

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

LEASEHOLD REFORM (AMENDMENT) BILL

Wednesday 18 December 2013

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CLAUSES 1 and 2 agreed to, with amendments.
Bill, as amended, to be reported.

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The Committee consisted of the following Members:

Chair: MR MIKE WEIR

- | | |
|--|--|
| † Blackman-Woods, Roberta (<i>City of Durham</i>) (Lab) | † Hopkins, Kelvin (<i>Luton North</i>) (Lab) |
| Bone, Mr Peter (<i>Wellingborough</i>) (Con) | † Hopkins, Kris (<i>Parliamentary Under-Secretary of State for Communities and Local Government</i>) |
| † Brooke, Annette (<i>Mid Dorset and North Poole</i>) (LD) | † Nuttall, Mr David (<i>Bury North</i>) (Con) |
| Chope, Mr Christopher (<i>Christchurch</i>) (Con) | † Shannon, Jim (<i>Strangford</i>) (DUP) |
| Crausby, Mr David (<i>Bolton North East</i>) (Lab) | Sutcliffe, Mr Gerry (<i>Bradford South</i>) (Lab) |
| † Cryer, John (<i>Leyton and Wanstead</i>) (Lab) | † Vickers, Martin (<i>Cleethorpes</i>) (Con) |
| † Davies, Philip (<i>Shipley</i>) (Con) | |
| † Freer, Mike (<i>Finchley and Golders Green</i>) (Con) | Kate Emms, <i>Committee Clerk</i> |
| † Goggins, Paul (<i>Wythenshawe and Sale East</i>) (Lab) | |
| † Hollobone, Mr Philip (<i>Kettering</i>) (Con) | † attended the Committee |

Public Bill Committee

Wednesday 18 December 2013

[MR MIKE WEIR *in the Chair*]

Leasehold Reform (Amendment) Bill

9.30 am

The Chair: Good morning. It is nice to see so many people bright and early this beautiful morning. We begin with a debate on Government amendment 1, and Government amendments 2 to 4. If the Committee is agreeable, I suggest that Members make any other remarks they may have about clauses 1 and 2 during this debate. Then, again with the Committee's approval, I propose to put formally the questions on the amendments, and the questions that clauses 1 and 2 stand part of the Bill, on the basis that the Bill as a whole will have been debated. Does that meet with the approval of the Committee?

Hon. Members: Aye.

Clause 1

AMENDMENT OF THE LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993

Mr David Nuttall (Bury North) (Con): I beg to move amendment 1, in clause 1, page 1, line 3, leave out '99(5)' and insert '99(5)(a)'.

The Chair: With this it will be convenient to discuss Government amendments 2 to 4.

Mr Nuttall: The amendments were tabled by my hon. Friend the Member for Kettering, the Minister and me, and I shall speak to them with the consent of the lead Member, my hon. Friend the Member for Kettering. At the outset, may I say what a great pleasure it is to serve under your chairmanship, Mr Weir? I trust it will not be necessary to detain hon. and right hon. Members for long in Committee. Quite simply, the Bill seeks to assist those leaseholders of flats who are unable, for one reason or another, to sign in person the legal notices necessary to extend or renew their lease, or to take part in collectively acquiring the freehold of their dwelling.

The Bill would do that by allowing an appropriate person to sign the requisite notices on the leaseholder's behalf. Without the Bill, a tenant who has, for example, a serious illness or physical disability, or who suffers from mental incapacity, is unable to exercise their legal right. Similarly, someone who is outside the country may find it at best difficult and at worst impossible to exercise their legal right. I believe this change would improve the lives of those individuals who cannot currently enjoy the benefits of exercising their legal rights as leaseholders.

I now turn to the reason why it has been necessary to table the amendments, which are minor and technical. It is essential that the Bill appears in the correct form

and that any amendments to the Leasehold Reform, Housing and Urban Development Act 1993 have the intended effect. Amendments 1, 2 and 4 achieve that aim by ensuring that the extent of the Bill is correct. The 1993 Act applies to both England and Wales, but since 1993, housing matters have been devolved to the Welsh Assembly, so the change that the Bill makes applies only to England.

Amendment 3 changes the date on which the Bill comes into force, from one month after the date on which it is passed to two months, which I understand is the conventional period. As it is some 20 years since the original Act was passed, I am sure that delaying the introduction for a further month will not be too great a concern. Quite simply, that is what we have before us this morning.

In conclusion, I thank the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Keighley (Kris Hopkins), and the Government for their support of this Bill. I particularly thank the various officials in the Department for Communities and Local Government for their help and advice, and place on record my thanks to the staff in the Public Bill Office. I am particularly grateful for the assistance of the Committee of Selection in facilitating the late substitution yesterday for the hon. Member for Wolverhampton North East (Emma Reynolds) by the hon. Member for City of Durham as Opposition spokesman. With that, I urge the Committee to support the amendments.

Roberta Blackman-Woods (City of Durham) (Lab): May I say what a pleasure it is to serve under your chairmanship again, Mr Weir? I shall begin by congratulating the hon. Member for Bury North on bringing this Bill to Committee and on securing Government support, evidenced by the Minister's presence today; and for the Government amendments, which should enable the Bill to proceed.

