



Commonhold and Leasehold Reform Act 2002

2002 CHAPTER 15

PART 2

LEASEHOLD REFORM

CHAPTER 1

RIGHT TO MANAGE

Acquisition of right

90 The acquisition date

- (1) This section makes provision about the date which is the acquisition date where a RTM company acquires the right to manage any premises.
- (2) Where there is no dispute about entitlement, the acquisition date is the date specified in the claim notice under section 80(7).
- (3) For the purposes of this Chapter there is no dispute about entitlement if—
 - (a) no counter-notice is given under section 84, or
 - (b) the counter-notice given under that section, or (where more than one is so given) each of them, contains a statement such as is mentioned in subsection (2)(a) of that section.
- (4) Where the right to manage the premises is acquired by the company by virtue of a determination under section 84(5)(a), the acquisition date is the date three months after the determination becomes final.
- (5) Where the right to manage the premises is acquired by the company by virtue of subsection (5)(b) of section 84, the acquisition date is the date three months after the

day on which the person (or the last person) by whom a counter-notice containing a statement such as is mentioned in subsection (2)(b) of that section was given agrees in writing that the company was on the relevant date entitled to acquire the right to manage the premises.

- (6) Where an order is made under section 85, the acquisition date is (subject to any appeal) the date specified in the order.

91 Notices relating to management contracts

- (1) Section 92 applies where—
- (a) the right to manage premises is to be acquired by a RTM company (otherwise than by virtue of an order under section 85), and
 - (b) there are one or more existing management contracts relating to the premises.
- (2) A management contract is a contract between—
- (a) an existing manager of the premises (referred to in this Chapter as the “manager party”), and
 - (b) another person (so referred to as the “contractor party”),
- under which the contractor party agrees to provide services, or do any other thing, in connection with any matter relating to a function which will be a function of the RTM company once it acquires the right to manage.
- (3) And in this Chapter “existing management contract” means a management contract which—
- (a) is subsisting immediately before the determination date, or
 - (b) is entered into during the period beginning with the determination date and ending with the acquisition date.
- (4) An existing manager of the premises is any person who is—
- (a) landlord under a lease relating to the whole or any part of the premises,
 - (b) party to such a lease otherwise than as landlord or tenant, or
 - (c) a manager appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises.
- (5) In this Chapter “determination date” means—
- (a) where there is no dispute about entitlement, the date specified in the claim notice under section 80(6),
 - (b) where the right to manage the premises is acquired by the company by virtue of a determination under section 84(5)(a), the date when the determination becomes final, and
 - (c) where the right to manage the premises is acquired by the company by virtue of subsection (5)(b) of section 84, the day on which the person (or the last person) by whom a counter-notice containing a statement such as is mentioned in subsection (2)(b) of that section was given agrees in writing that the company was on the relevant date entitled to acquire the right to manage the premises.

92 Duties to give notice of contracts

- (1) The person who is the manager party in relation to an existing management contract must give a notice in relation to the contract—

- (a) to the person who is the contractor party in relation to the contract (a “contractor notice”), and
 - (b) to the RTM company (a “contract notice”).
- (2) A contractor notice and a contract notice must be given—
 - (a) in the case of a contract subsisting immediately before the determination date, on that date or as soon after that date as is reasonably practicable, and
 - (b) in the case of a contract entered into during the period beginning with the determination date and ending with the acquisition date, on the date on which it is entered into or as soon after that date as is reasonably practicable.
- (3) A contractor notice must—
 - (a) give details sufficient to identify the contract in relation to which it is given,
 - (b) state that the right to manage the premises is to be acquired by a RTM company,
 - (c) state the name and registered office of the RTM company,
 - (d) specify the acquisition date, and
 - (e) contain such other particulars (if any) as may be required to be contained in contractor notices by regulations made by the appropriate national authority,and must also comply with such requirements (if any) about the form of contractor notices as may be prescribed by regulations so made.
- (4) Where a person who receives a contractor notice (including one who receives a copy by virtue of this subsection) is party to an existing management sub-contract with another person (the “sub-contractor party”), the person who received the notice must—
 - (a) send a copy of the contractor notice to the sub-contractor party, and
 - (b) give to the RTM company a contract notice in relation to the existing management sub-contract.
- (5) An existing management sub-contract is a contract under which the sub-contractor party agrees to provide services, or do any other thing, in connection with any matter relating to a function which will be a function of the RTM company once it acquires the right to manage and which—
 - (a) is subsisting immediately before the determination date, or
 - (b) is entered into during the period beginning with the determination date and ending with the acquisition date.
- (6) Subsection (4) must be complied with—
 - (a) in the case of a contract entered into before the contractor notice is received, on the date on which it is received or as soon after that date as is reasonably practicable, and
 - (b) in the case of a contract entered into after the contractor notice is received, on the date on which it is entered into or as soon after that date as is reasonably practicable.
- (7) A contract notice must—
 - (a) give particulars of the contract in relation to which it is given and of the person who is the contractor party, or sub-contractor party, in relation to that contract, and
 - (b) contain such other particulars (if any) as may be required to be contained in contract notices by regulations made by the appropriate national authority,

Status: This is the original version (as it was originally enacted).

and must also comply with such requirements (if any) about the form of contract notices as may be prescribed by such regulations so made.

93 Duty to provide information

- (1) Where the right to manage premises is to be acquired by a RTM company, the company may give notice to a person who is—
 - (a) landlord under a lease of the whole or any part of the premises,
 - (b) party to such a lease otherwise than as landlord or tenant, or
 - (c) a manager appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises,
 requiring him to provide the company with any information which is in his possession or control and which the company reasonably requires in connection with the exercise of the right to manage.
- (2) Where the information is recorded in a document in his possession or control the notice may require him—
 - (a) to permit any person authorised to act on behalf of the company at any reasonable time to inspect the document (or, if the information is recorded in the document in a form in which it is not readily intelligible, to give any such person access to it in a readily intelligible form), and
 - (b) to supply the company with a copy of the document containing the information in a readily intelligible form.
- (3) A notice may not require a person to do anything under this section before the acquisition date.
- (4) But, subject to that, a person who is required by a notice to do anything under this section must do it within the period of 28 days beginning with the day on which the notice is given.

94 Duty to pay accrued uncommitted service charges

- (1) Where the right to manage premises is to be acquired by a RTM company, a person who is—
 - (a) landlord under a lease of the whole or any part of the premises,
 - (b) party to such a lease otherwise than as landlord or tenant, or
 - (c) a manager appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises,
 must make to the company a payment equal to the amount of any accrued uncommitted service charges held by him on the acquisition date.
- (2) The amount of any accrued uncommitted service charges is the aggregate of—
 - (a) any sums which have been paid to the person by way of service charges in respect of the premises, and
 - (b) any investments which represent such sums (and any income which has accrued on them),
 less so much (if any) of that amount as is required to meet the costs incurred before the acquisition date in connection with the matters for which the service charges were payable.

- (3) He or the RTM company may make an application to a leasehold valuation tribunal to determine the amount of any payment which falls to be made under this section.
- (4) The duty imposed by this section must be complied with on the acquisition date or as soon after that date as is reasonably practicable.