

SCHEDULES

SCHEDULE 1

Section 79.

TENANCIES WHICH ARE NOT SECURE TENANCIES

Long leases.

- 1 A tenancy is not a secure tenancy if it is a long tenancy.

Premises occupied in connection with employment.

- 2 (1) A tenancy is not a secure tenancy if the tenant is an employee of the landlord or of—
a local authority,
a new town corporation,
an urban development corporation,
the Development Board for Rural Wales, or
the governors of an aided school,
and his contract of employment requires him to occupy the dwelling-house for the better performance of his duties.
- (2) A tenancy is not a secure tenancy if the tenant is a member of a police force and the dwelling-house is provided for him free of rent and rates in pursuance of regulations made under section 33 of the Police Act 1964 (general regulations as to government, administration and conditions of service of police forces).
- (3) A tenancy is not a secure tenancy if the tenant is an employee of a fire authority (within the meaning of the Fire Services Acts 1947 to 1959) and—
(a) his contract of employment requires him to live in close proximity to a particular fire station, and
(b) the dwelling-house was let to him by the authority in consequence of that requirement.
- (4) A tenancy is not a secure tenancy if—
(a) within the period of three years immediately preceding the grant the conditions mentioned in sub-paragraph (1), (2) or (3) have been satisfied with respect to a tenancy of the dwelling-house, and
(b) before the grant the landlord notified the tenant in writing of the circumstances in which this exception applies and that in its opinion the proposed tenancy would fall within this exception.
until the periods during which those conditions are not satisfied with respect to the tenancy amount in aggregate to more than three years.
- (5) In this paragraph “contract of employment” means a contract of service or apprenticeship, whether express or implied and (if express) whether oral or in writing.

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Land acquired for development.

- 3 (1) A tenancy is not a secure tenancy if the dwelling-house is on land which has been acquired for development and the dwelling-house is used by the landlord, pending development of the land, as temporary housing accommodation.
- (2) In this paragraph “development” has the meaning given by section 22 of the Town and Country Planning Act 1971 (general definition of development for purposes of that Act).

Accommodation for homeless persons.

- 4 (1) A tenancy granted in pursuance of—
- (a) section 63 (duty to house pending inquiries in case of apparent priority need),
 - (b) section 65(3) (duty to house temporarily person found to have priority need but to have become homeless intentionally), or
 - (c) section 68(1) duty to house pending determination whether conditions for referral of application are satisfied),
- is not a secure tenancy before the expiry of the period of twelve months beginning with the date specified in sub-paragraph (2), unless before the expiry of that period the tenant is notified by the landlord that the tenancy is to be regarded as a secure tenancy.
- (2) The date referred to in sub-paragraph (1) is the date on which the tenant received the notification required by section 64(1) (notification of decision on question of homelessness or threatened homelessness) or, if he received a notification under section 68(3) (notification of which authority has duty to house), the date on which he received that notification.

Temporary accommodation for persons taking up employment.

- 5 (1) A tenancy is not a secure tenancy before the expiry of one year from the grant if—
- (a) the person to whom the tenancy was granted was not, immediately before the grant, resident in the district in which the dwelling-house is situated,
 - (b) before the grant of the tenancy, he obtained employment, or an offer of employment, in the district or its surrounding area,
 - (c) the tenancy was granted to him for the purpose of meeting his need for temporary accommodation in the district or its surrounding area in order to work there, and of enabling him to find permanent accommodation there, and
 - (d) the landlord notified him in writing of the circumstances in which this exception applies and that in its opinion the proposed tenancy would fall within this exception;
- unless before the expiry of that year the tenant has been notified by the landlord that the tenancy is to be regarded as a secure tenancy.
- (2) In this paragraph—
- “district” means district of a local housing authority; and
- “surrounding area”, in relation to a district, means the area consisting of each district that adjoins it

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Short-term arrangements.

- 6 A tenancy is not a secure tenancy if—
- (a) the dwelling-house has been leased to the landlord with vacant possession for use as temporary housing accommodation,
 - (b) the terms on which it has been leased include provision for the lessor to obtain vacant possession from the landlord on the expiry of a specified period or when required by the lessor,
 - (c) the lessor is not a body which is capable of granting secure tenancies, and
 - (d) the landlord has no interest in the dwelling-house other than under the lease in question or as a mortgagee.

Temporary accommodation during works.

- 7 A tenancy is not a secure tenancy if—
- (a) the dwelling-house has been made available for occupation by the tenant (or a predecessor in title of his) while works are carried out on the dwelling-house which he previously occupied as his home, and
 - (b) the tenant or predecessor was not a secure tenant of that other dwelling-house at the time when he ceased to occupy it as his home.

Agricultural holdings.

- 8 A tenancy is not a secure tenancy if the dwelling-house is comprised in an agricultural holding (within the meaning of the Agricultural Holdings Act 1948) and is occupied by the person responsible for the control (whether as tenant or as servant or agent of the tenant) of the farming of the holding.

Licensed premises.

- 9 A tenancy is not a secure tenancy if the dwelling-house consists of or includes premises licensed for the sale of intoxicating liquor for consumption on the premises.

Student lettings.

- 10 (1) A tenancy of a dwelling-house is not a secure tenancy before the expiry of the period specified in sub-paragraph (3) if—
- (a) it is granted for the purpose of enabling the tenant to attend a designated course at an educational establishment, and
 - (b) before the grant of the tenancy the landlord notified him in writing of the circumstances in which this exception applies and that in its opinion the proposed tenancy would fall within this exception;
- unless the tenant has before the expiry of that period been notified by the landlord that the tenancy is to be regarded as a secure tenancy.
- (2) A landlord's notice under sub-paragraph (1)(b) shall specify the educational establishment which the person concerned proposes to attend.
- (3) The period referred to in sub-paragraph (1) is—
- (a) in a case where the tenant attends a designated course at the educational establishment specified in the landlord's notice, the period ending six months

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after the tenant ceases to attend that (or any other) designated course at that establishment;

(b) in any other case, the period ending six months after the grant of the tenancy.

(4) In this paragraph—

“designated course” means a course of any kind designated by regulations made by the Secretary of State for the purposes of this paragraph;

“educational establishment” means a university or establishment of further education.

(5) Regulations under sub-paragraph (4) shall be made by statutory instrument and may make different provision with respect to different cases or descriptions of case, including different provision for different areas.

1954 Act tenancies.

11 A tenancy is not a secure tenancy if it is one to which Part II of the Landlord and Tenant Act 1954 applies (tenancies of premises occupied for business purposes).

Almshouses.

12 (1) A licence to occupy a dwelling-house is not a secure tenancy if—

(a) the licence was granted by an almshouse charity, and

(b) any sum payable by the licensee under the licence does not exceed the maximum contribution that the Charity Commissioners have from time to time authorised or approved for the almshouse charity as a contribution towards the cost of maintaining its almshouses and essential services in them.

(2) In this paragraph “almshouse charity” means a corporation or body of persons which is a charity and is prevented by its rules or constituent instrument from granting a tenancy of the dwelling-house.

SCHEDULE 2

Section 84.

GROUNDS FOR POSSESSION OF DWELLING-HOUSES LET UNDER SECURE TENANCIES

PART I

GROUNDS ON WHICH COURT MAY ORDER POSSESSION IF IT CONSIDERS IT REASONABLE

Ground 1

Rent lawfully due from the tenant has not been paid or an obligation of the tenancy has been broken or not performed.

Ground 2

The tenant or a person residing in the dwelling-house has been guilty of conduct which is a nuisance or annoyance to neighbours, or has been convicted of using the dwelling-house or allowing it to be used for immoral or illegal purposes.

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Ground 3

The condition of the dwelling-house or of any of the common parts has deteriorated owing to acts of waste by, or the neglect or default of, the tenant or a person residing in the dwelling-house and, in the case of an act of waste by, or the neglect or default of, a person lodging with the tenant or a sub-tenant of his, the tenant has not taken such steps as he ought reasonably to have taken for the removal of the lodger or sub-tenant.

Ground 4

The condition of furniture provided by the landlord for use under the tenancy, or for use in the common parts, has deteriorated owing to ill-treatment by the tenant or a person residing in the dwelling-house and, in the case of ill-treatment by a person lodging with the tenant or a sub-tenant of his, the tenant has not taken such steps as he ought reasonably to have taken for the removal of the lodger or sub-tenant.

Ground 5

The tenant is the person, or one of the persons, to whom the tenancy was granted and the landlord was induced to grant the tenancy by a false statement made knowingly or recklessly by the tenant.

Ground 6

The tenancy was assigned to the tenant, or to a predecessor in title of his who is a member of his family and is residing in the dwelling-house, by an assignment made by virtue of section 92 (assignments by way of exchange) and a premium was paid either in connection with that assignment or the assignment which the tenant or predecessor himself made by virtue of that section.

In this paragraph “premium” means any fine or other like sum and any other pecuniary consideration in addition to rent

Ground 7

The dwelling-house forms part of, or is within the curtilage of, a building which, or so much of it as is held by the landlord, is held mainly for purposes other than housing purposes and consists mainly of accommodation other than housing accommodation, and—

- (a) the dwelling-house was let to the tenant or a predecessor in title of his in consequence of the tenant or predecessor being in the employment of the landlord, or of—
 - a local authority,
 - a new town corporation,
 - an urban development corporation,
 - the Development Board for Rural Wales, or
 - the governors of an aided school,
- and
- (b) the tenant or a person residing in the dwelling-house has been guilty of conduct such that, having regard to the purpose for which the building is used, it would not be right for him to continue in occupation of the dwelling-house.

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Ground 8

The dwelling-house was made available for occupation by the tenant (or a predecessor in title of his) while works were carried out on the dwelling-house which he previously occupied as his only or principal home and—

- (a) the tenant (or predecessor) was a secure tenant of the other dwelling-house at the time when he ceased to occupy it as his home,
- (b) the tenant (or predecessor) accepted the tenancy of the dwelling-house of which possession is sought on the understanding that he would give up occupation when, on completion of the works, the other dwelling-house was again available for occupation by him under a secure tenancy, and
- (c) the works have been completed and the other dwelling-house is so available.

PART II

GROUNDS ON WHICH THE COURT MAY ORDER POSSESSION
 IF SUITABLE ALTERNATIVE ACCOMMODATION IS AVAILABLE

Ground 9

The dwelling-house is overcrowded, within the meaning of Part X, in such circumstances as to render the occupier guilty of an offence.

Ground 10

The landlord intends, within a reasonable time of obtaining possession of the dwelling-house—

- (a) to demolish or reconstruct the building or part of the building comprising the dwelling-house, or
- (b) to carry out work on that building or on land let together with, and thus treated as part of, the dwelling-house,

and cannot reasonably do so without obtaining possession of the dwelling-house.

Ground 11

The landlord is a charity and the tenant's continued occupation of the dwelling-house would conflict with the objects of the charity.

PART III

GROUNDS ON WHICH THE COURT MAY ORDER POSSESSION IF IT CONSIDERS IT
 REASONABLE AND SUITABLE ALTERNATIVE ACCOMMODATION IS AVAILABLE

Ground 12

The dwelling-house forms part of, or is within the curtilage of, a building which, or so much of it as is held by the landlord, is held mainly for purposes other than housing purposes and consists mainly of accommodation other than housing accommodation, or is situated in a cemetery, and—

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- (a) the dwelling-house was let to the tenant or a predecessor in title of his in consequence of the tenant or predecessor being in the employment of the landlord or of—
 - a local authority,
 - a new town corporation,
 - an urban development corporation,
 - the Development Board for Rural Wales, or
 - the governors of an aided school,and that employment has ceased, and
- (b) the landlord reasonably requires the dwelling-house for occupation as a residence for some person either engaged in the employment of the landlord, or of such a body, or with whom a contract for such employment has been entered into conditional on housing being provided.

Ground 13

The dwelling-house has features which are substantially different from those of ordinary dwelling-houses and which are designed to make it suitable for occupation by a physically disabled person who requires accommodation of a kind provided by the dwelling-house and—

- (a) there is no longer such a person residing in the dwelling-house, and
- (b) the landlord requires it for occupation (whether alone or with members of his family) by such a person.

Ground 14

The landlord is a housing association or housing trust which lets dwelling-houses only for occupation (whether alone or with others) by persons whose circumstances (other than merely financial circumstances) make it especially difficult for them to satisfy their need for housing, and—

- (a) either there is no longer such a person residing in the dwelling-house or the tenant has received from a local housing authority an offer of accommodation in premises which are to be let as a separate dwelling under a secure tenancy, and
- (b) the landlord requires the dwelling-house for occupation (whether alone or with members of his family) by such a person.

Ground 15

The dwelling-house is one of a group of dwelling-houses which it is the practice of the landlord to let for occupation by persons with special needs and—

- (a) a social service or special facility is provided in close proximity to the group of dwelling-houses in order to assist persons with those special needs,
- (b) there is no longer a person with those special needs residing in the dwelling-house, and
- (c) the landlord requires the dwelling-house for occupation (whether alone or with members of his family) by a person who has those special needs.

Ground 16

The accommodation afforded by the dwelling-house is more extensive than is reasonably required by the tenant and—

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- (a) the tenancy vested in the tenant by virtue of section 89 (succession to periodic tenancy), the tenant being qualified to succeed by virtue of section 87(b) (members of family other than spouse), and
- (b) notice of the proceedings for possession was served under section 83 more than six months but less than twelve months after the date of the previous tenant's death.

The matters to be taken into account by the court in determining whether it is reasonable to make an order on this ground include—

- (a) the age of the tenant,
- (b) the period during which the tenant has occupied the dwelling-house as his only or principal home, and
- (c) any financial or other support given by the tenant to the previous tenant.

PART IV

SUITABILITY OF ACCOMMODATION.

- 1 For the purposes of section 84(2)(b) and (c) (case in which court is not to make an order for possession unless satisfied that suitable accommodation will be available) accommodation is suitable if it consists of premises—
 - (a) which are to be let as a separate dwelling under a secure tenancy, or
 - (b) which are to be let as a separate dwelling under a protected tenancy, not being a tenancy under which the landlord might recover possession under one of the Cases in Part II of Schedule 15 to the Rent Act 1977 (cases where court must order possession),
 and, in the opinion of the court, the accommodation is reasonably suitable to the needs of the tenant and his family.
- 2 In determining whether the accommodation is reasonably suitable to the needs of the tenant and his family, regard shall be had to—
 - (a) the nature of the accommodation which it is the practice of the landlord to allocate to persons with similar needs;
 - (b) the distance of the accommodation available from the place of work or education of the tenant and of any members of his family;
 - (c) its distance from the home of any member of the tenant's family if proximity to it is essential to that member's or the tenant's well-being;
 - (d) the needs (as regards extent of accommodation) and means of the tenant and his family;
 - (e) the terms on which the accommodation is available and the terms of the secure tenancy;
 - (f) if furniture was provided by the landlord for use under the secure tenancy, whether furniture is to be provided for use in the other accommodation, and if so the nature of the furniture to be provided.
- 3 Where possession of a dwelling-house is sought on ground 9 (overcrowding such as to render occupier guilty of offence), other accommodation may be reasonably suitable to the needs of the tenant and his family notwithstanding that the permitted number of persons for that accommodation, as defined in section 326(3) (overcrowding: the space standard), is less than the number of persons living in the dwelling-house of which possession is sought.

- 4 (1) A certificate of the appropriate local housing authority that they will provide suitable accommodation for the tenant by a date specified in the certificate is conclusive evidence that suitable accommodation will be available for him by that date.
- (2) The appropriate local housing authority is the authority for the district in which the dwelling-house of which possession is sought is situated.
- (3) This paragraph does not apply where the landlord is a local housing authority.

SCHEDULE 3

Section 92.

GROUNDS FOR WITHHOLDING CONSENT TO ASSIGNMENT BY WAY OF EXCHANGE

Ground 1

The tenant or the proposed assignee is obliged to give up possession of the dwelling-house of which he is the secure tenant in pursuance of an order of the court, or will be so obliged at a date specified in such an order.

Ground 2

Proceedings have been begun for possession of the dwelling-house of which the tenant or the proposed assignee is the secure tenant on one or more of grounds 1 to 6 in Part I of Schedule 2 (grounds on which possession may be ordered despite absence of suitable alternative accommodation), or there has been served on the tenant or the proposed assignee a notice under section 83 (notice of proceedings for possession) which specifies one or more of those grounds and is still in force.

Ground 3

The accommodation afforded by the dwelling-house is substantially more extensive than is reasonably required by the proposed assignee.

Ground 4

The extent of the accommodation afforded by the dwelling-house is not reasonably suitable to the needs of the proposed assignee and his family.

Ground 5

The dwelling-house—

- (a) forms part of or is within the curtilage of a building which, or so much of it as is held by the landlord, is held mainly for purposes other than housing purposes and consists mainly of accommodation other than housing accommodation, or is situated in a cemetery, and
- (b) was let to the tenant or a predecessor in title of his in consequence of the tenant or predecessor being in the employment of—
- the landlord,
 - a local authority,
 - a new town corporation,

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the Development Board for Rural Wales,
 an urban development corporation, or
 the governors of an aided school.

Ground 6

The landlord is a charity and the proposed assignee's occupation of the dwelling-house would conflict with the objects of the charity.

Ground 7

The dwelling-house has features which are substantially different from those of ordinary dwelling-houses and which are designed to make it suitable for occupation by a physically disabled person who requires accommodation of the kind provided by the dwelling-house and if the assignment were made there would no longer be such a person residing in the dwelling-house.

Ground 8

The landlord is a housing association or housing trust which lets dwelling-houses only for occupation (alone or with others) by persons whose circumstances (other than merely financial circumstances) make it especially difficult for them to satisfy their need for housing and if the assignment were made there would no longer be such a person residing in the dwelling-house.

Ground 9

The dwelling-house is one of a group of dwelling-houses which it is the practice of the landlord to let for occupation by persons with special needs and a social service or special facility is provided in close proximity to the group of dwelling-houses in order to assist persons with those special needs and if the assignment were made there would no longer be a person with those special needs residing in the dwelling-house.

SCHEDULE 4

Sections 119 and 129.

QUALIFYING PERIOD FOR RIGHT TO BUY AND DISCOUNT

Introductory.

- 1 The period to be taken into account—
- (a) for the purposes of section 119 (qualification for right to buy), and
 - (b) for the purposes of section 129 (discount).
- is the period qualifying, or the aggregate of the periods qualifying, under the following provisions of this Schedule.

Periods occupying accommodation subject to public sector tenancy.

- 2 A period qualifies under this paragraph if it is a period during which, before the relevant time—
- (a) the secure tenant, or

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- (b) his spouse (if they are living together at the relevant time), or
- (c) a deceased spouse of his (if they were living together at the time of the death),

was a public sector tenant or was the spouse of a public sector tenant and occupied as his only or principal home the dwelling-house of which the spouse was such a tenant.

3 For the purposes of paragraph 2 a person who, as a joint tenant under a public sector tenancy, occupied a dwelling-house as his only or principal home shall be treated as having been the public sector tenant under that tenancy.

4 (1) This paragraph applies where the public sector tenant of a dwelling-house died or otherwise ceased to be a public sector tenant of the dwelling-house, and thereupon a child of his who occupied the dwelling-house as his only or principal home (the “new tenant”) became the public sector tenant of the dwelling-house (whether under the same or under another public sector tenancy).

(2) A period during which the new tenant, since reaching the age of 16, occupied as his only or principal home a dwelling-house of which a parent of his was the public sector tenant or one of joint tenants under a public sector tenancy, being either—

- (a) the period at the end of which he became the public sector tenant, or
- (b) an earlier period ending two years or less before the period mentioned in paragraph (a) or before another period within this paragraph,

shall be treated for the purposes of paragraph 2 as a period during which he was a public sector tenant.

(3) For the purposes of this paragraph two persons shall be treated as parent and child if they would be so treated under section 186(2) (members of a person’s family: relationships other than those of the whole blood).

Periods occupying forces accommodation.

5 A period qualifies under this paragraph if it is a period during which, before the relevant time—

- (a) the secure tenant, or
- (b) his spouse (if they are living together at the relevant time), or
- (c) a deceased spouse of his (if they were living together at the time of the death),

occupied accommodation provided for him as a member of the regular armed forces of the Crown or was the spouse of a person occupying accommodation so provided and also occupied that accommodation.

Meaning of “public sector tenant”.

6 (1) In this Schedule a “public sector tenant” means a tenant under a public sector tenancy.

(2) For the purposes of this Schedule, a tenancy, other than a long tenancy, under which a dwelling-house was let as a separate dwelling was a public sector tenancy at any time when the conditions described below as the landlord condition and the tenant condition were satisfied.

(3) The provisions of this Schedule apply in relation to a licence to occupy a dwelling-house (whether or not granted for consideration) as they apply in relation to a tenancy.

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- (4) Sub-paragraph (3) does not apply to a licence granted as a temporary expedient to a person who entered the dwelling-house or any other land as a trespasser (whether or not, before the grant of that licence, another licence to occupy that or another dwelling-house had been granted to him).

The landlord condition.

- 7 (1) The landlord condition is, subject to any order under paragraph 8, that the interest of the landlord belonged to, or to a predecessor of—
- a local authority,
 - a new town corporation,
 - the Development Board for Rural Wales,
 - an urban development corporation,
 - the Housing Corporation,
 - a registered housing association which is not a co-operative housing association,
 - a housing co-operative within the meaning of section 27 (co-operatives exercising authority's management functions),
- or to, or to a predecessor of, an authority or other body falling within sub-paragraph (2) or (3) (corresponding authorities and bodies in Scotland and Northern Ireland),
- (2) The corresponding authorities and bodies in Scotland are—
- a regional, islands or district council,
 - a joint board or joint committee of such a council,
 - the common good of such a council or a trust under its control,
 - a development corporation established by an order made or having effect as if made under the New Towns (Scotland) Act 1968.
 - the Scottish Special Housing Association,
 - a housing association which falls within paragraph (e) of section 10(2) of the Tenants' Rights, Etc. (Scotland) Act 1980 but is not a registered society within the meaning of section 11 of that Act, and
 - a housing co-operative within the meaning of section 5 of the Housing Rents and Subsidies (Scotland) Act 1975.
- (3) The corresponding authorities and bodies in Northern Ireland are—
- a district council within the meaning of the Local Government Act (Northern Ireland) 1972,
 - the Northern Ireland Housing Executive, and
 - a registered housing association within the meaning of Chapter II of Part II of the Housing (Northern Ireland) Order 1983.
- 8 (1) The landlord condition shall also be treated as having been satisfied, in such circumstances as may be prescribed for the purposes of this paragraph by order of the Secretary of State, if the interest of the landlord belonged to a person who is so prescribed.
- (2) An order under this paragraph—
- (a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

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- (b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

The tenant condition.

