

HOUSING (SCOTLAND) ACT 2010

EXPLANATORY NOTES

STRUCTURE OF THE ACT

Part 7 – Insolvency Etc

Making proposals for future ownership and management

98. During the moratorium the regulator can make proposals for the future ownership and management of the RSL's land in an attempt to ensure the land's future and proper management by a registered social landlord (section 80). Before making proposals it must consult those people listed at subsection (2). The regulator must consider the interests of all the RSL's creditors and must aim to avoid worsening the position of any unsecured creditors. The proposals may provide for the appointment and remuneration of a manager to implement the proposals. The proposals must not result in non-preferential debts being paid before preferential ones or preferential creditors being paid different proportions of preferential debt, unless they have agreed to being paid a smaller proportion. (The term "preferential debt" refers to money owed to Her Majesty's Revenue and Customs for income tax deducted at source, VAT, car tax, betting and gaming duties, social security and pension scheme contributions, and remuneration of employees.)
99. The regulator must submit its proposals to all those of the RSL's secured creditors who can be located after reasonable enquiries have been made; the RSL and its committee or board; and any liquidator, receiver or administrator. The regulator must also arrange to make the RSL's members, tenants and unsecured creditors aware of its proposals (section 81).
100. [Section 82](#) allows secured creditors to either agree (with or without changes) or reject proposals about future management and ownership of a registered social landlord. The regulator must agree any changes to the proposals before those changes have effect. Subsection (3) lists those whom the regulator must notify about the agreed proposals.
101. The regulator may, under section 83, and with the agreement of the RSL and the secured creditors to whom the original proposals were submitted, modify agreed proposals from time to time. Sections 80 on the formulation of proposals and 82(3) on giving notice of agreed proposals apply equally to any such modifications.