of either of those provisions consisting of entering into an agreement to grant a lease and subsequently granting it, the day on which the agreement is entered into);

- (b) a breach of section (*Ban on grant or assignment of certain long residential leases of houses*)(2) occurs on the day of the assignment or (as the case may be) the agreement is entered into (or, in the case of a breach of that provision consisting of entering into an agreement to assign a lease and subsequently assigning it, the day on which the agreement is entered into);
- (c) a breach of section (*Permitted leases: marketing restrictions*)(2) occurs on the day the marketing material is made available (or, in the case of marketing material made available in relation to the same lease on more than one occasion, the first day on which such material is made available).

Right to make written representations

- 3 A person who is given a notice of intent may, within the period of 28 days beginning with the day on which the notice is given, make written representations about the proposal.

Final notice

- 4 (1) After the period allowed for representations has expired, the enforcement authority must—
 - (a) decide whether to impose a penalty on the person, and
 - (b) if it decides to do so, decide the amount of the penalty.
- (2) If the enforcement authority decides to impose a penalty, it must do so by giving the person a notice (a “final notice”).
- (3) A final notice must require the penalty to be paid before the end of the period of 28 days beginning with the day after that on which the notice is given.
- (4) A final notice must set out—
 - (a) the date on which it is given,
 - (b) the amount of the penalty,
 - (c) the reasons for imposing the penalty,
 - (d) information about how to pay the penalty,
 - (e) the period for payment of the penalty,
 - (f) information about rights of appeal, and
 - (g) the consequences of failure to comply with the notice.

Withdrawal or amendment of notice

- 5 An enforcement authority may at any time—
 - (a) withdraw a notice of intent or final notice, or
 - (b) reduce an amount specified in a notice of intent or final notice,

by giving a notice to that effect to the person to whom the notice of intent or final notice is given.

Appeals

- 6 (1) A person who is given a final notice may appeal to the appropriate tribunal against—
 - (a) the decision to impose the penalty, or
 - (b) the amount of the penalty.
- (2) An appeal must be brought before the end of the period of 28 days beginning with the day after that on which the final notice is given.
- (3) If an appeal is brought under this paragraph, the final notice is suspended so far as it relates to the matter which is the subject of the appeal until the appeal is finally determined or withdrawn.
- (4) An appeal under this paragraph—
 - (a) is to be a re-hearing of the enforcement authority's decision, but
 - (b) may be determined having regard to evidence which was not available to the authority when giving the notice.
- (5) On an appeal under this paragraph the appropriate tribunal may quash, confirm or vary the notice.
- (6) If the appropriate tribunal varies the amount of the penalty imposed by the notice, the new amount must be an amount that the enforcement authority had power to impose.

Recovery of penalty

- 7 (1) A penalty is recoverable by the enforcement authority that imposed it, if the county court so orders, as if it were payable under an order of that court.
- (2) In proceedings before the county court for the recovery of a penalty, a certificate that—
 - (a) is signed by the chief finance officer of the authority that imposed the penalty, and
 - (b) states that the amount due has not been received by a date specified in the certificate,is evidence of that fact.
- (3) A certificate to that effect and purporting to be so signed is to be treated as being so signed unless the contrary is proved.
- (4) In this paragraph "chief finance officer" has the same meaning as in section 5 of the Local Government and Housing Act 1989.

Proceeds of penalties

- 8 An enforcement authority may apply the proceeds of a penalty towards meeting the costs and expenses (whether administrative or legal) incurred in, or associated with, carrying out its enforcement functions under this Part.

- 9 Any proceeds of a penalty which are not applied in accordance with paragraph 8 must be paid—
- (a) if the penalty was imposed in relation to a lease of a house in England, to the Secretary of State;
 - (b) if the penalty was imposed in relation to a lease of a house in Wales, to the Welsh Ministers.

Manner of giving notices

- 10 (1) The Secretary of State may by regulations make provision about—
- (a) how any notice under this Schedule is to be given to a person;
 - (b) when such a notice is to be treated as being given.
- (2) A statutory instrument containing regulations under this paragraph is subject to the negative procedure.

Interpretation

- 11 In this Schedule—
- “enforcement authority” has the meaning given by section (*Interpretation of Part A1*);
 - “leasehold house restriction” has the meaning given by section (*Enforcement by trading standards authorities*)(2);
 - “notice” means notice in writing;
 - “penalty” means a financial penalty under section (*Financial penalties*).“

Member's explanatory statement

This new Schedule, to be inserted after NS2, makes provision about financial penalties which local weights and measures authorities may impose for breaches of certain provisions restricting the grant or assignment of long residential leases of houses.

