



Housing Act 1980

1980 CHAPTER 51

PART V

AMENDMENT OF PART V OF HOUSING ACT 1957

90 Review of housing conditions by local authorities

In section 91 of the 1957 Act (duty of every local authority to consider housing conditions and as often as occasion arises to submit proposals to the Minister for the provision of new houses) the words from " and as often " to the end are hereby repealed.

91 Power of local authorities to dispose of land held for purposes of Part V of Housing Act 1957

- (1) For section 104 of the 1957 Act (power to dispose of property acquired or appropriated for purposes of Part V) there is substituted the following section—

“104 Power to dispose of land held for purposes of Part V.

- (1) Without prejudice to the provisions of Chapter I of Part I of the Housing Act 1980 (right to buy public sector houses), a local authority shall have power by this section, but not otherwise, to dispose of any land which they have acquired or appropriated for the purposes of this Part of this Act.
- (2) A disposal under this section may be effected in any manner but is not to be made without the consent of the Minister, except in a case falling within subsection (3) below.
- (3) No consent is required for the letting of any land under a secure tenancy (within the meaning of section 28 of the Act of 1980) or under what would be a secure tenancy but for any of paragraphs 2 to 13 of Schedule 3 to that Act (certain lettings which do not create secure tenancies).
- (4) On the disposal of any house under this section by way of sale or by the grant or assignment of a lease at a premium the local authority may, if they think fit,

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agree to the price or premium, or any part thereof, and any expenses incurred by the purchaser being secured by a mortgage of the premises.

- (5) Subject to section 104A of this Act, on any disposal under this section the local authority may impose such covenants and conditions as they think fit, but a condition of any of the kinds mentioned in subsection (6) below may only be imposed with the consent of the Minister.
- (6) The conditions are—
- (a) one limiting the price or premium which may be obtained on a further disposal of the house;
 - (b) in the case of a sale, one precluding the purchaser (including any successor in title of his and any person deriving title under him or any such successor) from selling or leasing the land unless—
 - (i) he first notifies the authority of the proposed sale or lease and offers to sell or lease the house to them; and
 - (ii) the authority refuse the offer or fail to accept it within one month after it is made; and
 - (c) in the case of a lease, one precluding the lessee (including any successor in title of his and any person deriving title under him or any such successor) from assigning the lease, or granting any sub-lease.
- (7) Section 26(1) of the Town and Country Planning Act 1959 (power of local authorities etc. to dispose of land without consent of Minister) does not apply to any disposal under this section.
- (8) Sections 128 to 132 of the Lands Clauses Consolidation Act 1845 (which relate to the sale of superfluous land) do not apply to the sale by a local authority, under this section, of any land acquired by the authority for the purposes of this Part of this Act.
- (9) For the purposes of this section the grant of an option to purchase the freehold of, or any other interest in, any land is a disposal and any consent given to such a disposal extends to any disposal made in pursuance of the option.”
- (2) Sections 105 (1), (2) and (5) (power to deal with land in addition to that given by section 104), and 106 (power of Minister to impose conditions on sale of houses and land), of the 1957 Act are hereby repealed.
- (3) Section 39 of the Town and Country Planning Act 1968 (cases where section 26(1) of the Town and Country Planning Act 1959 does not apply) is hereby repealed.
- (4) In section 104 and in the sections inserted in the 1957 Act by sections 92 and 95 below " the Minister " means the Secretary of State.

92 Consent to disposals and recovery of discount

After section 104 of the 1957 Act there are inserted the following sections—

“104A Consents under section 104.

- (1) Any consent of the Minister required under section 104(2) or (5) of this Act may be given either generally to all local authorities or to any particular local

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authority or description of authority and either in relation to any particular land or description of land.

- (2) Any such consent may be given subject to such conditions as the Minister sees fit to impose.
- (3) Without prejudice to the generality of subsection (2) above, any such consent may be given subject to conditions as to the price, premium or rent to be obtained on a disposal under section 104, including conditions as to the amount by which, on the disposal of a house by way of sale or by the grant or assignment of a lease at a premium, the price or premium is to be, or may be, discounted by the local authority.

104B Repayment of discount on early disposal of freehold or lease.

- (1) This section applies where, on a disposal under section 104 of this Act (the "first disposal"), a discount has been given to the purchaser by the local authority in accordance with a consent given by the Minister under subsection (2) of that section; but this section does not apply in any such case if the consent so provides.
- (2) On the first disposal, the conveyance, grant or assignment shall contain a covenant binding on the purchaser and his successors in title to pay to the local authority on demand the amount specified in subsection (3) below if, within a period of five years, there is a disposal falling within subsection (4) below, (the "further disposal"); but if there is more than one further disposal, then only on the first of them.
- (3) The amount payable under the covenant is an amount equal to the discount given to the purchaser, but reduced by 20 per cent, of that discount for each complete year which elapses after the first disposal and before the further disposal.
- (4) A disposal falls within this subsection if it is—
 - (a) a conveyance of the freehold or an assignment of the lease; or
 - (b) the grant of a lease or sub-lease for a term of more than twenty-one years otherwise than at a rack rent;

whether the disposal is of the whole or part of the house; but a disposal in pursuance of an order under section 24 of the Matrimonial Causes Act 1973 or under section 2 of the Inheritance (Provision for Family and Dependants) Act 1975 or a vesting in a person taking under a will or on an intestacy is not a disposal falling within this subsection.