- 9 The tenant condition is that the tenant was an individual and occupied the dwelling-house as his only or principal home; or, where the tenancy was a joint tenancy, that each of the joint tenants was an individual and at least one of them occupied the dwelling-house as his only or principal home.

Application to certain housing association tenancies.

- 10 For the purpose of determining whether at any time a tenant of a housing association was a public sector tenant and his tenancy a public sector tenancy, the association shall be deemed to have been registered at that time, under the Housing Associations Act 1985 or the corresponding Northern Ireland legislation, if it was so registered at any later time.

SCHEDULE 5

Section 120.

EXCEPTIONS TO THE RIGHT TO BUY

Charities.

- 1 The right to buy does not arise if the landlord is a housing trust or a housing association and is a charity.

Certain housing associations.

- 2 The right to buy does not arise if the landlord is a co-operative housing association.
- 3 The right to buy does not arise if the landlord is a housing association which at no time received a grant under—
- any enactment mentioned in paragraph 2 of Schedule 1 to the Housing Associations Act 1985 (grants under enactments superseded by the Housing Act 1974),
 - section 31 of the Housing Act 1974 (management grants),
 - section 41 of the Housing Associations Act 1985 (housing association grants),
 - section 54 of that Act (revenue deficit grants),
 - section 55 of that Act (hostel deficit grants), or
 - section 58(2) of that Act (grants by local authorities).

Landlord with insufficient interest in the property.

- 4 The right to buy does not arise unless the landlord owns the freehold or has an interest sufficient to grant a lease in pursuance of this Part for—
- (a) where the dwelling-house is a house, a term exceeding 21 years, or
 - (b) where the dwelling-house is a flat, a term of not less than 50 years,
- commencing, in either case, with the date on which the tenant's notice claiming to exercise the right to buy is served.

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Dwelling-houses let in connection with employment.

- 5 (1) The right to buy does not arise if the dwelling-house—
- (a) forms part of, or is within the curtilage of, a building which, or so much of it as is held by the landlord, is held mainly for purposes other than housing purposes and consists mainly of accommodation other than housing accommodation, or is situated in a cemetery, and
 - (b) was let to a tenant or a predecessor in title of his in consequence of the tenant or predecessor being in the employment of the landlord or of—
 - a local authority,
 - a new town corporation,
 - the Development Board for Rural Wales,
 - an urban development corporation, or
 - the governors of an aided school.
- (2) In sub-paragraph (1)(a) “housing purposes” means the purposes for which dwelling-houses are held by local housing authorities under Part II (provision of housing) or purposes corresponding to those purposes.

Certain dwelling-houses for the disabled.

- 6 The right to buy does not arise if—
- (a) the dwelling-house has features which are substantially different from those of ordinary dwelling-houses and are designed to make it suitable for occupation by physically disabled persons, and
 - (b) it has had those features since it was constructed or, where it was provided by means of the conversion of a building, since it was so provided.
- 7 The right to buy does not arise if the dwelling-house has features which are substantially different from those of ordinary dwelling-houses and are designed to make it suitable for occupation by physically disabled persons, and—
- (a) it is one of a group of dwelling-houses which it is the practice of the landlord to let for occupation by physically disabled persons, and
 - (b) a social service or special facilities are provided in close proximity to the group of dwelling-houses wholly or partly for the purpose of assisting those persons.
- 8 The right to buy does not arise if the landlord or a predecessor of the landlord has carried out, for the purpose of making the dwelling-house suitable for occupation by physically disabled persons, one or more of the following alterations—
- (a) the provision of not less than 7.5 square metres of additional floor space;
 - (b) the provision of an additional bathroom or shower-room;
 - (c) the installation of a vertical lift
- 9 (1) The right to buy does not arise if—
- (a) the dwelling-house is one of a group of dwelling-houses which it is the practice of the landlord to let for occupation by persons who are suffering or have suffered from a mental disorder, and
 - (b) a social service or special facilities are provided wholly or partly for the purpose of assisting those persons.
- (2) In sub-paragraph (1)(a) “mental disorder” has the same meaning as in the Mental Health Act 1983

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Certain dwelling-houses for persons of pensionable age.

- 10 (1) The right to buy does not arise if the dwelling-house is one of a group of dwelling-houses—
- (a) which are particularly suitable, having regard to their location, size, design, heating systems and other features, for occupation by persons of pensionable age, and
 - (b) which it is the practice of the landlord to let for occupation by persons of pensionable age, or for occupation by such persons and physically disabled persons,
- and special facilities such as are mentioned in sub-paragraph (2) are provided wholly or mainly for the purposes of assisting those persons.
- (2) The facilities referred to above are facilities which consist of or include—
- (a) the services of a resident warden, or
 - (b) the services of a non-resident warden, a system for calling him and the use of a common room in close proximity to the group of dwelling-houses.
- 11 (1) The right to buy does not arise if the Secretary of State has determined, on the application of the landlord, that it is not to be capable of being exercised with respect to the dwelling-house.
- (2) The Secretary of State shall so determine if, and only if, he is satisfied that the dwelling-house—
- (a) is particularly suitable, having regard to its location, size, design, heating system and other features, for occupation by persons of pensionable age, and
 - (b) was let to the tenant or a predecessor in title of his for occupation by a person of pensionable age or a physically disabled person (whether the tenant or predecessor or another person).
- (3) An application for a determination under this paragraph shall be made within the period for service of the landlord's notice under section 124 (notice admitting or denying right to buy).

Dwelling-houses held on Crown tenancies.

- 12 (1) The right to buy does not arise if the dwelling-house is held by the landlord on a tenancy from the Crown, unless—
- (a) the landlord is entitled to grant a lease in pursuance of this Part without the concurrence of the appropriate authority, or
 - (b) the appropriate authority notifies the landlord that as regards any Crown interest affected the authority will give its consent to the granting of such a lease.
- (2) In this paragraph “tenancy from the Crown” means a tenancy of land in which there is a Crown interest superior to the tenancy, and “Crown interest” and “appropriate authority” mean respectively—
- (a) an interest comprised in the Crown Estate, and the Crown Estate Commissioners or other government department having the management of the land in question;
 - (b) an interest belonging to Her Majesty in right of the Duchy of Lancaster, and the Chancellor of the Duchy;

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- (c) an interest belonging to the Duchy of Cornwall, and such person as the Duke of Cornwall or the possessor for the time being of the Duchy appoints;
 - (d) any other interest belonging to a government department or held on behalf of Her Majesty for the purposes of a government department, and that department.
- (3) Section 179(1) (which renders ineffective certain provisions restricting the grant of leases under this Part) shall be disregarded for the purposes of sub-paragraph (1)(a).

SCHEDULE 6

Sections 139 and 151.

CONVEYANCE OF FREEHOLD AND GRANT OF LEASE IN PURSUANCE OF RIGHT TO BUY

PART I

COMMON PROVISIONS

Rights to be conveyed or granted—general.

- 1 The conveyance or grant shall not exclude or restrict the general words implied under section 62 of the Law of Property Act 1925, unless the tenant consents or the exclusion or restriction is made for the purpose of preserving or recognising an existing interest of the landlord in tenant's incumbrances or an existing right or interest of another person.

Rights of support, passage of water, etc..

- 2 (1) The conveyance or grant shall, by virtue of this Schedule, have the effect stated in sub-paragraph (2) as regards—
- (a) rights of support for a building or part of a building;
 - (b) rights to the access of light and air to a building or part of a building;
 - (c) rights to the passage of water or of gas or other piped fuel, or to the drainage or disposal of water, sewage, smoke or fumes, or to the use or maintenance of pipes or other installations for such passage, drainage or disposal;
 - (d) rights to the use or maintenance of cables or other installations for the supply of electricity, for the telephone or for the receipt directly or by landline of visual or other wireless transmissions.
- (2) The effect is—
- (a) to grant with the dwelling-house all such easements and rights over other property, so far as the landlord is capable of granting them, as are necessary to secure to the tenant as nearly as may be the same rights as at the relevant time were available to him under or by virtue of the secure tenancy or an agreement collateral to it, or under or by virtue of a grant, reservation or agreement made on the severance of the dwelling-house from other property then comprised in the same tenancy; and
 - (b) to make the dwelling-house subject to all such easements and rights for the benefit of other property as are capable of existing in law and are necessary to secure to the person interested in the other property as nearly as may

be the same rights as at the relevant time were available against the tenant under or by virtue of the secure tenancy or an agreement collateral to it, or under or by virtue of a grant, reservation or agreement made as mentioned in paragraph (a).

(3) This paragraph—

- (a) does not restrict any wider operation which the conveyance or grant may have apart from this paragraph; but
- (b) is subject to any provision to the contrary that may be included in the conveyance or grant with the consent of the tenant.

Rights of way.

3 The conveyance or grant shall include—

- (a) such provisions (if any) as the tenant may require for the purpose of securing to him rights of way over land not comprised in the dwelling-house, so far as the landlord is capable of granting them, being rights of way that are necessary for the reasonable enjoyment of the dwelling-house; and
- (b) such provisions (if any) as the landlord may require for the purpose of making the dwelling-house subject to rights of way necessary for the reasonable enjoyment of other property, being property in which at the relevant time the landlord has an interest, or to rights of way granted or agreed to be granted before the relevant time by the landlord or by the person then entitled to the reversion on the tenancy.

Covenants and conditions.

4 The conveyance or grant shall include such provisions (if any) as the landlord may require to secure that the tenant is bound by, or to indemnify the landlord against breaches of, restrictive covenants (that is to say, covenants or agreements restrictive of the use of any land or premises) which affect the dwelling-house otherwise than by virtue of the secure tenancy or an agreement collateral to it and are enforceable for the benefit of other property.

5 Subject to paragraph 6, and to Parts II and III of this Schedule, the conveyance or grant may include such covenants and conditions as are reasonable in the circumstances.

No charge to be made for landlord's consent or approval.

6 A provision of the conveyance or lease is void in so far as it purports to enable the landlord to charge the tenant a sum for or in connection with the giving of a consent or approval.

Meaning of "incumbrances" and "tenant's incumbrance".

7 In this Schedule—

“incumbrances” includes personal liabilities attaching in respect of the ownership of land or an interest in land though not charged on the land or interest; and

“tenant's incumbrance” means—

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- (a) an incumbrance on the secure tenancy which is also an incumbrance on the reversion, and
- (b) an interest derived, directly or indirectly, out of the secure tenancy.

PART II

CONVEYANCE OF FREEHOLD

General.

- 8 The conveyance shall not exclude or restrict the all estate clause implied under section 63 of the Law of Property Act 1925, unless the tenant consents or the exclusion or restriction is made for the purpose of preserving or recognising an existing interest of the landlord in tenant's incumbrances or an existing right or interest of another person.
- 9 (1) The conveyance shall be of an estate in fee simple absolute, subject to—
- (a) tenant's incumbrances,
 - (b) burdens (other than burdens created by the conveyance) in respect of the upkeep or regulation for the benefit of any locality of any land, building, structure, works, ways or watercourses;
- but otherwise free from incumbrances.
- (2) Nothing in sub-paragraph (1) shall be taken as affecting the operation of paragraph 5 of this Schedule (reasonable covenants and conditions).

Covenants.

- 10 The conveyance shall be expressed to be made by the landlord as beneficial owner (thereby implying the covenant set out in Part I of Schedule 2 to the Law of Property Act 1925 (covenant for title)).

PART III

LEASES

General.

- 11 A lease shall be for the appropriate term defined in paragraph 12 (but subject to sub-paragraph (3) of that paragraph) and at a rent not exceeding £10 per annum, and the following provisions have effect with respect to the other terms of the lease.

The appropriate term.

- 12 (1) If at the time the grant is made the landlord's interest in the dwelling-house is not less than a lease for a term of which more than 125 years and five days are unexpired, the appropriate term is a term of not less than 125 years.
- (2) In any other case the appropriate term is a term expiring five days before the term of the landlord's lease of the dwelling-house (or, as the case may require, five days

before the first date on which the term of any lease under which the landlord holds any part of the dwelling-house) is to expire.

- (3) If the dwelling-house is a flat contained in a building, which also contains one or more other flats and the landlord has, since 8th August 1980, granted a lease of one or more of them for the appropriate term, the lease of the dwelling-house may be for a term expiring at the end of the term for which the other lease (or one of the other leases) was granted.

Common use of premises and facilities.

- 13 Where the dwelling house is a flat and the tenant enjoyed, during the secure tenancy, the use in common with others of any premises, facilities or services, the lease shall include rights to the like enjoyment, so far as the landlord is capable of granting them, unless otherwise agreed between the landlord and the tenant.

Covenants by the landlord.

- 14 (1) This paragraph applies where the dwelling-house is a flat.
- (2) There are implied covenants by the landlord—
- (a) to keep in repair the structure and exterior of the dwelling-house and of the building in which it is situated (including drains, gutters and external pipes) and to make good any defect affecting that structure;
 - (b) to keep in repair any other property over or in respect of which the tenant has rights by virtue of this Schedule;
 - (c) to ensure, so far as practicable, that services which are to be provided by the landlord and to which the tenant is entitled (whether by himself or in common with others) are maintained at a reasonable level and to keep in repair any installation connected with the provision of those services;
- but subject to paragraph 15(3) (restrictions where landlord's interest is leasehold).
- (3) The covenant to keep in repair implied by sub-paragraph (2)(a) includes a requirement that the landlord shall rebuild or reinstate the dwelling-house and the building in which it is situated in the case of destruction or damage by fire, tempest, flood or any other cause against the risk of which it is normal practice to insure.
- (4) The county court may, by order made with the consent of the parties, authorise the inclusion in the lease or in an agreement collateral to it of provisions excluding or modifying the obligations of the landlord under the covenants implied by this paragraph, if it appears to the court that it is reasonable to do so.
- 15 (1) This paragraph applies where the landlord's interest in the dwelling-house is leasehold.
- (2) There is implied a covenant by the landlord to pay the rent reserved by the landlord's lease and, except in so far as they fall to be discharged by the tenant, to discharge its obligations under the covenants contained in that lease.
- (3) A covenant implied by virtue of paragraph 14 (implied covenants where dwelling-house is a flat) shall not impose on the landlord an obligation which the landlord is not entitled to discharge under the provisions of the landlord's lease or a superior lease.
- (4) Where the landlord's lease or a superior lease, or an agreement collateral to the landlord's lease or a superior lease, contains a covenant by a person imposing

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obligations which, but for sub-paragraph (3), would be imposed by a covenant implied by virtue of paragraph 14, there is implied a covenant by the landlord to use its best endeavours to secure that that person's obligations under the first-mentioned covenant are discharged.

Covenant by tenant.

- 16 Unless otherwise agreed between the landlord and the tenant, there is implied a covenant by the tenant—
- (a) where the dwelling-house is a house, to keep the dwelling-house in good repair (including decorative repair);
 - (b) where the dwelling-house is a flat, to keep the interior of the dwelling-house in such repair.

Avoidance of certain provisions.

- 17 (1) A provision of the lease, or of an agreement collateral to it, is void in so far as it purports to prohibit or restrict the assignment of the lease or the subletting, wholly or in part, of the dwelling-house.
- (2) Sub-paragraph (1) has effect subject to section 157 (restriction on disposal of dwelling-houses in National Parks, etc.).
- 18 (1) Subject to the following provisions of this paragraph, where the dwelling-house is a flat, a provision of the lease or of an agreement collateral to it is void in so far as it purports—
- (a) to enable the landlord to recover from the tenant any part of costs incurred by the landlord in discharging or insuring against the obligations imposed by the covenants implied by virtue of paragraph 14(2)(a) or (b) (landlord's obligations with respect to repair of dwelling-house, etc.), or
 - (b) to enable any person to recover from the tenant any part of costs incurred, whether by him or by another person, in discharging or insuring against any obligations to the like effect as the obligations which would be so imposed but for paragraph 15(3) (obligations not to be implied which landlord would not be entitled to discharge).
- (2) A provision is not void by virtue of sub-paragraph (1) in so far as it requires the tenant to bear a reasonable part of the costs of carrying out repairs not amounting to the making good of structural defects.
- (3) A provision is not void by virtue of sub-paragraph (1) in so far as it requires the tenant to bear a reasonable part of costs incurred in respect of a structural defect—
- (a) of the existence of which the landlord informed the tenant in the notice under section 125 (landlord's notice of purchase price, etc.), stating the landlord's estimate of the amount (at current prices) which would be payable by the tenant towards the cost of making it good, or
 - (b) of the existence of which the landlord becomes aware ten years or more after the grant of the lease.
- (4) Where the lease acknowledges the right of the tenant and his successors in title to production of the relevant policy, a provision is not void by virtue of sub-paragraph (1) in so far as it requires the tenant to bear a reasonable part of the costs of insuring against risks involving such repairs or the making good of such defects.

- (5) Any estimated amount stated as mentioned in sub-paragraph (3)(a) (estimate of costs to be borne by tenant in respect of structural defect) shall be disregarded for the purposes of any statement under section 125(4) (estimate of service charges payable).
- 19 A provision of the lease, or of an agreement collateral to it, is void in so far as it purports to authorise a forfeiture, or to impose on the tenant a penalty or disability, in the event of his enforcing or relying on the preceding provisions of this Schedule.

PART IV

CHARGES

Grant of lease.

- 20 A charge (however created or arising) on the interest of the landlord which is not a tenant's incumbrance does not affect a lease granted in pursuance of the right to buy.

Conveyance of freehold.

- 21 (1) This paragraph applies to a charge (however created or arising) on the freehold where the freehold is conveyed in pursuance of the right to buy.
- (2) If the charge is not a tenant's incumbrance and is not a rentcharge the conveyance is effective to release the freehold from the charge; but the release does not affect the personal liability of the landlord or any other person in respect of any obligation which the charge was created to secure.
- (3) If the charge is a rentcharge the conveyance shall be made subject to the charge; but if the rentcharge also affects other land—
- (a) the conveyance shall contain a covenant by the landlord to indemnify the tenant and his successors in title in respect of any liability arising under the rentcharge, and
 - (b) if the rent charge is of a kind which may be redeemed under the Rentcharges Act 1977 the landlord shall immediately after the conveyance take such steps as are necessary to redeem the rentcharge so far as it affects land owned by him.
- (4) In this paragraph "rentcharge" has the same meaning as in the Rentcharges Act 1977; and—
- (a) for the purposes of sub-paragraph (3) land is owned by a person if he is the owner of it within the meaning of section 13(1) of that Act, and
 - (b) for the purposes of that sub-paragraph and that Act land which has been conveyed by the landlord in pursuance of the right to buy but subject to the rentcharge shall be treated as if it had not been so conveyed but had continued to be owned by him.

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SCHEDULE 7

Sections 139 and 151.

MORTGAGE IN PURSUANCE OF RIGHT TO A MORTGAGE

- 1 The deed shall provide for repayment of the amount secured in equal instalments of principal and interest combined.
- 2 (1) The period over which repayment is to be made shall be—
- (a) 25 years, or
- (b) where the mortgagor's interest in the dwelling-house is leasehold and the term of the lease is less than 25 years, a period equal to the term of the lease, or, at the option of the mortgagor, a shorter period.
- (2) The period mentioned in sub-paragraph (1) may be extended by the mortgagee.
- 3 (1) The Secretary of State may by order—
- (a) vary the preceding provisions of this Schedule, or
- (b) prescribe additional terms to be contained in the deed,
- but only in relation to deeds executed after the order comes into force.
- (2) An order under this paragraph—
- (a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and
- (b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- 4 The deed may contain such other provisions as may be—
- (a) agreed between the mortgagor and the mortgagee, or
- (b) determined by the county court to be reasonably required by the mortgagor or the mortgagee.

SCHEDULE 8

Section 151.

TERMS OF SHARED OWNERSHIP LEASE

Additional shares.

- 1 (1) The lease shall state the tenant's initial share of the dwelling-house and shall contain provision enabling the tenant to acquire additional shares in the dwelling-house, which shall be either the prescribed percentage (within the meaning of section 145) or a multiple of that percentage.
- (2) The right so conferred is exercisable at any time during the term of the lease on the tenant serving written notice on the landlord, stating the additional share he proposes to acquire.
- (3) Where the tenant claims to exercise the right to acquire an additional share, the landlord shall, as soon as practicable, serve on the tenant a written notice stating—
- (a) the amount which in the opinion of the landlord should be the amount of the consideration for that share on the assumption that the share is as stated in the tenant's notice, and
- (b) the effective discount on an acquisition of that share,

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determined in each case, in accordance with paragraph 3(1).