Secretary Michael Gove

Agreed to Gov 50

Schedule 1, page 112, leave out line 16

Member's explanatory statement

This is consequential on Amendment 63.

Secretary Michael Gove

Agreed to Gov 51

Schedule 1, page 116, leave out line 31

Member's explanatory statement

This is consequential on Amendment 63.

Secretary Michael Gove

Agreed to Gov 52

Schedule 2, page 125, line 27, after “rent” insert “(and any other rent payable under a shared ownership lease in respect of the landlord’s share)”

Member's explanatory statement

This is consequential on Amendments 24 and 29.

Richard Fuller

Not selected 86

Schedule 2, page 129, line 35, at end insert “(but see sub-paragraph (3A))”

Member's explanatory statement

This is a paving amendment for Amendment 88.

Richard Fuller

Not selected 87

Schedule 2, page 130, line 24, at end insert “(but see sub-paragraph (3A))”

Member's explanatory statement

This is a paving amendment for Amendment 88.

Richard Fuller

Not selected 88

Schedule 2, page 130, line 24, at end insert—

“(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 passage of this Act.”

Member's explanatory statement

This amendment would restrict the abolition of marriage and hope value in respect of existing leases to cases where there is more than 80 years left on the lease.

Secretary Michael Gove

Agreed to Gov 53

Schedule 2, page 134, line 27, leave out “4(3)” and insert “22(2) and (3)”

Member's explanatory statement

This amendment would correct an incorrect cross-reference.

Matthew Pennycook

Negatived on division 4

Schedule 2, page 136, line 40, at end insert—

“(9) 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.

Matthew Pennycook

Not called 5

Schedule 2, page 138, line 6, at end insert—

“(7A) In setting the deferment rate the Secretary of State must have regard to the desirability of encouraging leaseholders to extend their lease 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 extend their lease at the lowest possible cost.

Secretary Michael Gove

Agreed to Gov 54

Schedule 2, page 139, line 31, after “transaction” insert “(taking into account, where paragraph 31(1)(c) applies, any reduction under paragraph 12A of Schedule 1 to the LRA 1967 or paragraph 12 of Schedule 11 to the LRHUDA 1993 in the rent of a lease of which the eligible person is a tenant)”

Member's explanatory statement

This ensures that any reduction of rent payable by a person as a tenant where there is commutation of rent is taken into account when determining the person's loss for the purpose of sharing the consideration payable on an enfranchisement or extension.

Secretary Michael Gove

Agreed to Gov 55

Schedule 2, page 144, line 16, leave out “4(3)” and insert “22(2) and (3)”

Member's explanatory statement

This amendment would correct an incorrect cross-reference.

Secretary Michael Gove

Agreed to Gov 56

Schedule 5, page 149, leave out lines 12 to 21

Member's explanatory statement

This amendment is consequential on Amendment 60.

Secretary Michael Gove

Agreed to Gov 57

Schedule 5, page 151, line 42, leave out sub-paragraph (5) and insert—

“(5) In paragraph 7(1)—

- (a) omit paragraph (b);
- (b) in paragraph (c), for “price payable for” substitute “share of the purchase price, as determined under Part 6 of Schedule 2 to the Leasehold and Freehold Reform Act 2024, that is payable to the owner of”;
- (c) in paragraph (d), for “the price payable for” substitute “each share of the purchase price, as determined under Part 6 of Schedule 2 to the Leasehold and Freehold Reform Act 2024, that is payable to the owner of”;
- (d) at the end of paragraph (d), insert “; and
- (e) if the sum payable for the redemption of a rentcharge under section 11 or the discharge of a charge under section 12 cannot be ascertained because the share of the purchase price payable to the relevant landlord has not been agreed or determined under Part 6 of Schedule 2 to the Leasehold and Freehold Reform Act 2024, the tenant may pay the whole of the price payable into the tribunal.””

Member's explanatory statement

This amendment would make provision that is consequential on Part 6 of Schedule 2.