As the hon. Member for Bury North has said, this is a simple but important Bill. It seeks to tackle a technical issue that can be frustrating for leaseholders trying to exercise their right to collective enfranchisement or to a lease extension without unduly affecting landlords in the process. As far as we can see, the Bill is aimed at removing the need for individual tenants to sign notices personally. It will give solicitors or someone else duly authorised on the tenant's behalf, such as an attorney, the ability to sign their notices.

It is more than 20 years since the Leasehold Reform, Housing and Urban Development Act 1993 was introduced. Since then, there has been significant amending legislation, including the Commonhold and Leasehold Reform Act 2002, introduced by the Labour Government, which gave important new rights to tenants. However, over the years, it has become apparent that there are anomalies in the law that should be addressed, and the Bill seeks to address one of them. As has been made clear, the changes relate to the signing of notices under the provisions of sections 13 and 42 of the 1993 Act. Those notices must be signed personally by the individual tenant, which has caused difficulties in certain situations—for example, where a tenant has a disability and has given a power of attorney to a third party, or where notices need to be signed by tenants who are based overseas.

In many other areas, it is possible for a solicitor or other authorised representative to sign on an individual's behalf. As the law currently stands, that is not possible for the signing of sections 13 and 42 notices. If the tenant cannot sign personally, no claim for a lease extension can be made, and in the case of a collective action for the acquisition of freehold, it may be prejudicial to getting a sufficient number of people involved. We therefore welcome the Bill introduced by the hon. Member for Kettering, as it will make those changes to the legislation, and we will support its passage through the House.

The Parliamentary Under-Secretary of State for Communities and Local Government (Kris Hopkins): It is a pleasure to serve under your chairmanship, Mr Weir. May I congratulate my hon. Friend the Member for Kettering on introducing the Bill, and my hon. Friend the Member for Bury North, who is leading on the issue today?

The Government are pleased to be able to support the aims of this Bill, and to bring forward, in conjunction with my hon. Friends, some minor technical amendments, which should help the Bill fully achieve its worthwhile aims. The Government are mindful of the difficulties faced by some leaseholders of flats who wish to benefit from the right to renew or extend their lease, or take part in collective enfranchisement, but who are, for one reason or another, unable to sign in person the notices that must be served on their landlord. As my hon. Friend the Member for Bury North has explained, that is the current requirement under the Leasehold Reform, Housing and Urban Development Act 1993.

There are perhaps good reasons why a personal signature is normally required. Serving those notices, for instance, commits the leaseholder to a financial expense which, in some cases, might be considerable. A degree of caution is therefore needed in seeking to alter the legislation, but we are satisfied that the proposed change is appropriate and proportionate. Case law highlights the difficulties that the existing law can create. Even relatives acting on behalf of an elderly or vulnerable family member under the power of attorney are not allowed to sign those particular notices on the leaseholder's behalf, even though they can handle other aspects of a relative's financial affairs. As a result, for example, a leaseholder who is physically unable, for various reasons, to sign the notices may miss out on the benefits, financial or otherwise, of the renewal or extension of those leases or the purchase of a share of a freehold. Those are their rights as leaseholders, but as the law stands, they are rights that, unlike their able-bodied neighbours, they struggle to exercise.

The Bill seeks to resolve what may be regarded as an anomaly in the 1993 Act. If enacted, the Bill would provide access to some important existing rights to

those qualifying leaseholders who are currently unable to sign in person. The Bill introduced by my hon. Friend the Member for Kettering provides Parliament with a timely opportunity to tackle the issue. As housing Minister, I am pleased to support the Bill on behalf of the Government.

I commend to the Committee the amendments tabled by my hon. Friends the Members for Kettering and for Bury North and by me. They are minor, technical amendments that would ensure that the extent of the Bill is correct. The legislation would apply only in England, as housing is a devolved matter in Wales. It is drafted in the conventional manner and would come into force after the usual time. Provided the amendments are accepted and the Bill remains focused on those specific aims, I hope it will be allowed to reach the statute book, where it would become a small but truly worthwhile contribution.

Mr Nuttall: I am grateful to the hon. Member for City of Durham for her support for the Bill and to all right hon. and hon. Members for their attendance this morning. I trust that the amendments will be accepted by the Committee and that the Bill can now move forward for further consideration.

Amendment 1 agreed to.

Amendment made: 2, in clause 1, page 1, line 4, leave out from '1993' to end of line 5 and insert

'(requirement for notice under section 13 or 42 of that Act to be signed by tenants or tenant personally) after "42" insert "in respect of premises in Wales".'—(*Mr Nuttall.*)

Clause 1, as amended, ordered to stand part of the Bill.

Clause 2

SHORT TITLE AND COMMENCEMENT

Amendments made: 3, in clause 2, page 1, line 8, leave out from 'force' to end of line and insert

'at the end of the period of two months beginning with the day on which it is passed.'

Amendment 4, in clause 2, page 1, line 8, at end insert—

'(3) This Act extends to England and Wales only.'—(*Mr Nuttall.*)

Clause 2, as amended, ordered to stand part of the Bill.

Bill, as amended, to be reported.

9.43 am

Committee rose.