- (4) A notice required by this paragraph may be withdrawn at any time by notice in writing served on the landlord.
- 2 (1) Where the dwelling-house is a house and the landlord owns the freehold, the lease shall provide that, on his acquiring an additional share such that his total share will be 100 per cent., the tenant is entitled to require the freehold to be conveyed either to himself or to such other person as he may direct.
- (2) The right so conferred is exercisable at any time during the term of the lease on the tenant serving written notice on the landlord.
- (3) As soon as practicable after the right mentioned in sub-paragraph (1) has become exercisable, the landlord shall serve on the tenant a written notice—
- (a) informing him of the right, and
 - (b) stating the provisions which, in the opinion of the landlord, should be contained in the conveyance.
- (4) A conveyance executed in pursuance of that right—
- (a) shall conform with Parts I and II of Schedule 6 (terms of conveyance in pursuance of right to buy), and
 - (b) shall preserve the effect of the covenant required by section 155 (repayment of discount on early disposal), and
 - (c) where the lease contains any such covenant as is mentioned in section 157 (restriction on disposal of dwelling-houses in National Parks, etc.), shall preserve the effect of that covenant;
- and Part IV of Schedule 6 (charges) applies to such a conveyance as it applies to a conveyance of the freehold in pursuance of the right to buy.
- (5) A notice required by this paragraph may be withdrawn at any time by notice in writing served on the landlord.

Additional contributions.

- 3 (1) The consideration for an additional share (referred to in this Part as an “additional contribution”) shall be determined by the formula—

$$C = \frac{S(V-D)}{100}$$

and the effective discount to which the tenant is entitled on the acquisition of an additional share shall be determined by the formula—

$$E = \frac{S \times D}{100}$$

where—

- C = the additional contribution,
- E = the effective discount,
- S = the additional share expressed as a percentage,

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- V = the value of the dwelling-house (determined in accordance with paragraph 11) at the time when the notice under paragraph 1 is served, and
- D = the discount which on the assumptions stated in sub-paragraph (2) below would be applicable under sections 129 to 131 (discount on exercise of right to buy).

- (2) The assumptions are that—
- (a) the shared ownership lease had not been granted and the secure tenancy had not come to an end, and
 - (b) the tenant was exercising the right to buy and his notice under paragraph 1 was a notice claiming to exercise that right.

Rent.

- 4 (1) The lease shall provide that, for any period for which the tenant's total share is less than 100 per cent., the rent payable under the lease shall be determined by the formula—

$$R = \frac{F(100 - S)}{100}$$

where—

- R = the rent payable,
- F = the amount determined by the landlord as the rent which would be payable for that period if the shared ownership lease had not been granted and the secure tenancy had not come to an end, but excluding any element attributable to rates or to services provided by the landlord, and
- S = the tenant's total share expressed as a percentage.

- (2) In making a determination under sub-paragraph (1) the landlord shall take into account all matters which appear to it to be relevant including, in particular, where comparable dwelling-houses in the locality are let on secure tenancies, the rents payable under those tenancies.
- (3) The lease shall also provide that, for any such period, if the Secretary of State by order so provides—
- (a) the rent payable under the lease as so determined, or
 - (b) any amount payable by the tenant under the lease which is payable, directly or indirectly, for repairs, maintenance, or insurance,
- shall be adjusted in such manner as may be provided by the order.
- (4) The Secretary of State may by order under sub-paragraph (3) provide for such adjustment as he considers appropriate having regard to the differing responsibilities for repairs, maintenance and insurance of a tenant under a shared ownership lease and a secure tenant.
- (5) An order under this paragraph—
- (a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and
 - (b) may contain such transitional provisions as appear to the Secretary of State to be necessary or expedient,

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and shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

- (6) In this paragraph “rates” includes charges for services performed, facilities provided or rights made available by a water authority.
- 5 The lease shall provide that, for any period for which the tenant’s total share is 100 per cent., the rent payable under the lease shall be £10 per annum.

Payment for outstanding share on disposal.

- 6 (1) The lease shall contain a covenant binding on the tenant and his successors in title to pay to the landlord on demand for the outstanding share an amount determined in accordance with sub-paragraph (2) if, at a time when the tenant’s total share is less than 100 per cent., there is—
- (a) a relevant disposal which is not an exempted disposal, or
 - (b) a compulsory disposal.
- (2) The amount payable under the covenant shall be determined by the formula—

$$P = \frac{V(100-S)}{100}$$

where—

- P = the amount payable under the covenant,
- V = the value at the time of the disposal (determined in accordance with paragraph 11) of the dwelling-house or, in the case of a compulsory disposal of a part of the dwelling-house, of the part disposed of, and
- S = the tenant’s total share expressed as a percentage.

- (3) Section 156 (liability to repay discount a charge on the premises) applies in relation to the liability that may arise under the covenant required by this paragraph as it applies in relation to the liability that may arise under the covenant required by section 155 (repayment of discount on early disposal).
- 7 The lease shall provide that, on the discharge of a liability arising under the covenant required by paragraph 6—
- (a) the rent payable under the lease, or
 - (b) in the case of a compulsory disposal of a part of the dwelling-house, the rent payable under the lease so far as relating to that part,
- shall be £10 per annum.
- 8 (1) Where the dwelling-house is a house and the landlord owns the freehold, the lease shall provide that on the discharge of a liability arising under the covenant required by paragraph 6—
- (a) any person in whom the tenant’s interest in the dwelling-house is vested, or
 - (b) in the case of a compulsory disposal of a part of the dwelling-house, any person in whom that part is vested,
- is entitled to require the freehold of the dwelling-house, or as the case may be that part of the dwelling-house, to be conveyed either to himself or to such other person as he may direct.

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- (2) The right so conferred is exercisable at any time during the term of the lease on the person referred to in sub-paragraph (1)(a) or (b) serving written notice on the landlord.
- (3) As soon as practicable after such a right as is mentioned in sub-paragraph (1) has become exercisable by any person, the landlord shall serve on him a written notice—
 - (a) informing him of the right, and
 - (b) stating the provisions which, in the opinion of the landlord, should be contained in the conveyance.
- (4) A conveyance executed in pursuance of such a right—
 - (a) shall conform with Parts I and II of Schedule 6 (terms of conveyance in pursuance of right to buy), and
 - (b) where the lease contains any such covenant as is mentioned in section 157 (restriction on disposal of dwelling-houses in National Parks, etc.), shall preserve the effect of that covenant;
 and Part IV of Schedule 6 (charges) applies to such a conveyance as it applies to a conveyance of the freehold in pursuance of the right to buy.
- (5) A notice required by this paragraph may be withdrawn at any time by notice in writing served on the landlord.

No disposals of part while share outstanding.

- 9 (1) The lease shall contain a covenant binding on the tenant and his successors in title that there will be no relevant disposal of part of the dwelling-house, other than a compulsory disposal, at any time when the tenant's total share is less than 100 per cent.
- (2) A disposal in breach of the covenant required by sub-paragraph (1) is void.

Applications of provisions after disposal.

- 10 (1) The lease shall provide that in the event of a relevant disposal which is an exempted disposal by virtue of—
 - section 160(1)(a) (a disposal of whole dwelling-house to member of family),
 - section 160(1)(b) (vesting on death of tenant), or
 - section 160(1)(c) (matrimonial property adjustment or family provision order),
 references to the tenant in the provisions of the lease required by this Schedule or by section 155 (repayment of discount on early disposal) shall include references to the person to whom the disposal is made.
- (2) The lease shall also provide that, in the event of a compulsory disposal of a part of the dwelling-house, references in those provisions to the dwelling-house shall be construed as references to the remaining part of the dwelling-house.

Value of dwelling-house or part.

- 11 (1) For the purposes of paragraph 3 (additional contributions) and paragraph 6 (payment for outstanding share on disposal) the value of the dwelling-house, or a part of the dwelling-house, at any time is the amount agreed between the parties or determined

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- by the district valuer as the amount which, in accordance with this paragraph, is to be taken as its value at that time.
- (2) That value shall be taken to be the price which the interest of the tenant in the dwelling-house or part would realise if sold on the open market by a willing vendor—
- (a) on the assumption that the liabilities mentioned in sub-paragraph (3) would be discharged by the vendor, and
 - (b) disregarding the matters specified in sub-paragraph (4).
- (3) The liabilities referred to in sub-paragraph (2)(a) are—
- (a) any mortgages of the tenant's interest,
 - (b) any liability under the covenant required by paragraph 6 (payment for outstanding share on disposal), and
 - (c) any liability under the covenant required by section 155 (repayment of discount on early disposal).
- (4) The matters to be disregarded in pursuance of sub-paragraph (2)(b) are any interests or rights over the dwelling-house created by the tenant, any improvements made by the tenant or any of the persons mentioned in section 127(4) (certain predecessors as secure tenant) and any failure by the tenant or any of those persons—
- (a) where the dwelling-house is a house, to keep the dwelling-house in good repair (including decorative repair);
 - (b) where the dwelling-house is a flat, to keep the interior of the dwelling-house in such repair.

SCHEDULE 9

Section 151.

RIGHT TO FURTHER ADVANCES

Right to further advances.

- 1 (1) The deed shall enable the tenant to require further sums to be advanced to him in the circumstances and subject to the limits stated in this Schedule.
- (2) The right so conferred is exercisable, within three months of the tenant claiming to exercise his right to acquire an additional share, on the tenant serving written notice on the landlord or Housing Corporation.
- (3) Such a notice may be withdrawn at any time by notice in writing served on the landlord or Housing Corporation.

Amount of further advance.

- 2 The amount which a tenant exercising the right to a further advance is entitled to have advanced to him is, subject to the limit imposed by paragraph 3, the amount of his additional contribution.
- 3 (1) The limit is that the aggregate of that amount and the amount for the time being secured by the mortgage shall not exceed—
- (a) where the right to a further advance belongs to one person, the amount to be taken into account, in accordance with regulations under paragraph 4, as his

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available annual income multiplied by such factor as, under the regulations, is appropriate to it;

- (b) where the right to a further advance belongs to more than one person, the aggregate of the amounts to be taken into account in accordance with the regulations as the available annual income of each of them, after multiplying each of those amounts by the factor appropriate to it under the regulations.

- (2) Where the amount which a tenant is entitled to have advanced to him is reduced by the limit imposed by this paragraph, the landlord may, if it thinks fit and the tenant agrees, treat him as entitled to have advanced to him such amount exceeding that limit, but not exceeding the amount of his additional contribution, as the landlord may determine.
- 4 (1) The Secretary of State may by regulations make provision for calculating the amount which is to be taken into account as a person's available annual income and for specifying a factor appropriate to it.
- (2) The regulations may—
 - (a) provide for arriving at a person's available annual income by deducting from the sums taken into account as his annual income sums related to his needs and commitments, and may exclude sums from those to be taken into account as a person's annual income, and
 - (b) specify different amounts and different factors for different circumstances.
 - (3) Regulations under this paragraph—
 - (a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and
 - (b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Notice of amount and terms of further advance.

- 5 As soon as practicable after the service on it of a notice required by paragraph 1, the landlord or Housing Corporation shall serve on the tenant a written notice stating—
- (a) the amount which, in the opinion of the landlord or Housing Corporation, the tenant is entitled to have advanced to him on the assumption that the additional share is as stated in the tenant's notice under paragraph 1 of Schedule 8 (claim-to exercise right to acquire additional shares),
 - (b) if greater than that amount, the amount which, in the opinion of the landlord or Housing Corporation, the tenant would be entitled to have advanced to him if the additional share were such that his total share would be 100 per cent,
 - (c) how that amount, or those amounts, have been arrived at, and
 - (d) the provisions which, in the opinion of the landlord or Housing Corporation, should be contained in the deed by which the further mortgage is effected.

Terms of deed by which further mortgage is effected.

- 6 Schedule 7 (terms of mortgage granted in pursuance of right to a mortgage) applies to the deed by which the further mortgage is effected, but with the substitution for any reference to the term of the lease of a reference to the unexpired term of the lease.

SCHEDULE 10

Sections 193, 220 and 375.

RECOVERY OF EXPENSES INCURRED BY LOCAL HOUSING AUTHORITY

Introductory.

- 1 The provisions of this Schedule have effect for enabling the local authority to recover expenses reasonably incurred by them in carrying out, in default of the person on whom the notice was served, works required to be carried out by a notice under—
- section 189 or 190 (repair notices),
 - section 214 or 215 (improvement notices), or
 - section 352, 366 or 372 (notices relating to houses in multiple occupation).

Recovery of expenses.

- 2 (1) The expenses are recoverable by the authority from the person on whom the notice was served.
- (2) Where the person on whom the notice was served—
- (a) in the case of a notice under section 189 or 190 (repair notices), receives the rent of the premises as agent or trustee for some other person, or
 - (b) in the case of a notice under section 352, 366 or 372 (notices relating to houses in multiple occupation), was only properly served with that notice as being an agent or trustee for some other person,
- the expenses are also recoverable by the authority from that other person, or partly from him and partly from the person on whom the notice was served.
- (3) Where the person on whom the notice was served proves—
- (a) that sub-paragraph (2) applies, and
 - (b) that he has not, and since the date of the service on him of the demand has not had, in his hands on behalf of that other person sufficient money to discharge the whole demand of the authority,
- his liability is limited to the total amount of the money which he has, or has had, in his hands as mentioned in paragraph (b).
- (4) Expenses are not recoverable under this paragraph to the extent that they are by any direction of the court on appeal recoverable under an order of the court.

Service of demand.

- 3 (1) A demand for the expenses, together with interest in accordance with paragraph 4, shall be served on the person from whom the authority seek to recover them.
- (2) On the date on which the demand is served, the authority shall serve a copy of it on every other person who, to the knowledge of the authority, is an owner, lessee or mortgagee of the premises.
- (3) The demand becomes operative, if no appeal is brought, on the expiry of 21 days from the date of service of the demand and is final and conclusive as to matters which could have been raised on an appeal.

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

Interest.

- 4 Expenses in respect of which a demand is served carry interest, at such reasonable rate as the authority may determine, from the date of service until payment of all sums due under the demand.

Order for payment by instalments.

- 5 (1) The authority may by order declare the expenses to be payable by weekly or other instalments within a period not exceeding 30 years, with interest at such reasonable rate as the authority may determine until the whole amount is paid.
- (2) The order becomes operative, if no appeal is brought, on the expiry of 21 days from the date of service of the order and is final and conclusive as to matters which could have been raised on an appeal.
- (3) The instalments and interest, or any part of them, may be recovered from any owner or occupier of the house and if recovered from an occupier may be deducted by him from the rent of the house.

Appeals.

- 6 (1) A person aggrieved by a demand for the recovery of expenses, or by an order of the local housing authority with respect to such expenses, may within 21 days of the service of the demand or copy, or of the order appeal to the county court.
- (2) On an appeal the court may make such order either confirming, quashing or varying the demand or order as it thinks fit.
- (3) A demand or order against which an appeal is brought becomes operative, so far as it is confirmed on appeal, on the final determination of the appeal; and the withdrawal of an appeal has for this purpose the same effect as a decision dismissing the appeal.
- (4) No question may be raised on appeal under this paragraph which might have been raised on an appeal against the relevant notice.

Expenses and interest to be a charge on the premises.

- 7 (1) The expenses recoverable by the authority, together with the interest accrued due, are, until recovered, a charge on the premises to which the notice related.
- (2) The charge takes effect when the demand for the expenses and interest becomes operative.
- (3) The authority have for the purpose of enforcing the charge the same powers and remedies, under the Law of Property Act 1925 and otherwise, as if they were mortgagees by deed having powers of sale and lease, of accepting surrenders of leases and of appointing a receiver.
- (4) The power of appointing a receiver is exercisable at any time after the expiration of one month from the date when the charge takes effect.

Recovery of expenses and interest from other persons profiting from execution of works.

- 8 (1) This paragraph applies only to notices under section 352, 366 or 372 (notices relating to houses in multiple occupation).

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

- (2) If the authority apply to the county court and satisfy the court that—
- (a) the expenses and interest have not been and are unlikely to be recovered, and
 - (b) some person is profiting by the execution of the works in respect of which the expenses were incurred to obtain rents or other payments which would not have been obtainable if the number of persons living in the premises was limited to that appropriate for the premises in their state before the works were executed,
- the court may, if satisfied that that person has had proper notice of the application, order him to make such payments to the authority as may appear to the court to be just.

SCHEDULE 11

Section 299.

REHABILITATION ORDERS

PART I

THE MAKING OF THE ORDER AND ITS EFFECT

Introductory.

- 1 (1) This Schedule applies to a house comprised in a clearance area which—
- (a) was purchased under section 290 (acquisition of land for clearance), by agreement or compulsorily, before 2nd December 1974, or
 - (b) is subject to a compulsory purchase order made under that section before that date and confirmed before 2nd March 1975.
- (2) In the case of a clearance area comprising houses within sub-paragraph (1)(a) or (b), this Schedule also applies to houses included in it by virtue of section 293 (local housing authority's own property).
- (3) In this Schedule "land liable to be cleared", in relation to a clearance area, means—
- (a) land in the clearance area,
 - (b) land surrounded by or adjoining the clearance area for whose purchase a resolution under section 290(2) has been passed (whether or not it has been so purchased), and
 - (c) land to which the provisions of this Part relating to clearance areas apply by virtue of section 293 (local housing authority's own property),
- but does not include land subject to a clearance order made and confirmed under section 44 of the Housing Act 1957 before the repeal of that provision on 9th October 1979.

Power to make rehabilitation order.

- 2 (1) Where a house to which this Schedule applies—
- (a) was included in the clearance area by reason of its being unfit for human habitation, and

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(b) in the opinion of the local housing authority is capable of being, and ought to be, improved to the full standard,
the authority may make and submit to the Secretary of State a rehabilitation order in relation to the house.

- (2) In addition to applying to such a house, the order may, if the authority think fit, be made to apply to other land liable to be cleared.
- (3) Where the owner of a house to which this Schedule applies and which was included in the clearance area by reason of its being unfit for human habitation requests the local housing authority to make a rehabilitation order in respect of the house and they refuse to do so, they shall give him in writing the reasons for their refusal.

Clearance procedure suspended on making of order.

- 3 (1) Where the local housing authority have made a rehabilitation order they shall not—
- (a) serve notice to treat under section 5 of the Compulsory Purchase Act 1965 in respect of land included in a compulsory purchase order made and confirmed by virtue of section 290 which includes land in relation to which a notice is required to be served under paragraph 10 below (notice of intention to submit order for confirmation), or
- (b) demolish, without the consent of the Secretary of State, any building on land in relation to which such a notice is required to be served,
- until after the date on which the notice becomes operative or, as the case may be, on which confirmation of the order is refused.
- (2) No account shall be taken for the purposes of section 4 of the Compulsory Purchase Act 1965 (time limit for completing compulsory purchase) of any period during which an authority are prevented by sub-paragraph (1) from serving a notice to treat under section 5 of that Act.

Principal effects of rehabilitation order.

- 4 (1) On the date on which a rehabilitation order becomes operative, the local housing authority cease to be subject to any duty under this Part to demolish or secure the demolition of buildings on the land.
- (2) The authority shall then take such steps as are necessary—
- (a) to restore the house so as to provide one or more dwellings to the full standard, or
- (b) where the house is not vested in the authority, to ensure that the house is restored with that object.
- (3) The authority may accept undertakings for the purposes of sub-paragraph (2)(b) from the owner of the house, or any other person who has or will have an interest in it, concerning the works to be carried out to restore the house and the time within which the works are to be carried out.

Other effects of rehabilitation order.

- 5 (1) This paragraph applies where a rehabilitation order becomes operative in respect of land included in a compulsory purchase order made and confirmed by virtue of section 290 (acquisition of land for clearance).

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

- (2) If at the date on which the rehabilitation order becomes operative—
- (a) no interest in the land has vested in the local housing authority, and
 - (b) they have not served a notice to treat under section 5 of the Compulsory Purchase Act 1965 in respect of any interest in the land.
- the compulsory purchase order ceases to have effect in relation to the land and if the land is included in a clearance area it ceases to be so included.
- (3) Where sub-paragraph (1) does not apply the compulsory purchase order has effect in relation to any interest in the land which has not vested in the authority at the date on which the rehabilitation order becomes operative—
- (a) in so far as it relates to a house, as if made and confirmed under Part II (provision of housing), and
 - (b) in so far as it relates to land other than a house, as if made and confirmed under Part VI of the Town and Country Planning Act 1971 (planning purposes).
- 6 Where a rehabilitation order becomes operative in respect of land and an interest in the land comprised in the order is vested in the local housing authority, the interest shall be treated—
- (a) in the case of an interest in a house, as appropriated to the purposes of Part II (provision of housing), and
 - (b) in the case of any other interest, as appropriated to the purposes of Part VI of the Town and Country Planning Act 1971.
- 7 (1) A rehabilitation order may be made and confirmed notwithstanding that the effect of the order in excluding land from a clearance area is to sever the area into two or more separate and distinct areas.
- (2) In such a case the provisions of this Act relating to the effect of a compulsory purchase order when confirmed, and to the proceedings to be taken after confirmation of such an order, apply as if those areas formed one clearance area.
- 8 Where a rehabilitation order becomes operative in respect of land and its effect is to exclude from the clearance area land adjoining a general improvement area, the land shall be included in the general improvement area unless the Secretary of State otherwise directs.

PART II

PROCEDURAL MATTERS

The form of the order.

- 9 A rehabilitation order shall be made in the prescribed form and shall describe, by reference to a map—
- (a) the houses to which it applies and which were included in the clearance area by reason of their being unfit for human habitation,
 - (b) any other land to which it applies, and
 - (c) any land not within paragraph (a) or (b) in respect of which notice is required to be served under paragraph 10.

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Notices to be given.

- 10 (1) Before submitting a rehabilitation order to the Secretary of State the local housing authority shall, except so far as the Secretary of State directs otherwise, comply with the following provisions.
- (2) They shall publish in one or more newspapers circulating in their district a notice in the prescribed form—
- (a) stating that the rehabilitation order has been made,
 - (b) describing the land to which it applies, and
 - (c) naming a place where a copy of the order and its accompanying map may be seen at all reasonable hours.
- (3) They shall serve on every person mentioned in sub-paragraph (4) a notice in the prescribed form stating—
- (a) the effect of the rehabilitation order,
 - (b) that it is about to be submitted to the Secretary of State for confirmation, and
 - (c) the time within which and the manner in which objections to the order can be made.
- (4) The persons to whom notice must be given are—
- (a) every person on whom notice was served of the making under this Part of a compulsory purchase order which at the date of its confirmation included land subsequently comprised in the rehabilitation order;
 - (b) every successor in title of such a person;
 - (c) every owner, lessee and occupier of land liable to be cleared, other than a tenant for a month or a period less than a month;
 - (d) mortgagees of such land, so far as it is reasonably practicable to ascertain them; and
 - (e) every person on whom notice would have been required to be served under paragraph (c) or (d) but whose interest has been acquired under section 290 (acquisition of land for clearance) since the clearance area was declared.
- (5) A notice under this paragraph shall be accompanied by a statement of the grounds on which the authority are seeking confirmation of the order.