Secretary Michael Gove

Agreed to Gov 58

Schedule 5, page 153, line 32, at end insert—

“5A In Schedule 8 to the LRHUDA 1993 (discharge of mortgages etc)—

- (a) in paragraph 1, for the definition of “the consideration payable” substitute—

““the consideration payable” means the share payable to the landlord, as determined under Part 6 of Schedule 2 to the Leasehold and Freehold Reform Act 2024, of the purchase price for the acquisition of the relevant interest;”

(b) in paragraph 4, after sub-paragraph (3) insert—

“(4) If the amount to be applied for the redemption of a mortgage under paragraph 2, or that may be paid into the tribunal under sub-paragraph (1), cannot be ascertained because the share of the purchase price payable to the relevant landlord has not been agreed or determined under Part 6 of Schedule 2 to the Leasehold and Freehold Reform Act 2024, the nominee purchaser may pay the whole of the price payable into the tribunal.””

Member's explanatory statement

This amendment would make provision that is consequential on Part 6 of Schedule 2.

Secretary Michael Gove

Agreed to Gov 59

Schedule 5, page 154, line 20, at end insert “and any sums payable to that other landlord under section 56(3)”

Member's explanatory statement

This amendment would ensure that, in the new provision in Schedule 5 for requiring a tenant to pay amounts into the tribunal (for onward distribution to multiple landlords in a collective enfranchisement), the sums that can be paid in include other amounts payable under section 56(3) of the LRHUDA 1993.

Secretary Michael Gove

Agreed to Gov 60

Schedule 5, page 155, line 11, at end insert—

“Other consequential amendments to the LRA 1967

- 8 The LRA 1967 is amended in accordance with paragraphs 9 to 14.
- 9 In section 8(1) (obligation to enfranchise), after “price” insert “payable in accordance with section 9”.
- 10 Omit section 9A (compensation payable in cases where right to enfranchisement arises by virtue of section 1A or 1B).
- 11 In section 19(10)(b) (price subject to local management scheme), for “under” substitute “in accordance with”.
- 12 In section 23(5)(b) (terms of extended tenancy), omit “section 9(1) and (1A) above,”.
- 13 In section 24(1) (application of price), for “under section 9 above” substitute “in accordance with section 9”.
- 14 In section 31 (ecclesiastical property)—
 - (a) in subsection (2)(a), after “payable” insert “in accordance with section 9 or 14A”;

- (b) in subsection (3), for “under section 9 above” substitute “in accordance with section 9 or 14A”;
- (c) in subsection (4)(c), for “under section 9 above” substitute “in accordance with section 9 or 14A”.

Other consequential amendments to the LRHUDA 1993

- 15 The LRHUDA 1993 is amended in accordance with paragraphs 16 to 30.
- 16 In section 13(3) (initial notice), for paragraph (d) substitute—
- “(d) specify the proposed purchase price payable in accordance with section 32(1);”.
- 17 In section 18(2) (duty to disclose agreements)—
- (a) in paragraph (a), for the words from “to the reversioner” to “ for the purposes of Schedule 6” substitute “is determined in accordance with section 32(1)”;
 - (b) in the words after paragraph (b), for the words from “to the reversioner” to “relevant landlord” substitute “in addition to the price so determined”.
- 18 In section 27 (vesting orders under section 26: supplementary provision)—
- (a) in subsection (3), omit “in respect of each of those interests”;
 - (b) in subsection (5)—
 - (i) in the words before paragraph (a), omit “in respect of any interest”;
 - (ii) in paragraph (a), for the words from “in respect of that interest” to “subsection (1)(b)” substitute “in accordance with section 32(1) if the interests referred to in subsection (1) were being acquired in pursuance of a notice under section 13”;
 - (iii) in paragraph (b), for “that interest” substitute “the transferor’s interest”;
 - (c) in subsection (6)—
 - (i) omit “in respect of that interest”;
 - (ii) omit “for the acquisition of that interest”.
- 19 In section 32 (determination of price)—
- (a) in subsection (2), for “any such interest” substitute “the freehold or any other interest to be acquired by the nominee purchaser in accordance with this Chapter”;
 - (b) for subsection (5) substitute—
 - “(5) The nominee purchaser is to be treated for all purposes as a purchaser for valuable consideration in money or money’s worth of the freehold or other interest, even if the price payable by the nominee purchaser in accordance with section 32(1), or the share of the purchase price payable to the owner of the interest under Part 6 of Schedule 2 to the Leasehold and Freehold Reform Act 2024, is zero or only a nominal amount.”

