

## SCHEDULES

### SCHEDULE 2

Sections 9 and 40.

#### SPECIAL CATEGORIES OF LANDLORDS

##### *Interpretation*

- 1 (1) In this Schedule—
- “Chapter I landlord” means a person who is, in relation to a claim made under Chapter I, the reversioner or any other relevant landlord within the meaning of that Chapter;
- “Chapter II landlord” means a person who is, in relation to a claim made under Chapter II, the landlord within the meaning of that Chapter or any of the other landlords (as defined by section 40(4));
- “debenture holders' charge” means a charge (whether a floating charge or not) in favour of the holders of a series of debentures issued by a company or other body of persons, or in favour of trustees for such debenture holders;
- “mortgage” includes a charge or lien, and related expressions shall be construed accordingly;
- “the relevant notice” means—
- (a) in relation to a Chapter I landlord, the notice given under section 13, and
- (b) in relation to a Chapter II landlord, the notice given under section 42.
- (2) In paragraphs 5 to 8 any reference to a premium payable on the grant of a lease includes a reference to any other amount payable by virtue of Schedule 13 in connection with its grant.

##### *Mortgagee in possession of landlord's interest*

- 2 (1) Where—
- (a) the interest of a Chapter I or Chapter II landlord is subject to a mortgage, and
- (b) the mortgagee is in possession,
- all such proceedings arising out of the relevant notice as would apart from this sub-paragraph be taken by or in relation to that landlord (“the mortgagor”) shall, as regards his interest, be conducted by and through the mortgagee as if he were that landlord; but this sub-paragraph shall not, in its application to a Chapter I landlord, affect the operation in relation to the mortgagee of section 35 or Schedule 8.
- (2) Where sub-paragraph (1) above applies to a Chapter I landlord, then (without prejudice to the generality of that sub-paragraph) any application under section 23(1) that would otherwise be made by the mortgagor (whether alone or together with any other person or persons) shall be made by the mortgagee as if he were the mortgagor.
- (3) Where—
- (a) the interest of a Chapter I landlord is subject to a mortgage, and

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- (b) a receiver appointed by the mortgagee or by order of any court is in receipt of the rents and profits,

the person referred to in paragraph (a) shall not make any application under section 23(1) without the consent of the mortgagee, and the mortgagee may by notice given to that person require that, as regards his interest, this paragraph shall apply, either generally or so far as it relates to section 23, as if the mortgagee were a mortgagee in possession.

- (4) Where—

- (a) the interest of a Chapter I or Chapter II landlord is subject to a mortgage, and  
 (b) the mortgagee is in possession or a receiver appointed by the mortgagee or by order of any court is in receipt of the rents and profits,

the relevant notice or a copy of it shall be regarded as duly given to that landlord if it is given to the mortgagee or to any such receiver; but whichever of the landlord, the mortgagee and any such receiver are not the recipient of the notice shall be given a copy of it by the recipient.

- (5) Sub-paragraph (4) has effect in relation to a debenture holders' charge as if any reference to the mortgagee were a reference to the trustees for the debenture holders; but, where the relevant notice is given to a Chapter I or Chapter II landlord whose interest is subject to any such charge and there is no trustee for the debenture holders, the landlord shall forthwith send it or a copy of it to any receiver appointed by virtue of the charge.

- (6) Where—

- (a) a Chapter I or Chapter II landlord is given the relevant notice or a copy of it, and

(b) his interest is subject to a mortgage to secure the payment of money, then (subject to sub-paragraph (7)), the landlord shall forthwith inform the mortgagee (unless the notice was given to him or a receiver appointed by virtue of the mortgage) that the notice has been given, and shall give him such further information as may from time to time be reasonably required from the landlord by the mortgagee.

- (7) Sub-paragraph (6) does not apply to a debenture holders' charge.

*Landlord's interest vested in custodian trustee*

- 3 Where the interest of a Chapter I or Chapter II landlord is vested in a person as custodian trustee, then for the purposes of Chapter I or (as the case may be) Chapter II the interest shall be deemed to be vested in the managing trustees or committee of management as owners of that interest, except as regards the execution of any instrument disposing of or otherwise affecting that interest.

*Landlord under a disability*

- 4 Where a Chapter I or Chapter II landlord is incapable by reason of mental disorder (within the meaning of the Mental Health Act 1983) of managing and administering his property and affairs, then for the purposes of Chapter I or (as the case may be) Chapter II—

- (a) the landlord's receiver appointed under Part VII of that Act or Part VIII of the Mental Health Act 1959, or  
 (b) (if no such receiver is acting for him) any person authorised in that behalf,

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shall, under an order of the authority having jurisdiction under Part VII of the Mental Health Act 1983, take the place of the landlord.