Confirmation of the order.

- 11 (1) If no objection is duly made by any of the persons on whom notices are required to be served under paragraph 10, or if all objections so made are withdrawn, the Secretary of State may confirm the order with or without modifications.
- (2) If an objection duly made is not withdrawn, the Secretary of State shall, before confirming the order, either—
- (a) cause a public local inquiry to be held, or
 - (b) afford to every person by whom an objection has been duly made and not withdrawn an opportunity of appearing before and being heard by a person appointed by the Secretary of State for the purpose.
- (3) After considering any objection not withdrawn and the report of the person who held the inquiry or was appointed under sub-paragraph (2), the Secretary of State may confirm the order with or without modifications.

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- (4) The Secretary of State may require a person who has made an objection to state the grounds of the objection in writing, and may disregard the objection if he is satisfied that it relates exclusively to matters which can be dealt with by the tribunal by whom any compensation is to be assessed.
- (5) The Secretary of State's power to modify a rehabilitation order includes power, subject to sub-paragraph (6), to extend it to any land liable to be cleared.
- (6) The Secretary of State shall not extend the application of a rehabilitation order to any land unless he has served on the following persons—
 - (a) the authority who make the order,
 - (b) every owner, lessee and occupier of the land, except a tenant for a month or a period less than a month, and
 - (c) every mortgagee of any of the land who it is reasonably practicable to ascertain,a notice stating the effect of his proposals, and has afforded them an opportunity to make their views known.

Notice of confirmation of the order.

- 12 (1) So soon as may be after the order has been confirmed by the Secretary of State, the local housing authority shall comply with the following provisions.
- (2) They shall publish in a newspaper circulating in their district a notice in the prescribed form—
 - (a) stating that the order has been confirmed, and
 - (b) naming a place where a copy of the order as confirmed and of the map referred to in the order may be seen at all reasonable hours.
- (3) They shall serve a like notice on—
 - (a) every person who, having given notice to the Secretary of State of his objection to the order, appeared at the public local inquiry or before the appointed person in support of his objection, and
 - (b) every person on whom the Secretary of State served notice under paragraph 11(6) (notice of proposal to confirm order with modification extending its operation).

Challenge to validity of order.

- 13 (1) If a person aggrieved by the order desires to question its validity on the ground—
 - (a) that it is not within the powers of this Act, or
 - (b) that any requirement of this Act has not been complied with,he may within six weeks after publication of the notice of confirmation make an application for the purpose to the High Court.
- (2) Where such an application is duly made, the court may by interim order suspend the operation of the order, either generally or in so far as it affects property of the applicant until the final determination of the proceedings.
- (3) If on the hearing of the application the court is satisfied—
 - (a) that the order is not within the powers of this Act, or

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- (b) that the interests of the applicant have been substantially prejudiced by any requirement of this Act not having been complied with,
the court may quash the order, either generally or in so far as it affects property of the applicant.
- (4) No appeal lies to the House of Lords from a decision of the Court of Appeal in proceedings under this paragraph except by leave of the Court of Appeal.
- (5) Subject to the provisions of this paragraph, the order shall not be questioned in any legal proceedings whatsoever, either before or after the order is confirmed.

Notice of order having become operative.

- 14 (1) The order becomes operative (subject to any order under paragraph 13) at the expiration of six weeks from the date on which notice of confirmation of the order is published in accordance with paragraph 12.
- (2) So soon as may be after the order has become operative the local housing authority shall serve a copy of the notice on every person on whom a notice was served by them of their intention to submit the order to the Secretary of State for confirmation.

SCHEDULE 12

Section 313.

SLUM CLEARANCE SUBSIDY REGULATIONS

Introductory.

- 1 This Schedule has effect with respect to the provision which may be made by regulations under section 313 prescribing the method of determining whether a local authority have incurred a loss in connection with the exercise of their slum clearance functions and the amount of the loss.

Treatment of expenditure or receipts of a capital nature.

- 2 (1) The regulations may require expenditure or receipts to be treated, or not to be treated, as of a capital nature.
- (2) The regulations may, in the case of an item, of a capital nature, determine the method of arriving at the appropriate equivalent annual amounts to be taken into account, and their number, or may specify classes of case in which an item of a capital nature is to be taken into account for a single year.
- (3) The number of equivalent annual amounts prescribed under sub-paragraph (2) shall not in any case exceed 60.
- (4) The regulations may provide that, where the prescribed number of equivalent annual amounts in respect of an item exceeds 15, all equivalent annual amounts in respect of that item shall be left out of account from such year, not being less than 15 years after the year in which the item arises and not earlier than 1986-87, as may be specified in the regulations.

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

Approval of expenditure by Secretary of State.

- 3 The regulations may provide that expenditure of any class or description shall not be taken into account unless, and except so far as, the Secretary of State has approved the expenditure.

Avoidance of double payment of subsidy, &c..

- 4 The regulations may, in order to prevent subsidy or other payments out of money provided by Parliament being made in respect of the same loss or expenditure, or in respect of the same land, both under section 312 (slum clearance subsidy) and under—
- (a) section 7 of the Local Government Act 1966 or section 250 of the Town and Country Planning Act 1971 (grants for development and re-development), or
 - (b) any other enactment, including any other provision of this Act,
- provide for the exclusion of any item of expenditure or the making of any other adjustment.

Expenditure or receipts in connection with land acquired before 1st April 1965.

- 5 The regulations shall not take into account expenditure or receipts (whether capital or not, and whether incurred or due before 1st April 1971 or later) in connection with land acquired by the authority before 1st April 1965.

Expenditure or receipts incurred or due before 1st April 1971.

- 6 (1) Except as mentioned in sub-paragraph (2), the regulations shall not take into account expenditure or receipts incurred or due before 1st April 1971.
- (2) Where in the period of six years beginning on 1st April 1965 and ending on 31st March 1971 the authority have acquired land for the purposes of their slum clearance functions and continue to hold that land for those purposes until the end of that period, the regulations may take into account the equivalent annual amounts in respect of capital expenditure incurred, or capital receipts becoming due, in that period in connection with that land.

Miscellaneous.

- 7 The regulations may—
- (a) make different provision for different classes of authorities, or special provision for particular authorities;
 - (b) contain such transitional and other supplementary or incidental provisions as appear to the Secretary of State to be necessary or expedient.
- 8 Nothing in paragraphs 3, 4 or 7 of this Schedule prejudices the generality of the regulation-making power conferred by section 313.

SCHEDULE 13

Sections 384, 386, 389, 393 and 394.

FURTHER PROVISIONS RELATING TO CONTROL ORDERS UNDER PART XI

PART I

MANAGEMENT SCHEMES

Contents of management scheme.

- 1 (1) The scheme shall give particulars of all works which, in the opinion of the local housing authority, they would, if a control order were not in force, have required to be carried out under any provision of this Part, or under any other enactment relating to housing or public health, and which, in their opinion, constitute works of capital expenditure.
- (2) The scheme shall include an estimate of the costs of carrying out the works of which particulars are given in the scheme.
- (3) The scheme shall specify what, in the opinion of the authority, is the highest number of individuals or households who should live in the house from time to time, having regard to—
- (a) the considerations set out in section 352(1) (matters relevant to fitness of house for number of occupants), and
 - (b) the existing condition of the house and its future condition as the works progress which the authority carry out in the house.
- (4) The scheme shall include an estimate of the balance which will from time to time accrue to the authority after deducting from the rent or other payments received by the authority from persons occupying the house—
- (a) the compensation payable by the authority to the dispossessed proprietor under section 389 and Part II of this Schedule, and
 - (b) all expenditure, other than that of which particulars are given under subparagraph (2), incurred by the authority in respect of the house while the control order is in force.

The estimate in the scheme of surpluses on revenue account.

- 2 (1) References in this Schedule to the surpluses on revenue account as settled by the scheme are to the amount included in the scheme by way of an estimate under paragraph 1(4), subject to any variation of the scheme made by the local housing authority or on an appeal or application to the court.
- (2) In paragraph 1(4), and elsewhere in this Schedule, “rent or other payments”, in relation to payments received by the local housing authority from persons occupying a house subject to a control order, means rent or other payments so received—
- (a) under leases or licences, or
 - (b) in respect of furniture to which section 383(1) applies (furniture comprised in furnished letting of which right to possession vests in authority).

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- (3) In paragraph 1(4), and elsewhere in this Schedule, references to expenditure incurred by the local housing authority in respect of a house subject to a control order include, in a case where the authority—
- (a) require persons living in the house to vacate their accommodation for a period while the authority are carrying out works in the house, and
 - (b) provide housing accommodation for those persons for any part of that period or defray all or any part of the expenses incurred by or on behalf of those persons removing from and returning to the house,
- the net cost to the authority in so providing housing accommodation and the sums so defrayed by the authority.

Appeal against scheme.

- 3
- (1) A person having an estate or interest in a house to which a control order relates may, within six weeks from the date on which a management scheme relating to the house was served in accordance with section 386, or such longer period as the local housing authority may in writing allow, appeal to the county court against the scheme.
 - (2) The appeal may be on any of the following grounds—
 - (a) that, having regard to the condition of the house and to the other circumstances, any of the works of which particulars are given in the scheme (whether already carried out or not) are unreasonable in character or extent, or are unnecessary;
 - (b) that any of the works do not involve expenditure which ought to be regarded as capital expenditure;
 - (c) that the number of individuals or households living in the house, as specified by the local housing authority in the scheme, is unreasonably low;
 - (d) that the estimate of the surpluses on revenue account in the scheme is unduly low on account of assumptions made by the authority as to matters within their control (for example, as to the rents charged by them).
 - (3) On an appeal the court may, as it thinks fit, confirm or vary the scheme.
 - (4) Proceedings on an appeal against a scheme shall, so far as practicable, be combined with proceedings on any appeal under section 384 against the control order itself; and if on such an appeal the court decides to revoke the control order, the court shall not proceed with any appeal against the scheme.

Expenditure on works to be set against surpluses on revenue account.

- 4
- (1) An account shall be kept by the local housing authority for the period during which the control order is in force showing—
 - (a) the surpluses on revenue account as settled by the scheme, and
 - (b) the expenditure incurred by the authority in carrying out works of which particulars were given in the scheme;and balances shall be struck in the account at half-yearly intervals so as to ascertain the amount of that expenditure which cannot be set off against those surpluses.
 - (2) So far as, at the end of a half-yearly period, the expenditure is not so set off, it shall carry interest, at such reasonable rate as the authority may determine, until it is so set off or until the charge arising under paragraph 16 of this Schedule (recovery of expenditure when control order ceases to have effect) is satisfied.

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- (3) So far as there is a sum out of the surpluses on revenue account not required to meet expenditure incurred by the authority, it shall go to meet interest under sub-paragraph (2).

Variation or review of surpluses on revenue account as settled by the scheme.

- 5 The local housing authority may at any time vary a scheme in such a way as to increase the amount of the surpluses on revenue account as settled by the scheme for all or any periods, including past periods.
- 6 (1) The local housing authority, or a person having an estate or interest in the house, may at any time apply to the county court for a review of the surpluses on revenue account as settled by the scheme.
- (2) On such an application the court shall take into consideration—
- (a) whether in the period since the control order came into force the actual balances mentioned in paragraph 1(4) have exceeded, or been less than, the surpluses on revenue account as settled by the scheme, and
- (b) whether there has been any change in circumstances such that the number of persons or households who should live in the house, or the amount of the rents and other payments receivable by the local housing authority from persons occupying the house, ought to be greater or less than was originally estimated.
- (3) The court may on such an application, as it thinks fit, confirm or vary the scheme (but not so as to affect the provisions of the scheme relating to the works), and may vary the surpluses on revenue account as settled by the scheme for all or any period, including past periods.

PART II

COMPENSATION PAYABLE TO DISPOSSESSED PROPRIETOR

Rate of compensation.

- 7 The compensation payable by the local housing authority to the dispossessed proprietor in pursuance of section 389(1)(a) shall be at an annual rate equal to one half of the gross value of the house multiplied by the appropriate multiplier.

Ascertainment of gross value of house.

- 8 Subject to the following provisions, the gross value of a house for the purposes of this Part of this Schedule is its gross value for rating purposes as shown in the valuation list on the date when the control order comes into force.
- 9 (1) If the house forms part only of a hereditament, the gross value of the house is such proportion of the gross value shown in the valuation list for that hereditament as may be agreed in writing between the local housing authority and the person claiming compensation.
- (2) If any dispute arises under sub-paragraph (1), the authority or the person claiming compensation may by means of a reference in writing submit the dispute for decision by the district valuer.

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

- 10 If the house consists or forms part of more than one hereditament, the gross value shall be ascertained by determining the gross value of each hereditament or part as if it were a separate house and aggregating the gross values so determined.
- 11 (1) The gross value of a hereditament whose rateable value is by virtue of subsection (1) of section 19 of the General Rate Act 1967 to be taken to be its net annual value ascertained in accordance with subsections (2) to (4) of that section shall be taken to be its corresponding gross value, that is to say, the gross value which would be equivalent to the net annual value shown in the valuation list if there were deducted any amounts which by virtue of an order made or falling to be treated as made under section 19(2) of the General Rate Act 1967 would be deducted from the gross value of the hereditament if it had been required to be assessed to its gross value instead of its net annual value.
- (2) If more than one value is so ascertained to be the corresponding gross value, the highest value so ascertained shall be taken.
- 12 Where after the date on which the control order comes into force—
- (a) the valuation list is altered so as to vary the gross value (or where paragraph 11 applies the net annual value) of the house or of the hereditament of which the house forms part, and
 - (b) the alteration has effect from a date before, or from the same date as, the control order came into force,
- compensation is payable as if the value shown in the list on the date when the control order came into force had been that shown in the list as altered.

The appropriate multiplier.

- 13 (1) The appropriate multiplier for the purposes of this Part of this Schedule is that specified by order of the Secretary of State.
- (2) An order under this paragraph shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Apportionment of compensation between proprietors of different parts of house.

- 14 (1) If different persons are the dispossessed proprietors of different parts of the house, the compensation payable shall be apportioned between them according to the proportions of the gross value of the house properly attributable to the parts of the house in which they are respectively interested.
- (2) If they do not agree on the apportionment they shall refer the matter, in writing, for determination by the district valuer.

PART III

CESSATION OF CONTROL ORDER

General consequences of cessation of control order.

- 15 (1) On and after the date on which a control order ceases to have effect—
- (a) a lease, licence or agreement in which the local housing authority were substituted for another party by virtue of section 382 (effect of order on

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- persons occupying house) has effect with the substitution of the original party, or his successor in title, for the authority,
- (b) an agreement in the nature of a lease or licence created by the local housing authority has effect with the substitution of the dispossessed proprietor for the authority.
- (2) If the dispossessed proprietor is a lessee, nothing in a superior lease imposes liability on him, or on a superior lessee, in respect of anything done in pursuance of the terms of an agreement in which the dispossessed proprietor is substituted for the local housing authority by virtue of this paragraph.
- (3) This paragraph applies in all circumstances in which a control order ceases to have effect.
- 16 (1) When a control order ceases to have effect, a final balance shall be struck in the account mentioned in paragraph 4(1) and the expenditure reasonably incurred by the local housing authority in carrying out works of which particulars were given in the management scheme, together with interest at such reasonable rate as the authority may determine is, so far as not set off against the surpluses on revenue account as settled by the scheme, a charge on the premises.
- (2) The premises subject to the charge include any part of the premises excluded from the provisions of the order under section 380 (modification of order where proprietor resides in part of the house).
- (3) The local housing authority have for the purposes of enforcing the charge all the same powers and remedies, under the Law of Property Act 1925 and otherwise, as if they were mortgagees by deed having powers of sale and lease, of accepting surrender of leases and of appointing a receiver.
- (4) The power of appointing a receiver is exercisable at any time after the expiration of one month from the date when the charge takes effect.
- (5) References in this paragraph to the provisions of the management scheme include reference to the provisions as varied; and if, when the control order ceases to have effect, proceedings are pending which may result in a variation of the scheme—
- (a) those proceedings may be continued until finally determined, and
- (b) if the charge under this paragraph is enforced before the final determination of those proceedings, the local housing authority shall account for any money recovered by enforcing the charge which, having regard to the decision in the proceedings as finally determined, they ought not to have recovered.
- (6) This paragraph does not apply—
- (a) where a control order is revoked by the county court on an appeal against the order, or
- (b) where a control order ceases to have effect under Part IV of this Schedule (control order followed by compulsory purchase order),
- but applies in every other case where a control order ceases to have effect (including the case where the order is revoked by a court on appeal from the county court).

Revocation of order by county court on appeal against making of order.

- 17 (1) The provisions of this paragraph apply where a control order is revoked by the county court on an appeal against the control order.

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- (2) The court shall take into consideration whether the state or condition of the house is such that action ought to be taken by the local housing authority under any other provision of this Part, and shall approve the taking of any of the following steps accordingly, that is—
- (a) the serving of a notice under section 352, 366 or 372 (notices requiring the execution of works),
 - (b) the giving of a direction under section 354 (direction limiting number of occupants of house), or
 - (c) the making of an order under section 370 (order applying management code to house);
- and no appeal lies against a notice or order so approved.
- (3) If the local housing authority are in the course of carrying out works in the house which, if a control order were not in force, the authority would have power to require some other person to carry out under any provision of this Part or under any other enactment relating to housing or public health, and on the hearing of the appeal the court is satisfied that the carrying out of the works could not be postponed until after the determination of the appeal by the county court because the works were urgently required for the sake of the safety, welfare or health of persons living in the house, or of other persons, the court may suspend the revocation of the control order until the works have been completed.
- (4) The county court shall fix the date on which the control order is to be revoked without regard to whether an appeal has been or may be brought against the decision of the county court; but that does not prevent the local housing authority from bringing such an appeal.
- (5) The court may authorise the local housing authority to create under section 381(1)(c) (power to create interests akin to leases) interests which expire, or which the dispossessed proprietor can terminate, within six months from the time when the control order ceases to have effect, being interests which, notwithstanding section 381(2), are for a fixed term exceeding one month or are terminable by notice to quit (or an equivalent notice) of more than four weeks.
- 18 (1) If a control order is revoked by the county court on an appeal against the order, the local housing authority shall pay to the dispossessed proprietor the balances, which from time to time accrued to the authority after deducting from the rent or other payments received by the authority from persons occupying the house—
- (a) the compensation payable by the authority to the dispossessed proprietor, and
 - (b) all expenditure (other than capital expenditure) incurred by the authority in respect of the house while the control order was in force.
- (2) If the court is satisfied that the balances which the local housing authority are under sub-paragraph (1) liable to pay to the dispossessed proprietor are unduly low for any reason within the control of the authority, having regard to—
- (a) the desirability of observing the standards of management contained in regulations made under section 369 (the management code), and
 - (b) the other standards which the authority ought to observe as to the number of persons living in the house and the rents which they ought to charge,

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the court shall direct that, for the purposes of the authority's liability to the dispossessed proprietor under this paragraph, the balances under sub-paragraph (1) shall be deemed to be such greater sums as the court may direct.

- (3) The court shall not under sub-paragraph (2) give a direction which will afford to the dispossessed proprietor a sum greater than what he may, in the opinion of the court, have lost by the making of the control order.
 - (4) If different persons are dispossessed proprietors of different parts of the house, sums payable under this paragraph by the local housing authority shall be apportioned between them in the manner provided by paragraph 14.
- 19
- (1) The provisions of this paragraph have effect for the purpose of enabling the local housing authority to recover capital expenditure incurred in carrying out works in the house in the period before the control order is revoked on an appeal against the order.
 - (2) On the hearing of the appeal the authority may apply to the court for the approval of those works on the ground that—
 - (a) they were works which, if a control order had not been in force, the authority could have required some person to carry out under any provision of this Part or under any other enactment relating to housing or public health, and
 - (b) the works could not be postponed until after the determination of the appeal by the county court because they were urgently required for the sake of the safety, welfare or health of persons living in the house, or other persons.
 - (3) Expenditure reasonably incurred by the authority in carrying out works so approved—
 - (a) may be deducted by the authority out of the balances which they are liable to pay to the dispossessed proprietor under paragraph 18, and
 - (b) so far as not so deducted, is a charge on the premises and on all estates and interests in the premises;

and the premises subject to the charge include any part of the premises which was excluded from the provisions of the order under section 380 (modification of order where proprietor resides in part of the house).
 - (4) The charge takes effect as from the date when the control order is revoked and the expenditure so charged carries interest from that date at such reasonable rate as the authority may determine.
 - (5) The local housing authority have for the purposes of enforcing the charge all the same powers and remedies, under the Law of Property Act 1925 and otherwise, as if they were mortgagees by deed having powers of sale and lease, of accepting surrenders of leases and of appointing a receiver.
 - (6) The power of appointing a receiver is exercisable at any time after the expiration of one month from the date when the charge takes effect.

Revocation of control order on further appeal.

- 20
- (1) If on an appeal from a decision of the county court confirming a control order it is determined that the control order should be revoked, but the local housing authority satisfy the court hearing the appeal—
 - (a) that they are in the course of carrying out works in the house which, if a control order were not in force, they would have power to require some

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person to carry out under any provision of this Part of this Act or under any other enactment relating to housing or public health, and

- (b) that the carrying out of the works could not be postponed until the time when the control order could no longer be revoked by order of any court on an appeal against the order because the works were urgently required for the sake of safety, welfare or health of persons living in the house, or other persons,

the court may suspend the revocation of the control order until the works have been completed.