- 20 In section 39(1) (right to acquire new lease), for “a premium” substitute “the price”.
- 21 In section 42(3)(c) (notice to acquire new lease)—
- (a) for “premium” substitute “price”;
 - (b) omit the words from “and, where” to the end.
- 22 In section 48(7) (applications where terms in dispute etc), for the words from “the premium” to “Schedule 13” substitute “the price payable in accordance with section 56(1)”.
- 23 In section 51 (vesting orders under section 50: supplementary provision)—
- (a) in subsection (5)—
 - (i) in paragraph (a), for “premium which is payable under Schedule 13” substitute “price which is payable in accordance with section 56(1)”;
 - (ii) at the end of paragraph (a) insert “and”;
 - (iii) omit paragraph (b);
 - (b) in subsection (6), for the words from “premium” to the end substitute “price payable”.
- 24 In section 56 (obligation to grant new lease)—
- (a) omit subsection (2);
 - (b) in subsection (3), for the words from “amount of any such premium” to “Schedule 13” substitute “price payable”;
 - (c) in subsection (4), for “7(2)” substitute “7(2A)”.
- 25 Omit section 66 (amendments to the LRA 1967).
- 26 In section 70(12) (estate management schemes)—
- (a) in paragraph (b), for “under section 9” substitute “in accordance with section 9”;
 - (b) in paragraph (c), for “under Schedule 6 to this Act” substitute “in accordance with section 32(1)”.
- 27 In section 73(10) (applications for estate management schemes), for the words from the beginning to “it shall” substitute “For the purposes of Schedule 2 to the Leasehold and Freehold Reform Act 2024 as it applies in relation to an acquisition mentioned in section 69(1)(a) or (b), it is to”.
- 28 (1) Schedule 2 (special categories of landlords) is amended as follows.
- (2) In paragraph 1 (interpretation), omit sub-paragraph (2).
 - (3) In paragraph 5 (trustees)—
 - (a) in sub-paragraph (1), for the words from “sum” to “Chapter 1” substitute “share payable to the landlord, as determined under Part 6 of Schedule 2 to the Leasehold and Freehold Reform Act 2024, of the purchase price in respect of the acquisition of the interest,”;
 - (b) in sub-paragraph (2)(a), for “premium” substitute “share of the price payable”.
 - (4) In paragraph 7 (universities and colleges)—

- (a) in sub-paragraph (1), for the words from “sum” to “Chapter 1” substitute “share payable to the landlord, as determined under Part 6 of Schedule 2 to the Leasehold and Freehold Reform Act 2024, of the purchase price in respect of the acquisition of the interest”;
 - (b) in sub-paragraph (2)(a), for “premium” substitute “share of the price payable”.
- (5) In paragraph 8 (ecclesiastical landlords)—
- (a) in sub-paragraph (2)(a), omit “or premium”;
 - (b) in sub-paragraph (3)(a)—
 - (i) in the words before paragraph (i), after “by way of” insert “a share of”;
 - (ii) in paragraph (i), for “for any interest in the property on its acquisition” substitute “in respect of the acquisition of any interest in the property”;
 - (iii) in paragraph (ii), for “a premium” substitute “the price payable”;
 - (c) in sub-paragraph (4)(b)—
 - (i) in the words before paragraph (i), after “by way of” insert “a share of”;
 - (ii) in paragraph (i), for “for any interest in property on its acquisition” substitute “in respect of the acquisition of any interest in property”;
 - (iii) in paragraph (ii), for “a premium” substitute “the price payable”.
- 29 (1) Schedule 5 (vesting orders under sections 24 and 25) is amended as follows.
- (2) In paragraph 2(1) (execution of conveyance), omit “in respect of each of those interests”.
 - (3) In paragraph 3(1) (the appropriate sum)—
 - (a) in the words before paragraph (a), omit “in respect of any interest”;
 - (b) in paragraph (a), for “Schedule 6 in respect of that interest” substitute “section 32(1)”;
 - (c) in paragraph (b), for “that interest” substitute “the transferor’s interest”.
 - (4) In paragraph 4 (effect of payment of appropriate sum)—
 - (a) omit “in respect of that interest”;
 - (b) omit “for the acquisition of that interest”.
- 30 Omit Schedule 15 (section 9 of the LRA 1967 as amended by section 66).”

Member's explanatory statement

This amendment would make further amendments to the LRA 1967 and the LRHUDA 1993 that are consequential on clauses 9 to 11 and Schedules 2 to 4 (as well as other provision in Schedule 5).