- (5) The liability that may arise under the covenant required by subsection (2) above shall be a charge on the house—
 - (a) taking effect as if it had been created by deed expressed to be by way of legal mortgage; and
 - (b) having priority immediately after any legal charge securing any amount left outstanding by the purchaser or advanced to him by a body specified in subsection (6) below for the purpose of enabling him to acquire the interest disposed of on the first disposal or further advanced to him by that body.

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- (6) The bodies referred to in subsection (5)(b) above are any building society and any of the bodies specified in paragraph 6, 7 or 8 of the Schedule to the Home Purchase Assistance and Housing Corporation Guarantee Act 1978.
- (7) A charge taking effect by virtue of subsection (5) above shall, notwithstanding subsection (5) of section 59 of the Land Registration Act 1925, be a land charge for the purposes of that section, and subsection (2) of that section shall apply accordingly with respect to its protection and realisation.
- (8) The reference in subsection (4) above to a lease or sub-lease does not include a mortgage term.
- (9) In this section " building society" means a building society within the meaning of the Building Societies Act 1962 or the Building Societies Act (Northern Ireland) 1967 and " purchaser" means the person acquiring the interest disposed of by the first disposal; and for the purposes of this section the grant of an option enabling a person to call for a disposal falling within subsection (4) above shall be treated as such a disposal.

104C Houses in National Parks and areas of outstanding natural beauty, etc.

- (1) Where a conveyance, grant or assignment executed under section 104 of this Act (the " first disposal ") is of a house situated in a National Park, or an area designated under section 87 of the National Parks and Access to the Countryside Act 1949 as an area of outstanding natural beauty, or an area designated by order of the Secretary of State as a rural area, the conveyance, grant or assignment may (unless it contains a condition of a kind mentioned in section 104(6)(b) or (c) above) contain a covenant limiting the freedom of the purchaser and his successors in title to dispose of the house in the manner specified in subsection (2) below.
- (2) The limitation is that, until such time (if any) as may be notified in writing by the local authority to the purchaser or his successors in title there will be no disposal falling within subsection (4) below (the " further disposal") without the written consent of the local authority; but that consent shall not be withheld if the further disposal is to a person satisfying the condition stated in subsection (3) below.
- (3) The condition is that the person to whom the further disposal is made (or, if it is made to more than one person, at least one of them) has, throughout the period of three years immediately preceding the application for consent, either—
 - (a) had his place of work in a designated region which or part of which is comprised in the National Park or area ; or
 - (b) had his only or principal home in such a region;
 or has had the one in part or parts of that period and the other in the remainder; but the region need not have been the same throughout the whole of the period.
- (4) A disposal falls within this subsection if it is—
 - (a) a conveyance of the freehold or an assignment of the lease ; or
 - (b) the grant of a lease or sub-lease for a term of more than 21 years otherwise than at a rack rent;

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whether the disposal is of the whole or part of the house; but a disposal in pursuance of an order under section 24 of the Matrimonial Causes Act 1973 or under section 2 of the Inheritance (Provision for Family and Dependants) Act 1975 or a vesting in a person taking under a will or on an intestacy is not a disposal falling within this subsection.

- (5) If the further disposal is in breach of the covenant mentioned in subsection (1) above, it shall be void.
- (6) The limitation imposed by such a covenant shall be a local land charge and, if the land is registered under the Land Registration Act 1925, the Chief Land Registrar shall enter the appropriate restriction on the register of title as if application therefor had been made under section 58 of that Act.
- (7) The reference in subsection (4) above to a lease or sub-lease does not include a mortgage term.
- (8) In this section " purchaser " means the person acquiring the interest disposed of by the first disposal.
- (9) In this section " designated region " means an area designated for the purposes of this section by order of the Secretary of State.
- (10) For the purposes of this section the grant to any person of an option enabling him to call for a disposal falling within subsection (4) above shall be treated as such a disposal made to that person and a consent to such a grant as a consent to a disposal made in pursuance of the option.”.

93 Acquisition of land for purpose of its subsequent disposal

It is hereby declared that—

- (a) the power of a local authority to acquire land under section 96 of the 1957 Act (power of local authority to acquire land for provision of housing accommodation) includes power to do so for the purpose of disposing of houses erected, or to be erected, on the land or of disposing of the land to a person who intends to provide housing accommodation on it; and
- (b) the things that a local authority may do under section 92 of that Act (mode of provision of accommodation) may equally be done in relation to land acquired for either of those purposes.

94 Options granted before commencement of section 91

The limitations on a local authority's statutory power to dispose of houses acquired or appropriated for the purposes of Part V of the 1957 Act shall not be taken to have prevented a local authority, at any time before the commencement of section 91 of this Act, from granting to the tenant of a house an option to purchase the freehold of, or any other interest in, the house.

95 Appropriation of land

After section 110 of the 1957 Act there is inserted the following section—

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“110A Appropriation of Part V land for other purposes.

- (1) Where a local authority have acquired or appropriated any land for the purposes of this Part of this Act they shall not, without the consent of the Minister, appropriate any part of that land which consists of a house or part of a house for any other purpose.
- (2) Any consent under this section may be given either generally to all local authorities or to any particular local authority or description of authority and either in relation to any particular land or description of land.
- (3) Any such consent may be given subject to such conditions as the Minister sees fit to impose.”.