- (2) If on the hearing by the county court of an appeal against a control order the appellant indicates—

- (a) that an appeal may be brought against any decision of the county court confirming the order, and
(b) that certain works ought not, unless the control order is confirmed on the further appeal, to be works the cost of which can be recovered by the local housing authority under paragraph 4 or 16,

the county court may direct that those works shall not be works of which the cost may be so recovered if they are begun before the time when the further appeal is finally determined and the control order is not confirmed on that appeal.

Revocation of control order by county court on appeal against refusal to revoke.

- 21 (1) The provisions of this paragraph apply where a control order is revoked by the county court on an appeal under section 393 (appeal against refusal of local housing authority to revoke order).

- (2) If the local housing authority represent to the court that revocation of the control order would unreasonably delay completion of works of which particulars were given in the management scheme, and which the authority have begun to carry out the court shall take the representations into account and may, if it thinks fit, revoke the control order as from the time when the works are completed.

- (3) The court may make an order under which the revocation does not take effect until the time for appealing against the decision of the county court has expired and any appeal brought within that time has been finally determined.

- (4) The court may approve the taking of any of the following steps, to take effect on the revocation of the control order, that is—

- (a) the serving of a notice under section 352, 366 or 372 (notices requiring the execution of works),
(b) the giving of a direction under section 354 (direction limiting number of occupants of house), or
(c) the making of an order under section 370 (order applying management code to house);

and no appeal lies against a notice or order so approved.

- (5) Where the house will on the revocation of the control order be charged with any sum in favour of the local housing authority by virtue of any provision of this Schedule, the court may make it a condition of the revocation of the order that the appellant first pays off to the authority that sum or such part of that sum as the court may specify.

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- (6) The court may authorise the local housing authority to create under section 381(1)(c) (power to create interests akin to leases) interests which expire, or which the dispossessed proprietor can terminate, within six months from the time when the control order ceases to have effect, being interests which, notwithstanding section 381(2), are for a fixed term exceeding one month or are terminable by notice to quit (or an equivalent notice of more than four weeks).

PART IV

CONTROL ORDER FOLLOWED BY COMPULSORY PURCHASE ORDER

Introductory.

- 22 The provisions of this Part of this Schedule apply where the local housing authority make a control order with respect to a house and within 28 days of the making of that order make a compulsory purchase order for the acquisition of the house under Part II of this Act (provision of housing accommodation).

Preparation and service of management scheme.

- 23 (1) The local housing authority need not prepare or serve a management scheme under section 386 until they are notified by the Secretary of State of his decision to confirm or not to confirm the compulsory purchase order.
- (2) The time within which copies of the scheme are to be served under section 386 is—
- (a) if the Secretary of State's decision is not to confirm the compulsory purchase order, eight weeks from the date on which that decision is notified to the authority;
 - (b) if the Secretary of State's decision is to confirm the compulsory purchase order, eight weeks from the time at which the compulsory purchase order becomes operative.

Control order ceases to have effect on acquisition of house.

- 24 Where the compulsory purchase order is confirmed by the Secretary of State, the control order ceases to have effect—
- (a) if the local housing authority enter into a contract to purchase the house, on the date when the contract is made;
 - (b) if the local housing authority, in pursuance of a notice served under section 11 of the Compulsory Purchase Act 1965, enter and take possession of the house or serve a notice under section 583 of this Act (power to take possession without displacing tenant), on the date when the notice under section 11 is served.

Balances payable to dispossessed proprietor.

- 25 (1) Where a control order ceases to have effect by virtue of paragraph 24, the local housing authority shall pay to the dispossessed proprietor the balance which from time to time accrued to the authority after deducting from the rent or other payments received by them from persons occupying the house—
- (a) the compensation payable to him by the authority, and

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- (b) all expenditure (other than capital expenditure) incurred by the authority in respect of the house while the control order was in force.
- (2) The local housing authority shall give notice to the dispossessed proprietor informing him of the balances which they propose to pay him under this paragraph and of his right to appeal.
- (3) The dispossessed proprietor may, within 21 days of the service of the notice or such longer period as the local housing authority may in writing allow, appeal to the county court.
- (4) If on such an appeal the court is of opinion that the balances are unduly low for any reason within the control of the local housing authority, having regard to—
 - (a) the desirability of observing the standards of management contained in regulations made under section 369 (the management code), and
 - (b) the other standards which the authority ought to observe as to the number of persons living in the house and the rents which they ought to charge,the court shall direct that for the purposes of the authority's liability to the dispossessed proprietor under this paragraph the balances shall be deemed to be such greater amount as the court may direct.
- (5) The court shall not under sub-paragraph (4) give a direction which will afford to the dispossessed proprietor a sum greater than the amount which, in the opinion of the court, he may have lost by the making of the control order.
- (6) If different persons are dispossessed proprietors of different parts of the house, sums payable under this paragraph shall be apportioned between them in the manner provided by paragraph 14.

Recovery of capital expenditure incurred by local housing authority.

- 26
- (1) The provisions of this paragraph have effect for the purpose of enabling the local housing authority to recover capital expenditure incurred in carrying out works in the house in the period before the control order ceases to have effect.
 - (2) The local housing authority may, by a notice served on the dispossessed proprietor, specify such works as being works—
 - (a) which the authority could, if the control order were not in force, have required some person to carry out under any provision of this Part of this Act or under any other enactment relating to housing or public health, and
 - (b) which could not be postponed because they were urgently required for the sake of the safety, welfare or health of persons living in the house, or other persons;and such a notice shall inform the dispossessed proprietor of his right to appeal.
 - (3) The dispossessed proprietor may, within 21 days of the service of the notice or such longer period as the local housing authority may in writing allow, appeal to the county court which may confirm, vary or quash the notice.
 - (4) Expenditure reasonably incurred by the local housing authority in carrying out the works specified in a notice under this paragraph (or specified in such a notice as varied on appeal) may be deducted by the authority from the balances which they are liable to pay to the dispossessed proprietor under paragraph 25.

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- (5) So far as that expenditure exceeds those balances, it may, if the house is purchased compulsorily, be deducted from the amount payable as compensation, and accordingly any interest payable on that amount shall be calculated after allowing for the deduction.

SCHEDULE 14

Section 418.

THE KEEPING OF THE HOUSING REVENUE ACCOUNT

PART I

CREDITS TO THE ACCOUNT

For each year a local housing authority who are required to keep a Housing Revenue Account shall carry to the credit of the account amounts equal to the items listed in this Part of this Schedule.

Item 1: rents

The income of the authority for the year from rents and charges in respect of houses and other property within the account.

This item does not include—

- (a) rent remitted by way of rebate, or
- (b) except in the case of lodging-houses and hostels, amounts included in the rents and charges in respect of rates.

Item 2: charges for services and facilities

The income of the authority for the year in respect of services or facilities provided by them in connection with the provision by them of houses and other property within the account.

This item includes, in particular, income in respect of services or facilities provided under sections 10 and 11 (power to provide furniture, board and laundry facilities), but not payments for the purchase of furniture or hire-purchase instalments for furniture.

Item 3: housing subsidy

Housing subsidy payable to the authority for the year.

Item 4: rent rebate subsidy

Rent rebate subsidy payable to the authority for the year under Part II of the Social Security and Housing Benefits Act 1982, to the extent that it is calculated by reference to Housing Revenue Account rebates within the meaning of that Part, or the cost of administering such rebates.

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Item 5: certain contributions

Contributions of any description paid to the authority for the year towards expenditure falling to be debited to the account (for that or any other year).

Item 6: investment income

Income, and receipts in the nature of income, arising to the authority for the year from the investment or other use of—

- (a) money carried to the account, or
- (b) borrowed money in respect of which the authority are required by Part II of this Schedule to debit loan charges to the account.

Item 7: income from proceeds of disposals

Income of the authority arising from the investment or other use of capital money received by the authority in respect of the sale or other disposal of houses or other property within the account.

This item does not apply—

- (a) where the Secretary of State otherwise directs, which he may do as respects the whole or part of any such income, or
- (b) as respects income from capital money carried to a fund established under paragraph 16 of Schedule 13 to the Local Government Act 1972 (general power of authorities to establish such funds as they think appropriate.)

Any such direction may be varied or revoked by a further direction.

Item 8: sums transferred from the Housing Repairs Account

Sums transferred from the Housing Repairs Account in accordance with section 419(5) or (6) (credit balance at end of year or on ceasing to maintain account).

PART II

DEBITS TO THE ACCOUNT

For each year the authority shall debit to the account amounts equal to the items listed in this Part of this Schedule.

Item 1: loan charges

The loan charges which the authority are liable to pay for the year in respect of money borrowed for any of the following purposes—

- (a) the provision of housing accommodation under Part II,
- (b) the purchase of, or the carrying out of works on, houses purchased under section 192 (unfit houses found to be beyond repair at reasonable cost), or
- (c) the improvement of houses and other property within the account.

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Item 2: rents, rates, taxes and other charges

The rents, rates, taxes and other charges which the authority are liable to pay for the year in respect of houses and other property within the account.

This item does not include, as respects occupied houses within the account other than mentioned below, rates and charges other than water rates or charges or owner's drainage rates (within the meaning of section 63(2)(a) of the Land Drainage Act 1976).

The houses to which the above exception does not apply are—

- (a) lodging-houses and hostels, and
- (b) houses occupied, pursuant to a contract of service, by persons employed by the authority on the maintenance, supervision and management of houses and other property within the account.

Item 3: expenditure on repairs, maintenance and management

The expenditure (including loan charges) of the authority for the year in respect of the repair, maintenance, supervision and management of houses and other property within the account.

This item does not include expenditure properly debited to the authority's Housing Repairs Account.

Item 4: contributions to Housing Repairs Account

Contributions from the account to the Housing Repairs Account.

PART III

SUPPLEMENTARY PROVISIONS WITH RESPECT TO MATTERS ARISING BEFORE 1972

Land acquired for re-development.

- 1 The reference in section 417(1) (d) to land acquired for the purposes of Part II includes—
- (a) land which a local authority were deemed to have acquired under Part V of the Housing Act 1957 by virtue of section 57(6) of that Act (land acquired for re-development in pursuance of re-development plan) before the repeal of that section on 25th August 1969, and
 - (b) any structures on such land which were made available to a local authority under section 1 of the Housing (Temporary Accommodation) Act 1944 (prefabs).

Houses and other property brought within the account under s. 50 of the Housing (Financial Provisions) Act 1958.

- 2 The houses and other property within an authority's Housing Revenue Account include any property brought within the account before 10th August 1972—
- (a) with the consent of a Minister given under section 50(1)(e) of the Housing (Financial Provisions) Act 1958, or
 - (b) by virtue of section 50(2) of that Act (houses vesting in local authority on default of another person).

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Income arising from balance left on abolition of Housing Equalisation Account.

- 3 (1) For each year the authority shall carry to the credit of the Housing Revenue Account amounts equal to any income, and receipts in the nature of income, arising to the authority for the year from the investment of other use of money representing a sum treated as a capital receipt in pursuance of paragraph 4 of Schedule 10 to the Housing Finance Act 1972 (balance left at 31st March 1972 on abolition of Housing Equalisation Account).
- (2) In complying with the requirements of this paragraph the authority shall act in accordance with any directions which may be given by the Secretary of State.
- (3) Any such directions may be varied or revoked by further directions.

Housing provided on or before 6th February 1919.

- 4 References in section 417 (the Housing Revenue Account) or this Schedule to property provided under Part II (provision of housing) do not include property provided on or before 6th February 1919.

Money borrowed for the execution of works assisted under the Housing (Rural Workers) Act 1926.

- 5 Section 417(4) (investment income to be carried to Housing Revenue Account), and item 1 of Part II of this Schedule (loan charges to be debited to the account) apply to money borrowed for the execution of works in respect of which, before 10th August 1972—
- (a) a Minister made a contribution under section 4(2A) of the Housing (Rural Workers) Act 1926, or
- (b) the local authority for the purposes of that Act gave assistance under that Act,
- as they apply to money borrowed for the provision of housing accommodation under Part II.

Adjustments affecting the account.

- 6 (1) Where, but for the coming into force of the Housing Finance Act 1972, a correction of a Housing Revenue Account for the year 1971-72 or any earlier year would have been effected by entering a credit or debit in the account for the year 1972-73 or any later year, the correction shall be made notwithstanding the provisions of this Act as to the nature of the credits or debits to be entered in the account.
- (2) Any direction given under section 24 of the Town and Country Planning Act 1959 (adjustment of accounts on appropriation of land) concerning the Housing Revenue Account of a local authority shall apply in relation to the account to be kept under this Act as it would have applied to the account to be kept under the Housing (Financial Provisions) Act 1958.

Proceeds from certain demolitions.

- 7 (1) The authority shall credit to the account an amount equal to the net proceeds for the year derived by the authority from any demolition of—
- (a) structures made available to a local authority under section 1 of the Housing (Temporary Accommodation) Act 1944 (prefabs),

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- (b) buildings demolished upon ceasing to be used for the purpose of providing housing accommodation in pursuance of arrangements approved before 10th August 1972 under section 16 of the Housing (Financial Provisions) Act 1958 (use of war buildings for temporary housing accommodation), or
 - (c) houses to which section 92 of the Housing Act 1964 applied before its repeal on 10th August 1972 (aluminium "B.2' houses).
- (2) In this paragraph "net proceeds" means the sums realised by the authority by the disposal of materials derived from the demolished building or structure, after deducting the cost of the demolition and any cost incurred in reinstating the site of the building or structure.

PART IV

RATE FUND CONTRIBUTIONS TO THE ACCOUNT

Amenities shared by the whole community.

- 1 (1) Where benefits or amenities arising from the exercise of a local housing authority's functions under Part II (provision of housing) and provided for the persons housed by the authority are shared by the community as a whole, the authority shall make such contributions from their general rate fund to their Housing Revenue Account as, in their opinion and having regard to the amounts of the contributions and the period over which they are made, will properly reflect the community's share of the benefits or amenities.
- (2) Where it appears to the Secretary of State that an authority have failed to comply with sub-paragraph (1), either generally or in a particular case, he may give them such directions as appear to him appropriate to ensure compliance.
- (3) The direction may contain particulars as to the amounts of the contributions and the years for which they are to be made.
- (4) Before giving a direction the Secretary of State shall consult with the authority.

Land disposed of at less than market value.

- 2 The Secretary of State in giving his consent under any enactment for the disposal at less than market value of land within the account may impose a condition requiring the authority to make a contribution from their general rate fund for such years and of such amount, or of any amount calculated in such manner, as he may determine.

Rent rebates in excess of subsidy.

- 3 There shall be credited to the account any contribution made under section 34(1) of the Social Security and Housing Benefits Act 1982 (housing benefits: contribution from general rate fund representing excess of rent rebates over subsidy).

Deficits in the account.

- 4 (1) If for any year a deficit is shown in the account, the authority shall carry to the credit of the account a contribution from their general rate fund of an amount equal to the deficit.

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- (2) The authority may also carry to the credit of the account, in addition to any amount required by sub-paragraph (1), such further amounts, if any, as they may think fit.

PART V

OTHER SUPPLEMENTARY PROVISIONS

Credit balances in the account.

- 1 (1) An authority who keep a Housing Revenue Account may from time to time carry to the credit of their general rate fund the whole or part of any balance in the account.
- (2) Subject to sub-paragraph (1), if at the end of a year a credit balance is shown in an authority's Housing Revenue Account it shall be carried forward and credited to the account for the next following year.

Ascertainment of loan charges.

- 2 (1) In this Schedule "loan charges"—
- (a) in relation to money borrowed, means the sums required for the payment of interest on the money and for its repayment (either by instalments or by means of a sinking fund) and the expenses of managing the debt, and
 - (b) includes loan charges made by an authority as a matter of internal accounting (including charges for debt management), whether in respect of borrowing from a capital fund kept by the authority or in respect of borrowing between accounts kept by the authority for different purposes or otherwise.
- (2) Where money borrowed by a local authority for different purposes is carried to a common fund or account, the loan charges in respect of money borrowed for any one of those purposes shall be ascertained by reference to the accounting practice of the authority and the manner in which loan charges are ascertained for the purposes of their internal accounting.
- (3) Sub-paragraph (2) has effect subject to any direction under section 420 (directions by Secretary of State to secure proper accounting).

Use of estimated figures.

- 3 Any requirement of this Schedule as to the crediting or debiting of an amount to the Housing Revenue Account may be met by taking in the first instance an estimate of the amount and making adjustments in the account for a later year when the amount is more accurately known or is finally ascertained.

Adjustment of accounts on appropriation of land.

- 4 (1) Where land is appropriated by a local housing authority for the purposes of Part II (provision of housing), or on the discontinuance of use for those purposes, such adjustment shall be made in the accounts of the authority as the Secretary of State may direct.
- (2) A direction may be either a general direction or a direction for a particular case and may be varied or revoked by a further direction.

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- (3) Where this paragraph applies section 24 of the Town and Country Planning Act 1959 (which also relates to the adjustment of accounts on the appropriation of land) does not apply.

Duty to supply information.

- 5 (1) A local housing authority, and any officer or employee of a local housing authority concerned with their housing functions, shall supply the Secretary of State with such information as he may specify, either generally or in any particular case, for the purpose of enabling the Secretary of State to ascertain the state of the authority's Housing Revenue Account for any year.
- (2) A local housing authority shall supply the Secretary of State with such certificates supporting the information required by him as he may specify.

Directions excluding or modifying statutory provisions.

- 6 (1) Where the Secretary of State is satisfied, on the application of a local housing authority, that any of the provisions of this Part relating to the Housing Revenue Account are inappropriate for any housing accommodation or other property provided by the authority under Part II, he may direct that all or any of those provisions shall not apply to that property, or shall apply subject to such modifications as are specified in the direction.
- (2) The Secretary of State may direct that the provisions of this Part relating to the Housing Revenue Account shall apply to a local authority subject to such modifications as are specified in the direction.
- (3) A direction may be a general direction or a direction for a particular case, and may be given for such period and subject to such conditions as may be specified in the direction.
- (4) A direction may be varied or revoked by a further direction.

Transfers of housing stock between authorities in London.

- 7 (1) Where houses and other property within the account have been transferred from one authority to another under section 23(3) of the London Government Act 1963 (orders transferring land held by London borough council or Common Council of City of London), the Secretary of State may by order direct, for any of the purposes of this Part—
- (a) within whose Housing Revenue Account the transferred houses and property are to be treated as falling, and
 - (b) how relevant expenditure and income are to be treated in the Housing Revenue Accounts of the authorities to whom the order applies.
- (2) The order may be made to apply to a description of local authorities specified in the order or to a specified local authority, and may make different provision in respect of different years or for different purposes in relation to the same year.
- (3) An order under this paragraph may amend an order made under section 23(3) of the London Government Act 1963 and may provide that one authority shall pay to another in respect of houses and property to which it relates such amounts calculated

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by such methods and in respect of such items and such years as appear to the Secretary of State to be appropriate.

- (4) An order under this paragraph—
- (a) shall be made by the Secretary of State with the concurrence of the Treasury, and
 - (b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) Before making an order the Secretary of State shall consult such associations of local authorities as appear to him to be concerned and with any local authority with whom consultation appears to be desirable.

Contributions in respect of land in general improvement area.

- 8 Where a contribution under section 259 (contributions by Secretary of State towards expenditure on general improvement area) has been paid towards expenditure incurred by a local housing authority in relation to land held by them for the purposes of Part II (provision of housing), neither the expenditure nor the contribution shall be carried to the Housing Revenue Account except with the consent of the Secretary of State.

SCHEDULE 15

Section 432.

SUPERSEDED CONTRIBUTIONS, GRANTS, SUBSIDIES, &C.

PART I

LOANS UNDER THE HOUSING (RURAL WORKERS) ACTS 1926 TO 1942

The Housing (Rural Workers) Acts 1926 to 1942, and any enactment so far as it relates to the rate of interest payable on a loan under those Acts, continue to have effect in relation to a loan made under section 2 of the Housing (Rural Workers) Act 1926 before 10th August 1972.

PART II

EXCHEQUER CONTRIBUTIONS FOR AGRICULTURAL HOUSING

(s. 46 of the Housing (Financial Provisions) Act 1958)

Contributions by Secretary of State to local housing authority.

- 1 (1) Contributions by the Secretary of State to a local housing authority remain payable under section 46 of the Housing (Financial Provisions) Act 1958 (contributions payable over a period of 40 years for agricultural housing provided under arrangements made with the authority) in pursuance of an undertaking made before 10th August 1972.

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

- (2) The contributions are payable at such times and in such manner as the Treasury may direct, and subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.

Conditions of payment of contributions.

