

2020 CHAPTER 5

Power to act for protection of registered housing association

3.—(1) Article 25 of the 1992 Order (power to act for protection of registered housing association) is amended as follows.

(2) For the words preceding sub-paragraph (a) of paragraph (1) substitute—

"(1) The powers conferred on the Department by paragraphs (1B), (3), (3A), (4), (5) and (7) in respect of a registered housing association are exercisable only where (in addition to the particular conditions for those paragraphs being met) the Department considers that—

- (a) action is needed to protect the interests of tenants of the association or to protect the assets of the association, and
- (b) the committee of the association is unwilling to take appropriate action for that purpose.

(1A) Paragraph (1B) applies where the Department is satisfied as the result of an inquiry under Article 23 or an audit under Article 24 that a registered housing association has failed, or is failing, to comply with—

- (a) a duty imposed by this Order or by any other statutory provision, or
- (b) a requirement imposed on the association by the Department under this Order or any other statutory provision,

relating to its housing activities or its financial or other affairs.

(1B) Where this paragraph applies, the Department may do all or any of the following, namely—".

(3) In sub-paragraph (a) of what becomes paragraph (1B), for "the misconduct or mismanagement" substitute "the failure mentioned in paragraph (1A)".

(4) In paragraph (3)—

- (a) for "there has been misconduct or mismanagement as mentioned in paragraph (1)" substitute "there is or has been a failure as mentioned in paragraph (1A)";
- (b) for "that paragraph" substitute "paragraph (1B)";
- (c) for "paragraph (1)(b)" substitute "paragraph (1B)(b)".

(5) In paragraph (3A)—

- (a) for "there has been misconduct or mismanagement as mentioned in paragraph (1)" substitute "there is or has been a failure as mentioned in paragraph (1A)";
- (b) for "of paragraph (1)" substitute "of paragraph (1B)".

(6) In paragraph (4)(c), for "impedes the committee's proper management of the association's affairs" substitute "compromises the committee's ability to ensure that the association complies with the duties and requirements mentioned in paragraph (1A)".

(7) In paragraph (5)(c), for the words from "for the proper management" to the end of the sub-paragraph substitute "for the association to have an additional member of its committee to ensure that the association complies with the duties and requirements mentioned in paragraph (1A);".

(8) In paragraph (8)—

- (a) for "paragraph (1)(a)" substitute "paragraph (1B)(a)";
- (b) for "paragraph (1)(b)" substitute "paragraph (1B)(b)".
- (9) In paragraph (9), for "paragraph (1)(a)" substitute "paragraph (1B)(a)".

(10) In paragraph (10), for "paragraph (1)(c)" substitute "paragraph (1B)(c)".

(11) In consequence of the amendment made by subsection (2), in Article 11(1) of the 1992 Order (guidance as to management of accommodation by registered housing associations), omit the words from "and, in considering under this Part" to the end of the paragraph.