*Landlord's interest held on trust for sale*

- 5 (1) Where the interest of a Chapter I landlord is held on trust for sale, any sum payable to the landlord by way of the price payable for the interest on its acquisition in pursuance of Chapter I shall be dealt with as if it were proceeds of sale arising under the trust.
- (2) Where the interest of a Chapter II landlord is held on trust for sale—
- (a) any sum payable to the landlord by way of a premium on the grant of a new lease under Chapter II or section 93(4) shall be dealt with as if it were proceeds of sale arising under the trust; and
  - (b) the purposes authorised—
    - (i) by section 73 of the Settled Land Act 1925, as applied by section 28 of the Law of Property Act 1925, for the application of capital money, and
    - (ii) by section 71 of the Settled Land Act 1925, as applied as aforesaid, as purposes for which money may be raised by mortgage,shall include the payment of compensation by the landlord on the termination of a new lease granted under Chapter II or section 93(4) (whether the payment is made in pursuance of an order under section 61 or in pursuance of an agreement made in conformity with paragraph 5 of Schedule 14 without an application having been made under that section).

*Landlord's interest subject to a settlement*

- 6 Where the interest of a Chapter II landlord is subject to a settlement (within the meaning of the Settled Land Act 1925), the purposes authorised—
- (a) by section 73 of that Act for the application of capital money, and
  - (b) by section 71 of that Act as purposes for which money may be raised by mortgage,
- shall include the payment of compensation as mentioned in paragraph 5(2)(b) above.

*University or college landlords*

- 7 (1) Where a Chapter I landlord is a university or college to which the Universities and College Estates Act 1925 applies, any sum payable to the landlord by way of the price payable for any interest on its acquisition in pursuance of Chapter I shall be dealt with as if it were an amount payable by way of consideration on a sale effected under that Act.
- (2) Where a Chapter II landlord is a university or college to which that Act applies—
- (a) any sum payable to the landlord by way of a premium on the grant of a new lease under Chapter II or section 93(4) shall be dealt with as if it were an amount payable by way of consideration on a sale effected under that Act; and
  - (b) the purposes authorised—
    - (i) by section 26 of that Act for the application of capital money, and

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(ii) by section 31 of that Act as purposes for which money may be raised by mortgage,  
shall include the payment of compensation as mentioned in paragraph 5(2)(b) above.

*Ecclesiastical landlords*

- 8 (1) The provisions of this paragraph shall have effect as regards Chapter I or Chapter II landlords who are ecclesiastical landlords; and in this paragraph “ecclesiastical landlord” means—
- (a) a capitular body within the meaning of the Cathedrals Measure 1963 having an interest as landlord in property, or
  - (b) a diocesan board of finance having an interest as landlord in property belonging to the board as diocesan glebe land.
- (2) In relation to an interest of an ecclesiastical landlord, the consent of the Church Commissioners shall be required to sanction—
- (a) the provisions to be contained in a conveyance in accordance with section 34 and Schedule 7, or in any lease granted under section 56, and the price or premium payable, except as regards matters determined by the court or a leasehold valuation tribunal;
  - (b) any exercise of the ecclesiastical landlord’s rights under section 61, except as aforesaid, and any agreement for the payment of compensation to a tenant in conformity with paragraph 5 of Schedule 14 without an application having been made under that section; and
  - (c) any grant of a lease in pursuance of section 93(4);
- and the Church Commissioners shall be entitled to appear and be heard in any proceedings under this Part to which an ecclesiastical landlord is a party or in which he is entitled to appear and be heard.
- (3) Where a capitular body has an interest in property which forms part of the endowment of a cathedral church—
- (a) any sum payable to that body by way of—
    - (i) the price payable for any interest in the property on its acquisition in pursuance of Chapter I, or
    - (ii) a premium on the grant of a new lease under Chapter II or section 93(4),
 shall be treated as part of that endowment; and
  - (b) the powers conferred by sections 21 and 23 of the Cathedrals Measure 1963 in relation to the investment in the acquisition of land of money forming part of the endowment of a cathedral church shall extend to the application of any such money in the payment of compensation as mentioned in paragraph 5(2)(b) above.
- (4) In the case of a diocesan board of finance—
- (a) no consent or concurrence other than that of the Church Commissioners under sub-paragraph (2) above shall be required to a disposition under this Part of the interest of the diocesan board of finance in property (including a grant of a new lease in pursuance of section 93(4));
  - (b) any sum payable to the diocesan board of finance by way of—

(i) the price payable for any interest in property on its acquisition in pursuance of Chapter I, or

(ii) a premium on the grant of a new lease of property under Chapter II or section 93(4),

shall be paid to the Church Commissioners to be applied for purposes for which the proceeds of any such disposition of property by agreement would be applicable under any enactment or Measure authorising such a disposition or disposing of the proceeds of such a disposition; and

(c) any sum required for the payment of compensation as mentioned in paragraph 5(2)(b) above may be paid by the Church Commissioners on behalf of the diocesan board of finance out of any money held by them.

(5) In this paragraph “diocesan board of finance” and “diocesan glebe land” have the same meaning as in the Endowments and Glebe Measure 1976.