- 2 (1) It is a conditions of the payment of a contribution in respect of a house in any year that throughout the year the house—
- (a) is reserved for members of the agricultural population, and
 - (b) if let, is let at rent not exceeding the limit applicable in accordance with the following provisions of this paragraph,
- and that the local housing authority certify to the Secretary of State that all reasonable steps have been taken to secure the maintenance of the house in a proper state of repair during the year.
- (2) The condition specified in sub-paragraph (1)(a) shall be deemed to be observed at any time if the house is let on or subject to a protected or statutory tenancy to which section 99 of the Rent Act 1977 applies (dwelling-houses let to agricultural workers, etc.) or is subject to a protected occupancy or statutory tenancy within the meaning of the Rent (Agriculture) Act 1976.
- (3) The limit referred to in sub-paragraph (1)(b) is in the case of a condition imposed before 8th December 1965—
- (a) if the tenancy is a regulated tenancy (other than a converted tenancy within the meaning of Schedule 17 to the Rent Act 1977), the rent which would be recoverable if the tenancy had been converted from being a controlled tenancy on the commencement of section 64 of the Housing Act 1980 and accordingly as if it were a converted tenancy;
 - (b) if the tenancy is a converted tenancy, or a housing association tenancy within the meaning of Part VI of the Rent Act 1977, the rent recoverable under that Act;
 - (c) if the tenancy is a protected occupancy or statutory tenancy within the meaning of the Rent (Agriculture) Act 1976, the rent recoverable in accordance with that Act;
 - (d) in any other case, such rent as may from time to time be, or have been, agreed between the landlord and the local housing authority or as may, in default of agreement, be or have been determined by the Secretary of State.
- (4) The limit referred to in sub-paragraph (1)(b) is in the case of a condition imposed on or after 8th December 1965 such rent as the local housing authority may from time to time determine as being in their opinion the rent which would have been appropriate for them to charge if the house had been provided by them.
- (5) Where the house is let together with other land at a single rent, such proportion of that rent as the local housing authority may determine shall be deemed for the purposes of the condition specified in sub-paragraph (1)(b) to be the rent at which the house is let.
- 3 (1) In the case of a house completed on or after 18th April 1946 the payment of a contribution for any year during which the house is at any time occupied by a member of the agricultural population in pursuance of a contract of service and otherwise than as a tenant is also subject to the following condition.
- (2) The condition is that if the contract of service is terminated—

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- (a) by less than four weeks' notice given by the employer, or
- (b) by dismissal of the employee without notice, or
- (c) by the death of either party,

the employer or his personal representatives will permit the employee (or, in the case of his death, any person residing with him at his death) to continue to occupy the house free of charge from the determination of the contract until the expiration of a period of four weeks beginning with the date on which the notice is given, or, if the contract is determined otherwise than by notice, with the date on which it is determined.

Grants payable to owners by local housing authority.

- 4
- (1) Where a contribution is paid to a local housing authority, the authority shall pay by way of annual grant to the owner of the house an amount not less than the contribution paid by the Secretary of State.
 - (2) No such grant shall be made if before it is made the Secretary of State is satisfied that during the whole or the greater part of the period to which the payment of the grant is referable the house has not been available as a dwelling fit for habitation, unless he is satisfied that that could not with reasonable diligence have been achieved.
 - (3) Any question as to the period to which a payment is referable shall be determined for the purpose of this paragraph by the Secretary of State.
 - (4) Where the duty of a local housing authority to make a grant is wholly or partly discharged by virtue of this paragraph, the Secretary of State shall make such consequential reductions as he thinks fit in any sum payable by him to the authority.

No further payments if house vests in local housing authority.

- 5
- Where a house which has been provided under arrangements under section 46 of the Housing (Financial Provisions) Act 1958 becomes vested in the local housing authority making the arrangements, no further sums are payable by the Secretary of State or the authority in respect of the house under this Part of this Schedule.

PART III

CONTRIBUTIONS FOR IMPROVEMENT OF DWELLINGS BY HOUSING AUTHORITIES

*(s. 9 of the Housing (Financial Provisions) Act 1958;
s. 13 of the House Purchase and Housing Act 1959).*

- 1
- (1) Subject to sub-paragraph (2), contributions by the Secretary of State to a local authority remain payable—
 - (a) under section 9 of the Housing (Financial Provisions) Act 1958 (contributions over a period of 20 years towards the cost to local authorities of works of conversion or improvement) in pursuance of proposals approved before 25th August 1969, and
 - (b) under section 13 of the House Purchase and Housing Act 1959 (contributions over a period of 20 years in respect of standard amenities provided by local authorities), in pursuance of applications approved before 25th August 1969.

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

- (2) No contribution is payable under this paragraph in respect of a dwelling within a local housing authority's Housing Revenue Account or a new town corporation's housing account.
- (3) The contributions are payable at such times and in such manner as the Treasury may direct, and subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.
- (4) The amount or duration of any contribution payable under this paragraph to which section 25(2) of the Housing (Financial Provisions) Act 1958 applied immediately before the commencement of this Act (payments arising out of the exercise of housing powers by county councils) may be reduced by the the Secretary of State at his discretion.

(ss. 17 to 20 of the Housing Act 1969).

- 2 (1) Contributions by the Secretary of State to a housing authority remain payable under section 18 or 19 of the Housing Act 1969 (improvement contributions or standard contributions payable over a period of 20 years for dwellings converted or improved by the authority) in pursuance of applications approved before 2nd December 1974.
- (2) The contributions are payable at such times and in such manner as the Treasury may direct, and subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.
- (3) No contribution is payable under this paragraph in respect of a dwelling within a local housing authority's Housing Revenue Account or a new town corporation's housing account.
- (4) The amount or duration of any contribution payable under this paragraph to which section 25(2) of the Housing (Financial Provisions) Act 1958 Act applied immediately before the commencement of this Act (payments arising out of the exercise of housing powers by county councils) may be reduced by the Secretary of State at his discretion.

(s. 79 of the Housing Act 1974).

- 3 (1) Subject to sub-paragraph (2), contributions by the Secretary of State to a housing authority remain payable under section 79 of the Housing Act 1974 (improvement contributions payable over a period of 20 years) in pursuance of applications approved before 8th August 1980.
- (2) No contribution is payable under this paragraph in respect of dwellings within a local housing authority's Housing Revenue Account or a new town corporation's housing account.
- (3) The contributions are payable subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.

PART IV

TOWN DEVELOPMENT SUBSIDY

(s. 9 of the Housing Finance Act 1972; s. 5 of the Housing Rents and Subsidies Act 1975)

Transitional town development subsidy.

- 1 (1) Transitional town development subsidy is payable each year, subject to the following provisions of this Part of this Schedule, to a sending authority to whom town development subsidy under section 9 of the Housing Finance Act 1972 was payable for the year 1974-75; and the amount of the subsidy, subject to the following provisions of this Schedule, is the amount of town development subsidy payable to the authority for the year 1974-75.
- (2) The subsidy is payable for the credit of the sending authority's general rate fund.
- 2 (1) The subsidy is payable by the Secretary of State at such times and in such manner as the Treasury may direct, and subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.
- (2) The payment of subsidy is subject to the making of a claim for it in such form and containing such particulars as the Secretary of State may from time to time determine.
- (3) The amount of the subsidy for any year shall be calculated to the nearest pound, by disregarding an odd amount of £0·50, or less, and by treating an odd amount exceeding £0·50 as a whole pound.
- (4) A direction or determination under this paragraph may contain supplementary or incidental provisions and may be made to apply to a specified description of authorities or to a specified authority.

Reduction or discontinuance of subsidy.

- 3 (1) The Secretary of State may reduce or discontinue a sending authority's transitional town development subsidy if a dwelling in respect of which it is payable—
 - (a) has been demolished,
 - (b) has been disposed of by the receiving authority,
 - (c) is not fit to be used, or is not being used, for letting as a dwelling, or
 - (d) in any other circumstances he considers relevant.
- (2) The Secretary of State may from time to time determine for the purposes of sub-paragraph (1)—
 - (a) the circumstances in which a dwelling is to be treated as having been demolished or disposed of,
 - (b) the circumstances in which a dwelling is to be treated as not fit to be used, or as not being used, for letting as a dwelling,
 - (c) in which circumstances other than those mentioned in sub-paragraph (1)(a) to (c) an authority's transitional town development subsidy is to be reduced or discontinued, and
 - (d) the method by which any calculation is to be made;and the power conferred by paragraph (b) above also includes power to determine what constitutes letting as a dwelling.

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

- (3) A determination under this paragraph may contain supplementary or incidental provisions and may be made to apply to a specified description of authorities or dwellings or to a specified authority.

Payments to receiving authority.

- 4 (1) Where transitional town development subsidy is payable, the sending authority shall for each year pay to the receiving authority four times the amount of the sending authority's transitional town development subsidy attributable to dwellings of the receiving authority which are available in that year for tenants from the sending authority.
- (2) The payments are for the credit of the receiving authority's general rate fund.

Communication of subsidy and payments to receiving authority.

- 5 (1) The Secretary of State may, with the agreement of the sending authority and the receiving authority, determine—
- (a) to commute further payments of transitional town development subsidy into a single payment of an amount to be determined by him or calculated in a manner determined by him, and
 - (b) to commute the corresponding payments by the sending authority to the receiving authority under paragraph 4 into a single payment of four times that payable under paragraph (a).
- (2) In making a determination the Secretary of State shall make such allowance, if any, as appears to him appropriate for circumstances in which, if there were no commutation, his power under paragraph 3 to reduce or discontinue the sending authority's transitional town development subsidy might be exercised.

Meaning of "receiving authority".

- 6 In this part of this Schedule "receiving authority" means the council of a receiving district within the meaning of the Town Development Act 1952.

SCHEDULE 16

Section 438.

LOCAL AUTHORITY MORTGAGE INTEREST RATES

The rate of interest.

- 1 (1) The rate of interest shall be whichever is for the time being the higher of—
- (a) the standard national rate, or
 - (b) the applicable local average rate.
- (2) The rate shall be capable of being varied by the local authority whenever a change in either or both of those rates requires it; and the amount of the periodic payments shall be capable of being changed accordingly.

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

The standard national rate.

- 2 The standard national rate is the rate for the time being declared as such by the Secretary of State after taking into account interest rates charged by building societies in the United Kingdom and any movement in those rates.

The local average rate.

- 3 A local authority shall for every period of six months declare, on a date falling within the month immediately preceding that period—
- (a) a rate applicable to the advances and transfers mentioned in section 438(1) (a) and (c) (advances under section 435 and transfers of mortgages under section 442), and
 - (b) a rate applicable to sums left outstanding as mentioned in section 438(1) (b) (sums left outstanding on disposal of house).
- 4 (1) The rate declared under paragraph 3(a) shall be a rate exceeding by $\frac{1}{4}$ per cent. that which the authority estimate they have to charge in order to service the loan charges on money borrowed or to be borrowed by them for the purpose of the advances and transfers referred to.
- (2) The rate declared under paragraph 3(b) shall be a rate exceeding by $\frac{1}{4}$ per cent. the average, on the date the rate is declared, of the rates at which all loan charges debited to the authority's appropriate account are serviced.
- (3) The appropriate account is—
- (a) for sums left outstanding on the disposal of a house held by a local authority under Part II (provision of housing), the authority's Housing Revenue Account, and
 - (b) for other sums left outstanding, the county fund in the case of a county council and the general rate fund or general fund in any other case.
- (4) For the purposes of this paragraph loan charges include loan charges made by the authority as a matter of internal accounting (including charges for debt management), whether in respect of borrowing from a capital fund kept by the authority, or in respect of borrowing between accounts kept by the authority for different functions, or otherwise.

Variation of rate of interest.

- 5 (1) Where on a change of the standard national rate or the applicable local average rate a rate of interest is capable of being varied, the local authority shall vary it.
- (2) The authority shall serve on the person liable to pay the interest notice in writing of the variation not later than two months after the change.
- (3) The variation shall take effect with the first payment of interest due after a date specified in the notice, which—
- (a) if the variation is a reduction, shall be not later than one month after the change, and
 - (b) if the variation is an increase, shall not be earlier than one month nor later than three months after the service of the notice.
- 6 (1) On a variation of the rate of interest, the local authority may make a corresponding variation of the periodic payments.

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- (2) The authority shall do so if the period over which the repayment of principal is to be made would otherwise be reduced below the period fixed when the mortgage was effected.
- (3) The variation shall be notified and take effect together with the variation of the rate of interest.

Directions by Secretary of State.

- 7 (1) The Secretary of State may by notice in writing to a local authority direct it to treat a rate specified in the notice as being the higher of the two rates mentioned in paragraph 1, either for a period specified in the notice or until further notice; and the preceding provisions of this Schedule have effect accordingly.
- (2) A direction so given may be varied or withdrawn by a further notice in writing.

SCHEDULE 17

Section 452.

VESTING OF MORTGAGED HOUSE IN AUTHORITY ENTITLED TO EXERCISE POWER OF SALE

Vesting of house with leave of court.

- 1 (1) The authority may, if the county court gives it leave to do so, by deed vest the house in itself—
 - (a) for the estate and interest in the house which is the subject of the mortgage and which the authority would be authorised to sell or convey on exercising its power of sale, and
 - (b) freed from all estates, interests and rights to which the mortgage has priority but subject to all estates, interests and rights which have priority to the mortgage.
- (2) Where application for leave under this paragraph is made to the county court, the court may adjourn the proceedings or postpone the date for the execution of the authority's deed for such period as the court thinks reasonable.
- (3) An adjournment or postponement may be made subject to such conditions with regard to payment by the mortgagor of any sum secured by the mortgage or the remedy of any default as the court thinks fit; and the court may from time to time vary or revoke any such conditions.

Effect of vesting.

- 2 (1) On the vesting of the house the authority's mortgage term or charge by way of legal mortgage, and any subsequent mortgage term or charge, shall merge or be extinguished as respects the house.
- (2) Where the house is registered under the Land Registration Acts 1925 to 1971, the Chief Land Registrar shall, on application being made to him by the authority, register the authority as the proprietor of the house free from all estates, interests and rights to which its mortgage had priority, and he shall not be concerned to inquire whether any of the requirements of this Schedule were complied with.
- (3) Where the authority conveys the house, or part of it, to a person—

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

- (a) he shall not be concerned to inquire whether any of the provisions of this Schedule were complied with, and
 - (b) his title shall not be impeachable on the ground that the house was not properly vested in the authority or that those provisions were not complied with.
- (4) A house which is vested under this Schedule in a local housing authority shall be treated as acquired under Part II (provision of housing).

Compensation and accounting.

- 3 (1) Where the authority has vested the house in itself under paragraph 1, it shall appropriate a fund equal to the aggregate of—
- (a) the amount agreed between the authority and the mortgagor or determined by the district valuer as being the amount which under sub-paragraph (2) is to be taken as the value of the house at the time of the vesting, and
 - (b) interest on that amount, for the period beginning with the vesting and ending with the appropriation, at the rate prescribed for that period under section 32 of the Land Compensation Act 1961 (rate prescribed for compulsory purchase cases where entry is made before compensation is paid).
- (2) The value of the house at the time of the vesting shall be taken to be the price which, at that time, the interest vested in the authority would realise if sold on the open market by a willing vendor on the assumption that any prior incumbrances to which the vesting is not made subject would be discharged by the vendor.
- (3) The fund shall be applied in the following order—
- (a) in discharging, or paying sums into court for meeting, any prior incumbrances to which the vesting is not made subject;
 - (b) in recovering the costs, charges, and expenses properly incurred by the authority as incidental to the vesting of the house;
 - (c) in recovering the mortgage money, interest, costs and other money (if any) due under the mortgage;
 - (d) in recovering any amount which falls to be paid under the covenant required by section 35 or 155 (repayment of discount, etc. on disposal) or paragraph 6 of Schedule 8 (terms of shared ownership lease: payment for outstanding share on disposal) or any provision of the conveyance or grant to the like effect;
- and any residue then remaining in the fund shall be paid to the person entitled to the mortgaged house, or who would have been entitled to give receipts for the proceeds of sale of the house if it had been sold in the exercise of the power of sale.
- (4) Section 107(1) of the Law of Property Act 1925 (mortgagee's written receipt sufficient discharge for money arising under power of sale) applies to money payable under this Schedule as it applies to money arising under the power of sale conferred by that Act.

Modifications in case of conveyance or grant before 8th August 1980.

- 4 In a case to which this Schedule applies by virtue of section 452(6) (disposals before 8th August 1980 of property held by local authorities for housing purposes), the preceding paragraphs have effect with the following modifications—

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- (a) for “house” substitute “property”;
- (b) for paragraph (a) of paragraph 3 (1) (value of house) substitute—
 - “(a) the price at which the authority could have re-acquired the property by virtue of the condition mentioned in section 452(6)(b),”
 and omit paragraph 3(2) (which provides for ascertaining the value of the house);
- (c) omit paragraph (d) of paragraph 3(3) (which relates to repayment of discount and similar matters).

SCHEDULE 18

Section 456.

PROVISIONS WITH RESPECT TO ADVANCES UNDER THE SMALL DWELLINGS ACQUISITION ACTS 1899 TO 1923

Repayment of advance.

- 1 (1) The advance shall be repaid with interest within such period not exceeding 30 years as may be agreed upon.
- (2) The rate of interest is $\frac{1}{4}$ per cent, in excess of the rate of interest which, one month before the date on which the terms of the advance were settled, was the rate fixed by the Treasury in respect of loans to local authorities for the purposes of Part V of the Housing Act 1957 (provision of housing), as follows—
- (a) where the time referred to is before 27th February 1964, the rate so fixed under section 1 of the Public Works Loans Act 1897;
 - (b) where the time referred to is on or after 27th February 1964 and before 1st April 1968, the rate so fixed under section 2 of the Public Works Loans Act 1964 in respect of loans made on the security of local rates, or, where there was more than one rate so fixed, such of those rates as the Treasury have directed in that behalf under that section;
 - (c) where the time referred to is on or after 1st April 1968, the rate determined under section 6(2) of the National Loans Act 1968 in respect of local loans of that class made on the security of local rates, subject to any relevant direction given by the Treasury under that subsection.
- (3) The repayment may be made either by equal instalments of principal or by an annuity of principal and interest combined; and all payments on account of principal or interest shall be made either weekly or at such other periods not exceeding half a year as may be agreed.
- (4) The proprietor of a house in respect of which an advance has been made may at any of the usual quarter days, after one month’s written notice, and on paying all sums due on account of interest, repay to the local authority—
- (a) the whole of the outstanding principal of the advance, or
 - (b) any part of it, being £10 or a multiple of £10;
- and where the repayment is made by an annuity of principal and interest combined, the amount so outstanding, and the amount by which the annuity will be reduced where a part of the advance is paid off, shall be determined by a table annexed to the instrument securing the repayment of the advance.

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The statutory conditions.

- 2 (1) The house of which the ownership was acquired by means of the advance shall be held subject to the following conditions (in this Schedule referred to as “the statutory conditions”):—
- (a) Every sum for the time being due in respect of principal or interest for the advance shall be punctually paid:
 - (b) The proprietor shall reside in the house:
 - (c) The house shall be kept insured against fire to the satisfaction of the local authority, and the receipts for the premiums produced when required by them:
 - (d) The house shall be kept in good sanitary condition and good repair:
 - (e) The house shall not be used for the sale of intoxicating liquors, or in such a manner as to be a nuisance to adjacent houses:
 - (f) The local authority shall have power to enter the house by any person, authorised by them in writing for the purpose, at all reasonable times for the purpose of ascertaining whether the statutory conditions are complied with.
- (2) The statutory condition as to residence has effect for a period of three years from the date when the advance is made, or from the date on which the house is completed, whichever is the later.
- (3) The other statutory conditions have effect until the advance has been fully repaid, with interest, or the local authority have taken possession or ordered a sale under this Schedule.

Condition as to residence may be dispensed with or suspended.

- 3 (1) The statutory condition as to residence may at any time be dispensed with by the local authority.
- (2) The local authority may allow a proprietor to permit, by letting or otherwise, a house to be occupied as a furnished house by some other person—
- (a) during a period not exceeding four months in all in any twelvemonths, or
 - (b) during his absence from the house in the performance of any duty arising from or incidental to any office, service or employment held or undertaken by him;
- and the statutory condition as to residence is suspended while the permission continues.
- (3) Where the proprietor of a house subject to the statutory conditions dies, the condition requiring residence is suspended until the expiration of twelve months from the death, or any earlier date at which the personal representatives transfer the ownership or interest of the proprietor in the course of administration.
- (4) Where the proprietor of any such house becomes bankrupt or his estate is administered in bankruptcy under section 130 of the Bankruptcy Act 1914, and in either case an arrangement under this Schedule is made with the trustee in bankruptcy, the local authority may, if they think fit, suspend the condition as to residence during the continuance of the arrangement.
- (5) Where an advance has been made in pursuance of section 7(1) of the Small Dwellings Acquisition Act 1899 (power to make advance on strength of undertaking to begin

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residence), the statutory condition requiring residence is suspended during the period allowed before residence must be begun.

Personal liability and powers of the proprietor.

- 4 (1) The proprietor of the house of which the ownership was acquired by means of the advance is personally liable for the repayment of any sum due in respect of the advance until he ceases to be proprietor by reason of a transfer made in accordance with this paragraph.
- (2) The proprietor of the house may with the permission of the local authority (which shall not be unreasonably withheld) at any time transfer his interest in the house, but any such transfer shall be made subject to the statutory conditions.
- (3) The provisions of sub-paragraph (2) requiring the consent of the local authority to the transfer of the proprietor's interest in the house do not apply to a charge on that interest made by the proprietor, so far as the charge does not affect any rights or powers of the local authority under this Schedule.

Circumstances in which local authority may take possession or order sale.

- 5 (1) Where default is made in complying with the statutory condition as to residence, the local authority may take possession of the house, and where default is made in complying with any of the other statutory conditions, whether the statutory condition as to residence has or has not been complied with, the local authority may either take possession of the house or order the sale of the house without taking possession.
- (2) In the case of the breach of any condition other than that of punctual payment of the principal and interest of the advance, the authority shall, previously to taking possession or ordering a sale, by notice in writing delivered at the house and addressed to the proprietor, call on the proprietor to comply with the condition, and if the proprietor—
- (a) within 14 days after the delivery of the notice gives an undertaking in writing to the authority to comply with the notice, and
- (b) within two months after the delivery of the notice complies with it,
- the authority shall not take possession or, as the case may be, order a sale.
- (3) In the case of the bankruptcy of the proprietor of the house, or in the case of a deceased proprietor's estate being administered in bankruptcy under section 130 of the Bankruptcy Act 1914, the local authority may either take possession of the house or order the sale of the house without taking possession, and shall do so except in pursuance of some arrangement to the contrary with the trustee in bankruptcy.

Recovery of possession and disposal of house.