Secretary Michael Gove

Agreed to Gov 61

Schedule 6, page 155, line 15, at end insert—

“Repeal of section 18 of the LRHUDA 1993

- A1 (1) The LRHUDA 1993 is amended as follows.
- (2) Omit section 18 (collective enfranchisement: requirement to disclose agreements affecting specified premises).
 - (3) In consequence—
 - (a) in section 32 (determination of price for collective enfranchisement), omit subsection (2)(b) and the “and” preceding it;
 - (b) in section 91 (jurisdiction of tribunals), omit subsection (2)(c).”

Member's explanatory statement

This amendment would repeal section 18 of the LRHUDA 1993, which requires a nominee purchaser to disclose agreements affecting property specified in an initial notice for collective enfranchisement.

Secretary Michael Gove

Agreed to Gov 62

Schedule 6, page 156, leave out lines 27 to 30 and insert—

“Consequential amendments to the LRA 1967

- 4 (1) The LRA 1967 is amended as follows.
- (2) In section 16 (rights after extension)—
 - (a) in subsection (1), omit the words before paragraph (a);
 - (b) omit subsection (5).
 - (3) In section 23(5)(b) (terms of extended tenancy), for “section 16(1) to (6)” substitute “section 16(1B).”

Member's explanatory statement

This amendment would insert a further consequential amendment to the LRA 1967 in light of the repeal of most of section 16 of that Act.

Secretary Michael Gove

Agreed to Gov 63

Schedule 6, page 156, line 33, at end insert—

“Orders and regulations under the LRA 1967

- 5A (1) The LRA 1967 is amended as follows.

- (2) After section 36 insert—

“Orders and regulations

36A Orders and regulations

- (1) A power to make an order or regulations under any provision of this Part includes power to make—
- (a) consequential, supplementary, incidental, transitional or saving provision;
 - (b) different provision for different purposes.
- (2) In this section “order” does not include an order of a court or tribunal.”
- (3) In paragraph 5(2) of Schedule 4A (regulations relating to exclusion of certain shared ownership leases), for paragraphs (a) and (b) substitute—
- “(a) make different provision for different areas;”.

Member's explanatory statement

This inserts a new section into the LRA 1967 to make clear that the powers to make orders and regulations under that Act include power to make the usual additional kinds of provision. It also removes the existing provision dealing with those matters currently contained in Schedule 4A.

Secretary Michael Gove

Agreed to Gov 64

Schedule 6, page 156, line 35, leave out from beginning to “paragraph” in line 36 and insert—

- “6 (1) Schedule 1 to the LRA 1967 (enfranchisement and extension by sub-tenants) is amended as follows.
- (2) In paragraph 11—
- (a) after sub-paragraph (1) insert—

“(1A) Any surrender or provision for the surrender, in accordance with this paragraph, of a tenancy comprising property other than the house and premises, is to be limited to the house and premises.”;
 - (b) omit sub-paragraphs (2) to (5).
- (3) After”

Member's explanatory statement

This amendment would make provision that is consequential on the existing provision in paragraph 6 of Schedule 6.

Secretary Michael Gove

Agreed to Gov 65

Schedule 6, page 157, line 3, at end insert—

- “(1A) But if the tenancy in possession is a shared ownership lease—

- (a) this paragraph does not apply if, at the relevant time, none of the relevant rent payable under the tenancy in possession is payable in respect of the tenant's share in the house and premises;
- (b) if the tenancy in possession does not reserve separate rents in respect of the tenant's share in the house and premises and the landlord's share in the house and premises, any rent reserved is to be treated as reserved in respect of the landlord's share."

Member's explanatory statement

This provides that rent under leases that are superior to a shared ownership lease can be commuted only if some or all the rent payable under the shared ownership lease is payable in respect of the tenant's share.

Secretary Michael Gove

Agreed to Gov 66

Schedule 6, page 158, line 30, at end insert—

“(1A) But if the existing lease is a shared ownership lease—

- (a) this paragraph does not apply if, at the relevant date, none of the relevant rent payable under the existing lease is payable in respect of the tenant's share in the flat;
- (b) if the existing lease does not reserve separate rents in respect of the tenant's share in the flat and the landlord's share in the flat, any rent reserved is to be treated as reserved in respect of the landlord's share.”

