



Housing Act 2004

2004 CHAPTER 34

PART 4

ADDITIONAL CONTROL PROVISIONS IN RELATION TO RESIDENTIAL ACCOMMODATION

CHAPTER 1

INTERIM AND FINAL MANAGEMENT ORDERS

Final management orders: making and operation of orders

119 Management schemes and accounts

- (1) A final management order must contain a management scheme.
- (2) A “management scheme” is a scheme setting out how the local housing authority are to carry out their duty under section 115(2) as respects the management of the house.
- (3) A management scheme is to be divided into two parts.
- (4) Part 1 of the scheme is to contain a plan giving details of the way in which the authority propose to manage the house, which must (in particular) include—
 - (a) details of any works that the authority intend to carry out in connection with the house;
 - (b) an estimate of the capital and other expenditure to be incurred by the authority in respect of the house while the order is in force;
 - (c) the amount of rent or other payments that the authority will seek to obtain having regard to the condition or expected condition of the house at any time while the order is in force;
 - (d) the amount of any compensation that is payable to a third party by virtue of a decision of the authority under section 128 in respect of any interference in consequence of the final management order with the rights of that person;
 - (e) provision as to the payment of any such compensation;

Changes to legislation: *Housing Act 2004, Section 119 is up to date with all changes known to be in force on or before 21 May 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (f) provision as to the payment by the authority to a relevant landlord, from time to time, of amounts of rent or other payments that remain after the deduction of—
 - (i) relevant expenditure, and
 - (ii) any amounts of compensation payable as mentioned in paragraph (d);
- (g) provision as to the manner in which the authority are to pay to a relevant landlord, on the termination of the final management order, any amounts of rent or other payments that remain after the deduction of—
 - (i) relevant expenditure, and
 - (ii) any amounts of compensation payable as mentioned in paragraph (d);
- (h) provision as to the manner in which the authority are to pay, on the termination of the final management order, any outstanding balance of compensation payable to a third party.

[^{F1}(4A) Subsection (4)(f) and (g) does not apply in a case where the final management order was made under section 113(3A) or (6A).

(4B) The Secretary of State may by regulations make provision about how local authorities are to deal with any surplus in a case where the final management order was made under section 113(3A) or (6A).

(4C) In subsection (4B) “surplus” means any amount of rent or other payments that the authority have collected or recovered, by virtue of this Chapter, that remains after deductions to meet relevant expenditure and any amounts of compensation payable as mentioned in subsection (2)(d).]

(5) Part 1 of the scheme may also state—

- (a) the authority’s intentions as regards the use of rent or other payments to meet relevant expenditure;
- (b) the authority’s intentions as regards the payment to a relevant landlord (where appropriate) of interest on amounts within subsection (4)(f) and (g);
- (c) that section 129(2) or (4) is not to apply in relation to an interim or (as the case may be) final management order that immediately preceded the final management order, and that instead the authority intend to use any balance or amount such as is mentioned in that subsection to meet—
 - (i) relevant expenditure incurred during the currency of the final management order, and
 - (ii) any compensation that may become payable to a third party;
- (d) that section 129(3) or (5) is not to apply in relation to an interim or (as the case may be) final management order that immediately preceded the final management order (“the order”), and that instead the authority intend to use rent or other payments collected during the currency of the order to reimburse the authority in respect of any deficit or amount such as is mentioned in that subsection;
- (e) the authority’s intentions as regards the recovery from a relevant landlord, with or without interest, of any amount of relevant expenditure that cannot be reimbursed out of the total amount of rent or other payments.

(6) Part 2 of the scheme is to describe in general terms how the authority intend to address the matters which caused them to make the final management order and may, for example, include—

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- (a) descriptions of any steps that the authority intend to take to require persons occupying the house to comply with their obligations under any lease or licence or under the general law;
 - (b) descriptions of any repairs that are needed to the property and an explanation as to why those repairs are necessary.
- (7) The authority must—
- (a) keep full accounts of their income and expenditure in respect of the house; and
 - (b) afford to each relevant landlord, and to any other person who has an estate or interest in the house, all reasonable facilities for inspecting, taking copies of and verifying those accounts.
- (8) In this section—
- “relevant expenditure” means expenditure reasonably incurred by the authority in connection with performing their duties under section 115(2) in respect of the house (including any reasonable administrative costs and any premiums paid for insurance of the premises);
- “relevant landlord” means any person who is an immediate landlord of the house or part of it;
- “rent or other payments” means rent or other payments—
- (a) which are payable under leases or licences or in respect of furniture within section 126(1), and
 - (b) which the authority have collected or recovered by virtue of this Chapter.
- (9) In the provisions of this Chapter relating to varying, revoking or appealing against decisions relating to a final management order, any reference to such an order includes (where the context permits) a reference to the management scheme contained in it.

Textual Amendments

- F1** S. 119(4A)-(4C) inserted (3.11.2017) by [Housing and Planning Act 2016 \(c. 22\)](#), s. 216(3), [Sch. 3 para. 9](#); [S.I. 2017/1052](#), reg. 2(e)
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Commencement Information

- II** S. 119 wholly in force at 16.6.2006; s. 119 not in force at Royal Assent see s. 270(4)(5); s. 119 in force for E. at 6.4.2006 by [S.I. 2006/1060](#), [art. 2\(1\)\(a\)](#) (with [Sch.](#)); s. 119 in force for W. at 16.6.2006 by [S.I. 2006/1535](#), [art. 2\(a\)](#) (with [Sch.](#))

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act savings and transitional provisions for amendments by S.I. 2022/1166 by [S.I. 2022/1172 Regulations](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 66(1A) inserted by [2016 c. 22 s. 125\(3\)\(a\)](#)
- s. 66(3A)(3B) inserted by [2016 c. 22 s. 125\(3\)\(c\)](#)
- s. 89(1A) inserted by [2016 c. 22 s. 125\(6\)\(a\)](#)
- s. 89(3A)(3B) inserted by [2016 c. 22 s. 125\(6\)\(c\)](#)
- s. 139(7A)(7B) inserted by [2016 c. 22 s. 127\(3\)](#)