- 6 (1) Where a local authority take possession of a house, all the estate, right, interest and claim of the proprietor in or to the house shall vest in and become the property of the local authority, and the authority may either retain the house under their own management or sell or otherwise dispose of it as they think expedient.
- (2) Where a local authority take possession of a house, they shall pay to the proprietor either—
- (a) such sum as may be agreed upon, or

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- (b) a sum equal to the value of the interest in the house at the disposal of the local authority, after deducting the amount of the advance then remaining unpaid and any sum due for interest;
and that value, in the absence of a sale and in default of agreement, shall be settled by a county court judge as arbitrator or, if the Lord Chancellor so authorises, by a single arbitrator appointed by the county court judge, and the Arbitration Act 1950 shall apply to any such arbitration.
- (3) The sum so payable to the proprietor if not paid within three months after the date of taking possession shall carry interest at the rate of three per cent. per annum from the date of taking possession.
- (4) All costs of or incidental to the taking possession, sale or other disposal of the house (including the costs of the arbitration, if any) incurred by the local authority, before the amount payable to the proprietor has been settled either by agreement or arbitration, shall be deducted from the amount otherwise payable to the proprietor.
- (5) Where the local authority are entitled under this Schedule to take possession of a house, possession may be recovered in a county court whatever the annual value of the house for rating.

Procedure as to ordering sale.

- 7 (1) Where a local authority order the sale of a house without taking possession, they shall cause it to be put up for sale by auction and shall retain out of the proceeds of sale—
- (a) any sum due to them on account of the interest or principal of the advance, and
 - (b) all costs, charges and expenses properly incurred by them in or about the sale of the house,
- and shall pay over the balance (if any) to the proprietor.
- (2) If the local authority are unable at the auction to sell the house for such a sum as will allow of the payment out of the proceeds of sale of the interest and principal of the advance then due to the authority, and the costs, charges and expenses referred to above, they may take possession of the house in manner provided by this Schedule, but shall not be liable to pay any sum to the proprietor.

List of advances and accounts to be kept.

- 8 (1) A local authority shall keep at their offices a book containing a list of the advances made by them containing—
- (a) a description of the house in respect of which the advance was made, and
 - (b) the amount advanced.
- (2) The authority shall enter in the book with regard to each advance—
- (a) the amount for the time being repaid,
 - (b) the name of the proprietor for the time being of the house, and
 - (c) such other particulars as the authority think fit to enter.
- (3) The book shall be open to inspection at the office of the local authority during office hours free of charge.

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

- (4) Separate accounts shall be kept by every local authority of their receipts and expenditure in relation to advances to which this Schedule applies.

Meaning of “residence”, “ownership” and “proprietor”.

- 9 (1) A person shall not be treated for the purposes of this Schedule as resident in a house unless he is both the occupier of and resident in the house.
- (2) In this Schedule “ownership” means such interest, or combination of interests, in a house as, together with the interest of the purchaser of the ownership, will constitute either—
- (a) a fee simple in possession, or
 - (b) a leasehold interest in possession of which at least 60 years are unexpired at the date of the purchase.
- (3) Where the ownership of a house is acquired by means of an advance to which this Schedule applies, the purchase of the ownership or, in the case of any devolution or transfer, the person in whom the interest of the purchaser is for the time being vested, is the proprietor of the house for the purposes of this Schedule.

Date of advance.

- 10 For the purposes of this Schedule an advance shall be deemed to have been made on the date on which the instrument securing the repayment of the advance was executed.

SCHEDULE 19

Section 524.

CONTRIBUTIONS UNDER SUPERSEDED ENACTMENTS

(Section 36 of the Housing (Financial Provisions) Act 1958).

- 1 (1) Contributions remain payable by the Secretary of State under section 36 of the Housing (Financial Provisions) Act 1958 (contributions over a period of 20 years towards certain grants under Part II of that Act, Part II of the House Purchase and Housing Act 1959 or Part III of the Housing Act 1964) in pursuance of applications made before 25th August 1969.
- (2) The contributions are payable at such times and in such manner as the Treasury may direct and subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.

(Section 16 of the Housing Act 1969).

- 2 (1) Contributions remain payable by the Secretary of State under section 16 of the Housing Act 1969 (contributions over a period of 20 years towards grants paid under Part I of that Act) in pursuance of applications made before 12th December 1974.
- (2) The contributions are payable at such times and in such manner as the Treasury may direct, and subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.

SCHEDULE 20

Section 547.

ASSISTANCE BY WAY OF REPURCHASE

PART I

THE AGREEMENT TO REPURCHASE

The interest to be acquired.

- 1 In this Schedule “the interest to be acquired” means the interest of the person entitled to assistance by way of repurchase, so far as subsisting in—
- (a) the defective dwelling, and
 - (b) any garage, outhouse, garden, yard and appurtenances occupied and used for the purposes of the dwelling or a part of it.

Request for notice of proposed terms of acquisition.

- 2 (1) A person who is entitled to assistance by way of repurchase, may, within the period of three months beginning with the service of the notice of determination, or that period as extended, request the purchasing authority in writing to notify him of the proposed terms and conditions for their acquisition of the interest to be acquired.
- (2) The authority shall, if there are reasonable grounds for doing so, by notice in writing served on the person so entitled, extend, or further extend, the period within which he may make a request under this paragraph (whether or not the period has expired).

Authority’s notice of proposed terms.

- 3 The purchasing authority shall, within the period of three months beginning with the making of a request under paragraph 2, serve on the person so entitled a notice in writing specifying the proposed terms and conditions and stating—
- (a) their opinion as to the value of the interest to be acquired, and
 - (b) the effect of the following provisions of this Part of this Schedule.

Settlement of terms.

- 4 Subject to the provisions of Part II of this Schedule (price payable and valuation), an agreement for the acquisition by the purchasing authority of the interest to be acquired shall contain such provisions as the parties agree or, in default of agreement, are determined in accordance with this Part of this Act to be reasonable.

Service of draft agreement.

- 5 The authority shall, within three months of all the provisions to be included in the agreement being agreed or determined—
- (a) draw up for execution by the parties an agreement embodying those provisions, and
 - (b) serve a copy of the agreement on the person entitled to assistance.

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

Notice to enter into agreement.

- 6 (1) The person entitled to assistance may, at any time within the period of six months beginning with the service of the copy of the agreement, or within that period as extended, notify the authority in writing that he requires them to enter into an agreement embodying those provisions and the authority shall comply with the requirement.
- (2) The authority shall, if there are reasonable grounds for doing so, by notice in writing served on the person so entitled extend, or further extend, the period within which a notice under this paragraph may be given (whether or not the period has expired).

PART II

PRICE PAYABLE AND VALUATION

The price.

- 7 (1) The price payable for the acquisition of an interest in pursuance of this Part of this Act is 95 per cent. of the value of the interest at the relevant time.
- (2) In this Schedule “the relevant time” means the time at which the notice under paragraph 3 above (authority’s notice of proposed terms of acquisition) is served on the person entitled to assistance.

The value.

- 8 (1) For the purposes of this Schedule, the value of an interest at the relevant time is the amount which, at that time, would be realised by a disposal of the interest on the open market by a willing seller to a person other than the purchasing authority on the following assumptions—
- (a) that none of the defective dwellings to which the designation in question relates is affected by the qualifying defect;
 - (b) that no liability has arisen or will arise under a covenant required by section 35 or 155 (covenant to repay discount) or paragraph 6(1) of Schedule 8 (terms of shared ownership lease: covenant to pay for outstanding share), or any covenant to the like effect;
 - (c) that no obligation to acquire the interest arises under this Part of this Act; and
 - (d) that (subject to the preceding paragraphs) the seller is selling with and subject to the rights and burdens with and subject to which the disposal is to be made.
- (2) Where the value of an interest falls to be considered at a time later than the relevant time and there has been since the relevant time a material change in the circumstances affecting the value of the interest, the value at the relevant time shall be determined on the further assumption that the change had occurred before the relevant time.
- (3) In determining the value of an interest no account shall be taken of any right to the grant of a tenancy under section 554 (former owner-occupier) or section 555 (former statutory tenant).

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Determination of value.

- 9 (1) Any question arising under this Schedule as to the value of an interest in a defective dwelling shall be determined by the district valuer in accordance with this paragraph.
- (2) The person entitled to assistance or the purchasing authority may require that value to be determined or redetermined by notice in writing served on the district valuer—
- (a) within the period beginning with the service on the person entitled to assistance of a notice under paragraph 3 above (authority’s notice of proposed terms of acquisition) and ending with the service under paragraph 5 above of the copy of the agreement drawn up for execution by the parties, or
 - (b) after the end of that period but before the parties enter into an agreement for the acquisition of the interest of the person so entitled, if there is a material change in the circumstances affecting the value of the interest.
- (3) A person serving notice on the district valuer under this paragraph shall serve notice in writing of that fact on the other party.
- (4) Before making a determination in pursuance of this paragraph, the district valuer shall consider any representation made to him, within four weeks of the service of the notice under this paragraph, by the person entitled to assistance or the purchasing authority.

Service of amended draft agreement.

- 10 Where the value of an interest is determined, or redetermined, in pursuance of a notice served under paragraph 9(2)(b) (notice given after service of draft agreement)—
- (a) the purchasing authority shall comply again with paragraph 5 (service of draft agreement within three months of terms being settled), and
 - (b) paragraph 6 (notice to enter into agreement) shall apply in relation to that agreement instead of the earlier one.

PART III

SUPPLEMENTARY PROVISIONS

Introductory.

- 11 (1) In this Part of this Schedule “the agreement” means the agreement entered into in pursuance of Parts I and II of this Schedule, and—
- “the authority” means the authority acquiring an interest in a defective dwelling under the agreement;
 - “the conveyance” means the conveyance executed under the agreement;
 - “the interest acquired” means the interest in the dwelling concerned of which the vendor disposes under the agreement;
 - “the purchase price” means the price which the agreement requires the authority to pay for the interest acquired; and
 - “the vendor” means the person with whom the authority enter into the agreement.
- (2) In this Part of this Schedule—

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- (a) references to a charge include a mortgage or lien, but not a rentcharge within the meaning of the Rentcharges Act 1977, and
- (b) references to a relevant charge are to a charge to which the interest acquired is subject immediately before the conveyance and which secures the performance of an obligation but is not either a local land charge or a charge which is, or would be, overreached by the conveyance apart from this Schedule.

Conveyance frees interest acquired from relevant charges.

- 12 (1) The conveyance is effective—
- (a) to discharge the interest acquired from any relevant charge,
 - (b) to discharge the interest acquired from the operation of any order made by a court for the enforcement of such a charge, and
 - (c) to extinguish any term of years created for the purposes of such a charge, without the persons entitled to or interested in such a charge, order or term of years becoming parties to or executing the conveyance.
- (2) The effect of this paragraph is restricted to discharging the interest acquired from the charge and does not affect personal liabilities.
- (3) This paragraph does not prevent a person from joining in the conveyance for the purpose of discharging the interest acquired from a charge.
- (4) The operation of this paragraph is subject to paragraph 14 (effect of failure to apply purchase price in or towards satisfaction of charge).

Application of purchase price in satisfaction of relevant charges.

- 13 (1) The authority shall apply the purchase price in the first instance in or towards the redemption of any relevant charge securing the payment of money (if there is more than one, then according to their priorities), subject to the provisions of this paragraph.
- (2) For the purposes of this paragraph—
- (a) a person entitled to a charge may not exercise a right to consolidate the charge with a separate charge on other property;
 - (b) a person may be required to accept three months' or longer notice of the intention to repay the principal or any part of it secured by the charge, together with interest to the date of payment, notwithstanding that this differs from the terms of the security as to the time and manner of payment;
 - (c) a charge to which the vendor or the authority themselves are entitled ranks for payment as it would if another person were entitled to it; and
 - (d) where a person, without payment or for less payment than he would otherwise be entitled to, joins in the conveyance for the purpose of discharging the interest acquired from a charge, the persons to whom the purchase price ought to be paid shall be determined accordingly.
- (3) This paragraph does not apply to—
- (a) a charge in favour of the holders of a series of debentures issued by a body, or
 - (b) a charge in favour of trustees for such debenture holders which at the date of the conveyance is a floating charge;

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and the authority shall disregard such charges in performing their duty under this paragraph.

- 14 If the authority do not apply an amount which under paragraph 13 they are required to apply in or towards the redemption of a charge (and do not pay that amount into court in accordance with paragraph 15), the charge is not discharged by virtue of paragraph 12 and the interest acquired remains subject to the charge as security for that amount.

Power to make payment into court in case of difficulty.

- 15 (1) Where a person is or may be entitled by virtue of paragraph 13 to receive, in respect of a relevant charge, the whole or part of the purchase price and—
- (a) for any reason difficulty arises in ascertaining how much is payable in respect of the charge, or
 - (b) for any reason mentioned in sub-paragraph (2) difficulty arises in making a payment in respect of the charge,

the authority may pay into court on account of the purchase price the amount, if known, of the payment to be made in respect of the charge or, if the amount is not known, the whole of the purchase price, or such lesser amount as the authority think right in order to provide for that payment.

- (2) The reasons referred to in sub-paragraph (1)(b) are—
- (a) that a person who is or may be entitled to receive payment cannot be found or ascertained;
 - (b) that any such person refuses or fails to make out a title, or to accept payment and give a proper discharge, or to take any step reasonably required of him to enable the sum payable to be ascertained and paid; or
 - (c) that a tender of the sum payable cannot, by reason of complications in the entitlement to payment or the want of two or more trustees or for other reasons, be effected, or not without incurring or involving unreasonable cost or delay.

Duty to pay into court in certain cases.

- 16 (1) The authority shall pay the purchase price into court if, before the execution of the conveyance, written notice is given to them—
- (a) that the vendor, or a person entitled to a charge on the interest to be acquired, so requires either for the purpose of protecting the rights of persons so entitled or for reasons related to the bankruptcy or winding up of the vendor, or
 - (b) that steps have been taken to enforce a charge on the interest to be acquired by the bringing of proceedings in a court, by the appointment of a receiver or otherwise.
- (2) Where a payment into court is made by reason only of a notice under this paragraph and the notice is given with reference to proceedings in a specified court (other than the county court), payment shall be made into that court.

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Registration of title.

- 17 (1) Section 123 of the Land Registration Act 1925 (compulsory registration of title) applies in relation to the conveyance whether or not the dwelling concerned is in an area in which an Order in Council under section 120 of that Act is in force (areas of compulsory registration).
- (2) For the purposes of registration of title to the land acquired by the authority—
- (a) the authority shall give to the Chief Land Registrar a certificate stating that the person from whom the relevant interest was acquired to convey the interest subject only to such incumbrances, rights and interests as are stated in the conveyance or summarised in the certificate, and
 - (b) the Chief Land Registrar shall accept the certificate as sufficient evidence of the facts stated in it;
- but if, as a result, he has to meet a claim against him under the Land Registration Acts 1925 to 1971, the authority shall indemnify him.
- (3) A certificate under sub-paragraph (2) shall be in a form approved by the Chief Land Registrar and shall be signed by such officer of the authority, or such other person, as may be approved by the Chief Land Registrar.

Interest acquired by local housing authority treated as acquired under Part II.

- 18 If the authority are a local housing authority, the interest acquired by them shall be treated as acquired by them under section 17 (acquisition of land for purposes of Part II (provision of housing)).

Certain grant conditions cease to have effect.

- 19 (1) Where the interest acquired is or includes a dwelling in relation to which an improvement grant, intermediate grant, special grant or repairs grant has been paid under Part XV—
- (a) any grant condition imposed under or by virtue of that Part ceases to be in force with respect to the dwelling with effect from the time of disposal of the interest, and
 - (b) the owner for the time being of the dwelling is not liable to make in relation to the grant any payment under section 506 (repayment of grant for breach of condition) except in pursuance of a demand made before the time of disposal of the interest.
- (2) In this paragraph “dwelling” and “owner” have the same meaning as in Part XV.

Overreaching effect of conveyance.

- 20 The conveyance has effect under section 2(1) of the Law of Property Act 1925 (conveyances overreaching certain equitable interests and powers) to overreach any incumbrance capable of being overreached under that section—
- (a) as if the requirements to which that section refers as to the payment of capital money allowed any part of the purchase price paid under paragraph 13, 15 or 16 (payment in satisfaction of charge or into court) to be so paid, and
 - (b) where the interest conveyed is settled land, as if the conveyance were made under the powers of the Settled Land Act 1925.

SCHEDULE 21

Section 566.

DWELLINGS INCLUDED IN MORE THAN ONE DESIGNATION

Introductory.

- 1 This Schedule applies in relation to a defective dwelling where the building that the dwelling consists of or includes falls within two or more designations under section 528 (designation by Secretary of State) or 559 (designation under local scheme).

Cases in which later designation to be disregarded.

- 2 Where a person is already eligible for assistance in respect of a defective dwelling at a time when another designation comes into operation, the later designation shall be disregarded if—
- (a) he would not be eligible for assistance in respect of the dwelling by virtue of that designation, or
 - (b) he is by virtue of an earlier designation entitled to assistance by way of repurchase in respect of the dwelling.

In other cases any applicable designation may be relied on.

- 3 Where a person is eligible for assistance in respect of a defective dwelling and there are two or more applicable designations, this Part has effect in relation to the dwelling as if—
- (a) references to the designation were to any applicable designation;
 - (b) references to the provision by virtue of which it is a defective dwelling were to any provision under which an applicable designation was made;
 - (c) references to the qualifying defect were to any qualifying defect described in an applicable designation;
 - (d) references to the period within which persons may seek assistance under this Part were to any period specified for that purpose in any applicable designation; and
 - (e) the reference in section 543(1)(c) (amount of reinstatement grant) to the maximum amount permitted to be taken into account for the purposes of that section were to the aggregate of the maximum amounts for each applicable designation.

Procedure to be followed where later designation comes into operation.

- 4 The following provisions of this Schedule apply where—
- (a) notice has been given to a person under section 536 (determination of eligibility) stating that he is in the opinion of the local housing authority eligible for assistance in respect of a defective dwelling, and
 - (b) after the notice has been given another designation comes into operation designating a class within which the building that consists of or includes the dwelling falls.
- 5 (1) The local housing authority shall, as soon as reasonably practicable, give him notice in writing stating whether in their opinion the new designation falls to be disregarded in accordance with paragraph 2.

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- (2) If in their opinion it is to be disregarded the notice shall state the reasons for their view.
- 6 (1) This paragraph applies where it appears to the authority that the new designation does not fall to be disregarded.
- (2) They shall forthwith give him notice in writing—
- (a) stating the effect of the new designation and of paragraph 3 (new designation may be relied on) and sub-paragraph (3) below (entitlement to be redetermined), and
 - (b) informing him that he has the right to make a claim under section 537(2) (claim that assistance by way of reinstatement grant is inappropriate in his case).
- (3) They shall as soon as reasonably practicable—
- (a) make a further determination under section 537(1) (determination of form of assistance to which person is entitled), taking account of the new designation, and
 - (b) give a further notice of determination in place of the previous notice;
- and where the determination is that he is entitled to assistance by way of repurchase, the notice shall state the effect of paragraph 7 (cases where reinstatement work already begun or contracted for).
- 7 (1) This paragraph applies where a person entitled to assistance by way of reinstatement grant is given a further notice of entitlement under paragraph 6 stating that he is entitled to assistance by way of repurchase; and “the reinstatement work” means the work stated in the previous notice or in a notice under section 544 (change of work required).
- (2) Where in such a case—
- (a) he satisfies the authority that he has, before the further notice was received, entered into a contract for the provision of services or materials for any of the reinstatement work, or
 - (b) any such work has been carried out before the further notice was received, and has been carried out to the satisfaction of the appropriate authority,
- the previous notice (and any notice under section 544 (change of work required)) continues to have effect for the purposes of reinstatement grant in relation to the reinstatement work or, in a case within paragraph (b), such of that work as has been carried out as mentioned in that paragraph, and the authority shall pay reinstatement grant accordingly.
- (3) Where in a case within sub-paragraph (2) the reinstatement work is not completed but part of the work is carried out to the satisfaction of the appropriate authority within the period stated in the notice in question—
- (a) the amount of reinstatement grant payable in respect of that part of the work shall be an amount equal to the maximum instalment of grant payable under section 545(2) (instalments not to exceed appropriate percentage of cost of work completed), and
 - (b) section 546 (repayment of grant in event of failure to complete work) does not apply in relation to reinstatement grant paid in respect of that part of the work.

SCHEDULE 22

Section 579.

COMPULSORY PURCHASE ORDERS UNDER SECTION 290

Introductory.

- 1 This Schedule applies to compulsory purchase orders under section 290 (acquisition of land comprised in, surrounded by or adjoining a clearance area).

Form of order.

- 2 The order shall be in the prescribed form, shall describe by reference to a map the land to which it applies and shall show in the prescribed manner—
- (a) what parts, if any, of the land to be purchased compulsorily are outside the clearance area, and
 - (b) what buildings, if any, to be purchased compulsorily are included in the clearance area only on the ground that they are by reason of their bad arrangement in relation to other buildings, or the narrowness or bad arrangement of the streets, dangerous or injurious to the health of the inhabitants of the area.

Notice of making of order.

- 3 (1) Before submitting the order to the Secretary of State the local housing authority shall comply with the following requirements.
- (2) They shall publish in one or more newspapers circulating in their district a notice in the prescribed form stating the fact of such an order having been made, describing the area comprised in it, and naming a place where a copy of the order and of the map referred to in it may be seen at all reasonable hours.
- (3) They shall serve on—
- (a) every owner of the land to which the order relates,
 - (b) every lessee or occupier of the land, other than a tenant for a month or less than a month or a statutory tenant, and
 - (c) every mortgagee of the land whom it is reasonably practicable to ascertain,
- a notice in the prescribed form stating the effect of the order and that it is about to be submitted to the Secretary of State for confirmation and specifying the time within and the manner in which objections to it can be made.
- (4) A notice which under sub-paragraph (3) is to be served on an owner, lessee or occupier may be served by addressing it to him by the description of “owner” or “lessee” or “occupier” of the land (describing it) to which it relates and delivering it to some person on the premises or, if there is no person on the premises to whom it may be delivered, by fixing it, or a copy of it, to some conspicuous part of the premises.