Member's explanatory statement

This provides that rent under leases that are superior to a shared ownership lease can be commuted only if some or all the rent payable under the shared ownership lease is payable in respect of the tenant's share.

Matthew Pennycook

Negatived on division 8

Schedule 7, page 168, line 15, leave out sub-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.

Secretary Michael Gove

Agreed to Gov 68

Schedule 7, page 168, line 25, leave out from “only” to “a” in line 30 and insert “—

- (i) because a requirement in section 1 of the LRA 1967 for the tenancy to be at a low rent is not met,

- (ii) because a requirement in section 1(1)(a)(i) or (ii) of the LRA 1967 for the house and premises or the tenancy to be above a certain value is not met, or
- (iii) by virtue of"

Member's explanatory statement

This changes the language used to refer to provisions of the LRA 1967 about rents and values of houses so that it is consistent with other provisions of the Bill.

Secretary Michael Gove

Agreed to Gov 69

Schedule 7, page 169, line 7, at end insert—

- "(7) If the qualifying lease is a shared ownership lease, the right to a peppercorn rent applies only in relation to rent payable in respect of the tenant's share in the demised premises (and, accordingly, any rent which is payable in respect of the landlord's share in the demised premises is not affected by this Schedule).
- (8) For that purpose, if the qualifying lease does not reserve separate rents in respect of the tenant's share in the demised premises and the landlord's share in the demised premises, any rent reserved is to be treated as reserved in respect of the landlord's share.
- (9) In this paragraph—
 - (a) "shared ownership lease" means a lease of premises—
 - (i) granted on payment of a premium calculated by reference to a percentage of the value of the premises or of the cost of providing them, or
 - (ii) under which the tenant (or the tenant's personal representatives) will or may be entitled to a sum calculated by reference, directly or indirectly, to the value of the premises;
 - (b) in relation to a shared ownership lease—
 - (i) "tenant's share" means the tenant's initial share in the premises demised by the lease, plus any additional share or shares in those demised premises which the tenant has acquired;
 - (ii) "landlord's share" means the share in the premises demised by the lease which is not comprised in the tenant's share."

Member's explanatory statement

This provides that, where the rent under a shared ownership lease is reduced under Schedule 7 to the Bill, only the rent payable in respect of the tenant's share will be reduced to a peppercorn rent.

Secretary Michael Gove

Agreed to Gov 70

Schedule 7, page 173, line 16, after "payable" insert "(whether or not any shares of the premium that may be payable under paragraph 8(8A) have been determined)"

Member's explanatory statement

This makes clear that it is not necessary for shares of the premium (where there are intermediate landlords) to have been calculated for the rent variation notice to be enforceable.

Secretary Michael Gove

Agreed to Gov 71

Schedule 7, page 174, line 36, at end insert—

“(8A) Each eligible landlord is entitled to be paid a share of the required premium (see paragraph 7).

(8B) An eligible landlord’s share of the required premium is to be determined using this formula—

$$\text{required premium} \times \frac{\text{loss suffered by the eligible landlord}}{\text{total losses suffered by all eligible landlords}}$$

where the loss suffered by an eligible landlord is the loss which that landlord suffers as a result of the relevant reduction in the rent of the lease by virtue of which they are an eligible landlord (taking into account any relevant reduction in the rent of a lease of which they are the tenant).”

Member's explanatory statement

This would enable the premium payable for a rent reduction to be divided among the various landlords where there are leases that are superior to the lease in respect of which the rent variation notice is given.

Secretary Michael Gove

Agreed to Gov 72

Schedule 7, page 174, line 37, at end insert—

““eligible landlord” means the landlord of a lease whose rent is subject to a relevant reduction;”

Member's explanatory statement

This is consequential on Amendment 71.

Secretary Michael Gove

Agreed to Gov 73

Schedule 7, page 175, line 11, at end insert—

“Jurisdiction of the appropriate tribunal in relation to paragraph 8

8A (1) The appropriate tribunal may determine any matter arising under paragraph 8 (reduction of rent under intermediate leases on grant of a new lease), including what rent under an intermediate lease is apportioned to the qualifying property (see paragraph 2(6)).

(2) In relation to paragraph 8—

- (a) if the landlord under a qualifying intermediate lease cannot be found or their identity cannot be ascertained, the appropriate tribunal may make such order as it thinks fit, including—
 - (i) an order dispensing with the requirement to give notice under paragraph 8(3) to that landlord, or
 - (ii) an order that such a notice has effect and has been properly served even though it has not been served on that landlord;
 - (b) make an order appointing a person to vary a lease in accordance with paragraph 8 on behalf of the landlord or tenant;
 - (c) if the appropriate tribunal makes a determination that a notice under paragraph 8(3) was of no effect, it may—
 - (i) determine whether another landlord or tenant could have given such a notice, and
 - (ii) if it determines that they could have done so, order that paragraph 8 is to apply as if they had done so.
- (3) The variation of a lease on behalf of a party in consequence of an order under sub-paragraph (2)(b) has the same force and effect (for all purposes) as if it had been executed by that party.”

Member's explanatory statement

This gives the appropriate tribunal jurisdiction in relation to disputes and other matters arising in relation to paragraph 8.

Secretary Michael Gove

Agreed to Gov 74

Schedule 7, page 177, line 2, leave out “10 or”

Member's explanatory statement

This amendment is consequential on an amendment made in Committee to remove what was paragraph 10 of Schedule 7.

Secretary Michael Gove

Agreed to Gov 75

Schedule 7, page 177, line 6, leave out “the LRA 1967 or”

Member's explanatory statement

This amendment is consequential on Amendment 74.

Secretary Michael Gove

Agreed to Gov 76

Schedule 7, page 180, line 3, at end insert—

“Actions of immediate landlord binding on other landlords

- 16A(1) This paragraph applies if there are one or more qualifying intermediate leases of property to which a rent variation notice relates.

- (2) The following are binding on the other landlords and on their interests in the property to which the rent variation notice relates or any other property—
 - (a) any notice given under this Schedule by the immediate landlord to the tenant,
 - (b) any agreement for the purposes of this Schedule between the immediate landlord and the tenant, and
 - (c) any determination of the appropriate tribunal under this Schedule in proceedings between the immediate landlord and the tenant.
- (3) The immediate landlord is not liable to any of the other landlords for any loss or damage caused by any act or omission in the exercise or intended exercise of the authority given by sub-paragraph (2) if the immediate landlord acts in good faith and with reasonable care and diligence.
- (4) In this paragraph—
 - “immediate landlord” means the immediate landlord under the lease to which the rent variation notice relates (and to which the rent variation notice must be given);
 - “other landlord” means the landlord under a qualifying intermediate lease of property to which the rent variation notice relates;
 - “qualifying intermediate lease” has the meaning given in paragraph 8.

Duty of immediate landlord to conduct commutation claim on behalf of affected other landlords

- 16B(1) This paragraph applies if—
- (a) there are one or more qualifying intermediate leases of property to which a rent variation notice relates, and
 - (b) notice is given under paragraph 8(3).
- (2) The immediate landlord must conduct the response to the tenant’s claim for a rent reduction on their own behalf and on behalf of the affected other landlords, including by—
 - (a) agreeing the terms of variation of the qualifying lease,
 - (b) agreeing the amount of the required premium,
 - (c) receiving the whole of the required premium and (where it is so received) holding the required premium for themselves and the affected other landlords pending determination of the shares of the required premium in accordance with paragraph 8(8A), and
 - (d) conducting all proceedings arising out of the rent variation notice (whether the proceedings are for resisting or giving effect to the claim).
 - (3) If the immediate landlord receives the whole of the required premium, the immediate landlord’s written receipt for payment of that premium is a complete discharge to the tenant.
 - (4) Sub-paragraphs (2)(c) and (3) do not apply if the price payable is required to be paid into the tribunal by virtue of sub-paragraph (6)(c).

- (5) The immediate landlord is not liable to any of the affected other landlords for any loss or damage caused by any act or omission in compliance or intended compliance with the duty under sub-paragraph (2) if the immediate landlord acts in good faith and with reasonable care and diligence.
- (6) Any affected other landlord may—
 - (a) apply to the appropriate tribunal for directions as to the manner in which the immediate landlord is to exercise the authority given by sub-paragraph (2);
 - (b) be separately represented in any proceedings in which the amount of the required premium is being determined;
 - (c) by giving notice to the tenant and the immediate landlord, require the tenant to pay into the tribunal the whole of the required premium.
- (7) Each of the affected other landlords must make such contribution as is just to costs and expenses which are properly incurred by the immediate landlord in connection with the claim by the tenant under this Schedule but which are not recoverable or recovered from the tenant.
- (8) The appropriate tribunal—
 - (a) may determine any matter arising in relation to the amount of any costs payable by virtue of sub-paragraph (7), and
 - (b) where it has determined such an amount of costs, may make an order requiring a person to pay those costs.
- (9) The court or the appropriate tribunal may order any affected other landlord to pay to the immediate landlord the costs, or a contribution to the costs, incurred by the immediate landlord in obtaining from the appropriate tribunal money that has been paid into it in compliance with a requirement imposed under sub-paragraph (6)(c) if—
 - (a) that affected other landlord imposed the requirement, and
 - (b) the immediate landlord shows that it was unreasonable for that affected other landlord to impose the requirement.
- (10) The court or the appropriate tribunal may order the immediate landlord to pay to any affected other landlord the costs, or a contribution to the costs, incurred by that affected other landlord in obtaining from the appropriate tribunal money that has been paid into it in compliance with a requirement imposed under sub-paragraph (6)(c) if—
 - (a) that affected other landlord imposed the requirement, and
 - (b) that affected other landlord shows that the requirement was imposed because of unreasonable conduct by the immediate landlord.
- (11) In this paragraph—

“affected other landlord” means the landlord under a qualifying intermediate lease of which the rent is to be reduced in accordance with paragraph 8 (whether by virtue of paragraph 8(3) or (4));

“immediate landlord” means the immediate landlord under the lease to which the rent variation notice relates (and to which the rent variation notice must be given);

“qualifying intermediate lease” has the meaning given in paragraph 8;
“required premium” means the required premium payable under paragraph 7.”

Member's explanatory statement

This makes provision for dealing with claims for rent reductions under Schedule 7 if there are multiple landlords because of the existence of leases that are superior to the lease in respect of which the rent variation notice is given.

Secretary Michael Gove**Agreed to Gov 77**

Schedule 7, page 180, line 21, second column, leave out from “any” to “has” in line 22 and insert “price payable”

Member's explanatory statement

This amendment is consequential on Amendment 60.

Secretary Michael Gove**Agreed to Gov 78**

Schedule 7, page 181, line 19, leave out “flat premises” and insert “a flat”

Member's explanatory statement

This amendment would align the terminology used in the table with the terminology used in the LRHUDA 1993.

Secretary Michael Gove**Agreed to Gov 79**

Schedule 7, page 182, line 20, leave out “10 or 16” and insert “17”

Member's explanatory statement

This amendment is consequential on an amendment made in Committee to remove what was paragraph 10 of Schedule 7.

Secretary Michael Gove**Agreed to Gov 80**

Schedule 7, page 182, line 22, leave out “the LRA 1967 or”

Member's explanatory statement

This amendment is consequential on Amendment 79.

Secretary Michael Gove

Agreed to Gov 81

Schedule 7, page 182, line 26, leave out “Regulations under this paragraph are” and insert “A statutory instrument containing regulations under this paragraph is”

Member's explanatory statement

This amendment would clarify that the statutory instrument containing the regulations is subject to the negative procedure.

Secretary Michael Gove

Agreed to Gov 82

Schedule 8, page 186, line 35, leave out paragraph (e)

Member's explanatory statement

This amendment is consequential on NC26.

Secretary Michael Gove

Agreed to Gov 84

Title, line 1, leave out “Amend” and insert “Prohibit the grant or assignment of certain new long residential leases of houses, to amend”

Member's explanatory statement

This amendment is consequential on the new Part to be inserted before Part 1 (see NC42).

Secretary Michael Gove

Agreed to Gov 23

Title, line 6, leave out “and to regulate rentcharges” and insert “, to regulate rentcharges and to amend the Building Safety Act 2022 in connection with the remediation of building defects and the insolvency of persons who have repairing obligations relating to certain kinds of buildings”

Member's explanatory statement

This amendment is consequential on the new Part of the Bill proposed to be formed by NC30 to NC35.

Bill read a third time, and passed.

Glossary

Added: New Clause agreed without a vote and added to the Bill.

Agreed to: agreed without a vote.

Agreed to on division: agreed following a vote.

Negatived: rejected without a vote.

Not called: debated in a group of amendments, but not put to a decision.

Not moved: not debated or put to a decision.

Not selected: not chosen for debate by the Speaker.

Negatived on division: rejected following a vote.

Question proposed: debate underway but not concluded.

Withdrawn after debate: moved and debated but then withdrawn, so not put to a decision.