Hearing of objections.

- 4 (1) If an objection duly made by a person on whom a notice is required to be served under paragraph 3 is not withdrawn, the Secretary of State shall before confirming the order either—
- (a) cause a public local inquiry to be held, or

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- (b) afford to every such person by whom an objection has been made and not withdrawn an opportunity of appearing before and being heard by a person appointed by the Secretary of State for the purpose,
and shall consider any objection not withdrawn and the report of the person who held the inquiry or was so appointed.
- (2) Where an objection not withdrawn has been made on the ground that a building included in the order is not unfit for human habitation, the local housing authority shall, at least 28 days before the date of the inquiry or hearing—
 - (a) serve on the objector a notice in writing stating what facts have emerged as their principal grounds for being satisfied that the building is so unfit, and
 - (b) send a copy of the notice to the Secretary of State.
- (3) A person who objects to the order on the grounds that a building included in the order (being a building in which he is interested) is not unfit for human habitation and who appears at the public local inquiry or hearing in support of his objection shall, if the building is included in the order as confirmed as being unfit for human habitation, be entitled, on making a request in writing, to be furnished by the Secretary of State with a statement in writing of his reasons for deciding that the building is so unfit.
- (4) Notwithstanding anything in the foregoing provisions of this paragraph, the Secretary of State may require a person who has made an objection to state in writing the grounds of his objection and may disregard the objection for the purposes of this paragraph if he is satisfied that it relates exclusively to matters which can be dealt with by the tribunal by whom the compensation is to be assessed.

Confirmation of order.

- 5 (1) The Secretary of State may confirm the order, with or without modification—
 - (a) if no objection is duly made by any of the persons on whom notices are required to be served or if all objections so made are withdrawn; or
 - (b) after considering any objection duly made which is not withdrawn and the report of the person who held the inquiry or of the appointed person.
- (2) His power to confirm the order with modifications is not exercisable so as to authorise the local housing authority—
 - (a) to purchase land which the order as submitted would not have authorised them to purchase, or
 - (b) to purchase as land comprised in the clearance area land shown in the order as submitted as being outside the area, or
 - (c) to purchase a building compulsorily on terms less favourable as to compensation than those which would have applied if the order had been confirmed as submitted.
- (3) If the Secretary of State is of opinion that land included by the local housing authority in the clearance area should not have been so included, he shall in confirming the order modify it so as to exclude the land for all purposes from the clearance area; but if in such a case he is of opinion that the land might properly be purchased by the authority under section 290(2) (land surrounded by or adjoining clearance area), he shall further modify the order so as to authorise them to purchase the land under that provision.

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- (4) The Secretary of State may confirm notwithstanding that the effect of the modifications made by him in excluding a building from a clearance area is to sever the area into two or more separate and distinct areas; and in such a case the provisions of this Act relating to the effect of the order when confirmed and to the proceedings to be taken subsequent to its confirmation apply to those areas as one clearance area.

Notice of confirmation of order.

- 6 So soon as may be after the order has been confirmed by the Secretary of State, the local housing authority shall—
- (a) publish in a newspaper circulating in their district a notice in the prescribed form stating that the order has been confirmed and naming a place where a copy of the order as confirmed and of the map referred to in the order may be seen at all reasonable hours, and
 - (b) serve a like notice on every person who, having given notice to the Secretary of State of his objection to the order, appeared at the public local inquiry or before the appointed person in support of his objection.

Challenge to validity of order.

- 7 (1) If a person aggrieved by the order desires to question its validity on the ground—
- (a) that it is not within the powers of this Act, or
 - (b) that any requirement of this Act has not been complied with,
- he may within six weeks after publication of the notice of confirmation of the order make an application for the purpose to the High Court.
- (2) Where such an application is duly made, the court may by interim order suspend the operation of the order, either generally or in so far as it affects property of the applicant, until the final determination of the proceedings.
- (3) If on the hearing of the application the court is satisfied—
- (a) that the order is not within the powers of this Act, or
 - (b) that the interests of the applicant have been substantially prejudiced by any requirement of this Act not having been complied with,
- the court may quash the order, either generally or in so far as it affects property of the applicant.
- (4) No appeal lies to the House of Lords from a decision of the Court of Appeal in proceedings under this paragraph except by leave of the Court of Appeal.
- (5) Subject to the provisions of this paragraph, the order shall not be questioned in any legal proceedings whatsoever, either before or after the order is confirmed.

Notice of order having become operative.

- 8 (1) Subject to the provisions of paragraph 7, the order becomes operative at the expiration of six weeks from the date on which notice of confirmation of the order is published in accordance with paragraph 6.
- (2) So soon as may be after the order has become operative the local housing authority shall serve a copy of the notice on every person on whom a notice was served by

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them under paragraph 3 of their intention to submit the order to the Secretary of State for confirmation.

Costs of opposing orders, &c..

- 9 (1) The Secretary of State may make such order as he thinks fit in favour of an owner of lands included in the compulsory purchase order for the allowance of reasonable expenses properly incurred by the owner in opposing the order.
- (2) The following shall be deemed to be expenses of the local housing authority under this Part—
- (a) expenses allowed to a person under sub-paragraph (1), and
 - (b) expenses incurred by the Secretary of State in relation to a compulsory purchase order, to such amount as he thinks proper to direct,
- and shall be paid to that person and to the Secretary of State in such manner and at such times, either in one sum or by instalments, as the Secretary of State may order.
- (3) The Secretary of State may order interest to be paid, at such rate not exceeding 5 per cent. per annum as he thinks fit, upon any sum for the time being due in respect of expenses under sub-paragraph (2).
- (4) An order made by the Secretary of State in pursuance of this paragraph may be made a rule of the High Court, and be enforced accordingly.

SCHEDULE 23

Section 586.

PAYMENTS IN RESPECT OF WELL-MAINTAINED HOUSES

Well-maintained houses subject to demolition or closing orders.

- 1 (1) Where a house—
- (a) is vacated in pursuance of a demolition or closing order under section 265 (unfit houses beyond repair at reasonable cost), or
 - (b) might have been the subject of such a demolition order but is vacated and demolished in pursuance of an undertaking for its demolition given to the local housing authority,
- a person may represent to the local housing authority that the house in question has been well maintained and that the good maintenance of the house is attributable wholly or partly to work carried out by him or at his expense.
- (2) The representation must be made within three months of the service by the local housing authority of a copy of the order or, as the case may be, of the date of the undertaking.
- (3) If the authority are satisfied that the representation is correct, they shall make to the person by whom the representation was made such payment, if any, as is authorised by the following provisions of this Schedule; and if they are not so satisfied they shall serve on him notice that no such payment falls to be made.
- (4) In reaching that decision the authority shall leave out of account any defects in the house in respect of the matters listed in section 604 (standard of fitness for human habitation) other than repair.

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- (5) A person aggrieved by a notice under sub-paragraph (3) may, within 21 days after the date of the service of the notice, appeal to the county court and on the appeal the court may make such order confirming, quashing or varying the notice as it thinks fit.
- (6) If the persons who would be entitled to appear and be heard on such an appeal so agree in writing, any matter which might have been the subject of an appeal shall instead be submitted to arbitration.

Well-maintained houses purchased under s. 192 or 300.

- 2 (1) Where a house is purchased compulsorily under—
section 192 (unfit house subject to repair notice found to be beyond repair), or
section 300 (purchase of condemned house for temporary housing use),
a person may represent to the local housing authority that the house in question has been well maintained and that the good maintenance of the house is attributable wholly or partly to work carried out by him or at his expense.
- (2) The representation must be made within three months of the service by the local housing authority of—
 - (a) in the case of a purchase under section 192, the notice of the compulsory purchase order;
 - (b) in the case of a purchase under section 300, the notice of their determination to purchase under that section.
- (3) If the authority are satisfied that the representation is correct, they shall make to the person by whom the representation was made such payment, if any, as is authorised by the following provisions of this Schedule; and if they are not so satisfied, they shall serve on him notice that no such payment falls to be made.
- (4) In reaching that decision the authority shall leave out of account any defects in the house in respect of the matters listed in section 604 (standard of fitness for human habitation), other than repair.
- (5) A person aggrieved by a notice under sub-paragraph (3) may, within 21 days after the date of the service of the notice, appeal to the county court and on the appeal the court may make such order confirming, quashing or varying the notice as it thinks fit.
- (6) If the persons who would be entitled to appear and be heard on such an appeal so agree in writing, any matter in dispute which might have been the subject of an appeal shall instead be submitted to arbitration.

Well-maintained house subject to clearance.

- 3 (1) Where a house—
 - (a) is made the subject of a compulsory purchase order under section 290 (acquisition of land for clearance) as being unfit for human habitation, and
 - (b) is on that ground included in the order as confirmed by the Secretary of State,the local housing authority shall if they are satisfied that the house has been well maintained make a payment of such amount, if any, as is authorised by the following provisions of this Schedule.
- (2) The payment shall be made—
 - (a) if the house is occupied by an owner, to him;

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- (b) if the house is not so occupied, to the person or persons liable under any enactment, covenant or agreement to maintain and repair the house (and, if more than one person is so liable, in such shares as the authority think equitable in the circumstances);

unless some other person satisfies the authority that the good maintenance is attributable to a material extent to the work carried out by him or at his expense, in which case the authority may, if it appears to them to be equitable in the circumstances, make the payment, in whole or in part, to him.

Amount of payment for well-maintained house.

- 4 (1) The amount of the payment to be made under paragraph 1, 2 or 3 is an amount equal to the rateable value of the house multiplied by four or such other multiplier as may be prescribed by order of the Secretary of State; but subject to the limit that the amount shall not exceed the amount, if any, by which the full value of the house exceeds its site value.
- (2) For this purpose the rateable value of a house is—
- (a) if the house is a hereditament for which a rateable value is shown in the valuation list in force on the relevant date, that rateable value;
- (b) if the house forms part only of such a hereditament, or consists of or forms part of more than one such hereditament, such value as is found by a proper apportionment or aggregation of the rateable value or values shown;
- and any question arising as to the proper apportionment or aggregation of any value or values shall be referred to and determined by the district valuer.
- (3) The “relevant date” is—
- (a) if the house was purchased compulsorily under section 192 (house subject to repair notice found to be beyond repair), the date when the notice mentioned in that section was served;
- (b) if the house was vacated in pursuance of a demolition or closing order, the date when the order was made;
- (c) if the house was vacated and demolished in pursuance of an undertaking for its demolition given to the local housing authority, the date on which the undertaking was given;
- (d) if the house was comprised in an area declared a clearance area, the date on which the area was so declared;
- (e) if the house was purchased compulsorily in pursuance of a notice served under section 300 (purchase of condemned house for temporary housing use), the date on which the notice was served.
- (4) An order of the Secretary of State prescribing a multiplier for the purposes of this paragraph shall be made by statutory instrument which shall be of no effect unless approved by a resolution of each House of Parliament.
- (5) In this paragraph—
- “full value” means the amount which would have been payable as compensation if the house had been purchased compulsorily but not as being unfit for human habitation, and
- “site value” means the amount which is payable as compensation by virtue of its being purchased compulsorily as being unfit for human habitation, or which would have been so payable if it had been so purchased;

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and any question as to such value shall be determined in default of agreement, in the same way as a question of disputed compensation arising on such a purchase.

Partially well-maintained houses.

- 5 (1) A house which apart from this paragraph would not fall to be treated as well maintained for the purposes of paragraphs 1 to 3 shall be so treated if either the exterior or the interior of the house has been well maintained.
- (2) A payment made under paragraph 1, 2 or 3 by virtue of this paragraph shall be one half of the amount ascertained in accordance with paragraph 4.

Well-maintained flats and parts of buildings.

- 6 (1) Where—
- (a) a house comprises more than one dwelling, or
 - (b) a house is occupied partly for the purposes of a dwelling or dwellings and partly for other purposes,
- the dwellings or each of the dwellings shall be deemed to be a house for the purposes of the provisions of this Schedule so far as they relate to the maintenance of the interior of a house, but not so far as they relate to the maintenance of the exterior of the house.
- (2) For this purpose the exterior of such a house includes any part of the house which is not included in the interior of a dwelling.
- (3) Where a closing order is made by virtue of section 266(a) (part of building used, or suitable for use, as a dwelling) with respect to a part of a building the interior of which is well maintained, that part shall be deemed to be a house for the purposes of the provisions of this Schedule.

Notification required in case of house acquired for clearance.

- 7 (1) Where a house is made the subject of a compulsory purchase order under section 290 (acquisition of land for clearance) as being unfit for human habitation, the local housing authority shall serve notice in accordance with this paragraph as regards payments under this Schedule.
- (2) Notice shall be served—
- (a) with respect to the house, on every owner, lessee, mortgagee and occupier of the house, and
 - (b) with respect to each dwelling in the case of a house falling within paragraph 6(1) (houses comprising more than one dwelling or occupied partly for the purposes of a dwelling and partly for other purposes), on every owner, lessee, mortgagee and occupier of the dwelling,
- so far as it is reasonably practicable to ascertain those persons.
- (3) The notice shall be served not later than the date, or if there is more than one the last date, on which the authority serve notice of the effect of the compulsory purchase order under paragraph 3(3) of Schedule 22 (notice that order about to be submitted for confirmation).

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- (4) The notice shall be in the prescribed form and shall state that the authority are satisfied—
- (a) that, in the case of a house which does not fall within paragraph 5 or 6(1) (payments in respect of partially well maintained house or parts of buildings), both the interior and exterior of the house have been well maintained,
 - (b) that, in the case of a house which would not be treated as well maintained apart from paragraph 5 or 6(1), either the interior or the exterior of the house has been well maintained,
 - (c) that in the case of a house falling within paragraph 6(1), the exterior of the house (as defined in that paragraph) has been well maintained,
 - (d) that in the case of a dwelling falling within paragraph 6(1), the interior of the dwelling has been well maintained, or
 - (e) that no part of the house or dwelling has been well maintained.
- (5) A notice stating that the authority are satisfied—
- (a) as mentioned in sub-paragraph (4)(b) shall also state the reasons why the authority are not satisfied that the interior or, as the case may be, the exterior of the house concerned has been well maintained;
 - (b) as mentioned in sub-paragraph (4)(e) shall state the reasons why the authority are satisfied that no part of the house or dwelling has been well maintained.

Appeal against notification under paragraph 7.

- 8
- (1) An owner, lessee, mortgagee or occupier of a house or dwelling in respect of which a notice is served to which paragraph 7(5) applies (duty to state reasons for adverse decision) who is aggrieved at the decision of the local housing authority may make a written representation to that effect to the Secretary of State.
 - (2) The representation shall be made in the prescribed manner and within the period within which an objection may be made to the compulsory purchase order concerned.
 - (3) The Secretary of State may if he thinks it appropriate to do so and (if he considers it necessary) after causing the house or dwelling concerned to be inspected by an officer of his, give directions for the making by the local housing authority of a payment (or, as the case may be, a further payment) in respect of the house or dwelling concerned, of the amount ascertained in accordance with paragraph 4 or, as the case may require, one-half of that amount.

SCHEDULE 24

Section 587.

PAYMENTS IN RESPECT OF HOUSES WHICH ARE OWNER-OCCUPIED OR USED FOR BUSINESS PURPOSES

PART I

PAYMENTS IN RESPECT OF OWNER-OCCUPIED HOUSES

Introductory.

- 1 (1) This Part of this Schedule applies where a house—
- (a) has been acquired at site value in accordance with section 585 (site value compensation for unfit houses acquired), or
 - (b) has been vacated in pursuance of a demolition order or closing order under section 265 (unfit houses beyond repair at reasonable cost), or
 - (c) might have been the subject of such a demolition order but is vacated and demolished in pursuance of an undertaking for its demolition given to the local housing authority.
- (2) The “relevant date” for the purposes of this part of this Schedule is—
- (a) if the house was purchased compulsorily under section 192 (house subject to repair notice found to be beyond repair), the date when the notice mentioned in that section was served;
 - (b) if the house was vacated in pursuance of a demolition order or closing order, the date when the order was made;
 - (c) if the house was demolished in pursuance of an undertaking given in accordance with section 264, the date when the undertaking was given;
 - (d) if the house was comprised in an area declared as a clearance area under section 289, the date when the area was so declared;
 - (e) if the house was purchased compulsorily in pursuance of a notice served under section 300 (purchase of condemned house for temporary housing use), the date when the notice was served.

Right to payment: main cases.

- 2 (1) Where this Part of this Schedule applies and—
- (a) on the relevant date and throughout the period of two years ending with that date the house was wholly or partly occupied as a private dwelling, and
 - (b) the person so occupying it (or, if during that period it was so occupied by two or more persons in succession, each of those persons) was a person entitled to an interest in the house or a member of the family of a person so entitled,
- the local housing authority shall make in respect of that interest a payment of an amount determined in accordance with the following provisions of this Part of this Schedule.
- (2) The authority shall also make such a payment where an interest in the house was acquired by a person less than two years before the relevant date if—
- (a) the conditions specified in sub-paragraph (1) were met for the period beginning with the acquisition and ending with the relevant date,

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- (b) the authority are satisfied that before acquiring the interest he made all reasonable inquiries to ascertain whether it was likely that the notice, order, undertaking or declaration in question would be served, made or given within two years of the acquisition, and that he had no reason to believe that it was likely, and
 - (c) the person entitled to the interest when the house is purchased or vacated is the person mentioned above or a member of his family.
- (3) For the purposes of this paragraph a person previously in occupation of the whole or part of the house who, during a part of the qualifying period amounting (or parts together amounting) to not more than one year, was not in occupation by reason only of—
- (a) a posting in the course of his duties as a member of the armed forces of the Crown, or
 - (b) a change in the place of his employment or occupation,
- shall be deemed to have continued in occupation during that part or those parts.

Right to payment: occupation before 13th December 1955.

- 3 (1) Where this Part of this Schedule applies and—
- (a) on 13th December 1955 the house was wholly or partly occupied as a private dwelling,
 - (b) the person so occupying it was (or was a member of the family of) a person who acquired an interest in the house by purchase for value on or after 1st September 1939 and either before 13th December 1955 or before the relevant date, and
 - (c) at the date when the house was purchased or vacated that person or a member of his family was entitled to an interest in the house,
- the local housing authority shall make in respect of that interest a payment of an amount determined in accordance with the following provisions of this Part of this Schedule.
- (2) Where a person ceased to occupy a house or part of a house not more than one year before 13th December 1955 by reason only of—
- (a) a posting in the course of his duties as member of the armed forces of the Crown, or
 - (b) a change in the place of his employment or occupation,
- sub-paragraph (1) has effect as if he had occupied the house or part on that day in like manner as immediately before he ceased to occupy it.
- (3) This paragraph applies only where no payment falls to be made under paragraph 2.

Amount of payment.

- 4 (1) The amount of the payment to be made in respect of an interest is its full compulsory purchase value less the compensation which was or would have been payable in respect of the interest in connection with the compulsory purchase of the house at site value.
- (2) For this purpose—

- (a) “full compulsory purchase value” means the compensation which would be payable in respect of the compulsory purchase of that interest if it fell to be assessed in accordance with the Land Compensation Act 1961, and
 - (b) “site value” means compensation assessed in accordance with section 585.
- (3) The amount payable shall be reduced by so much, if any, of the amount as may reasonably be attributed to any part of the house occupied, at the date of the making of the order in question or the giving of the undertaking, for any purposes other than those of a private dwelling.
- (4) Any question as to the purposes for which any part of a house was occupied shall be determined by the Secretary of State; subject to that, the amount of any payment under this Part of this Schedule shall be determined (in default of agreement) as if it were compensation payable in respect of the compulsory purchase of the interest and shall be dealt with accordingly.

Supplementary provisions.

- 5 (1) In this Part of this Schedule—
- “house” includes any building constructed or adapted wholly or partly for use as a dwelling, and
 - “interest” in a house does not include the interest of a tenant for a year or any less period or of a statutory tenant.
- (2) For the purposes of this Part of this Schedule a person who on the death of another became entitled to an interest of his shall be deemed to have been entitled to that interest as from the date of death.
- (3) A payment under this Part of this Schedule in respect of an interest which, at the date when the house was purchased compulsorily or, as the case may be, vacated, was held by virtue of an agreement to purchase by instalments shall be made to the person entitled to the interest at that date.
- 6 (1) For the purposes of this Part of this Schedule a person is a member of another’s family if that person is—
- (a) the other’s wife or husband, or
 - (b) a son or daughter or a son-in-law or daughter-in-law of the other, or of the other’s wife or husband, or
 - (c) the father or mother of the other, or of the other’s wife or husband.
- (2) In sub-paragraph (1)(b) any reference to a person’s son or daughter includes a step-son or step-daughter and any illegitimate son or daughter of that person, and “son-in-law” and “daughter-in-law” shall be construed accordingly.

PART II

PAYMENTS IN RESPECT OF HOUSES USED FOR BUSINESS PURPOSES

Introductory.

- 1 (1) This Part of this Schedule applies where a house—
- (a) has been purchased at site value in pursuance of section 585,

- (b) has been vacated in pursuance of a demolition order under section 265 (unfit houses beyond repair at reasonable cost), or
- (c) might have been the subject of such a demolition order but is vacated and demolished in pursuance of an undertaking for its demolition given to the local housing authority.

- (2) The “relevant date” for the purpose of this Part of this Schedule is—
- (a) if the house was purchased compulsorily, the date of making of the compulsory purchase order;
 - (b) if the house was vacated in pursuance of a demolition order, the date when the order was made;
 - (c) if the house was vacated in pursuance of an undertaking for its demolition, the date when the undertaking was given.

Right to payment: main case.

- 2 If at the relevant date and at all times during the two years preceding that date—
- (a) the house was occupied wholly or partly for the purposes of a business, and
 - (b) the person entitled to the receipts of the business held an interest in the house,

the local housing authority shall make in respect of that interest a payment of the amount specified in the following provisions of this Part of this Schedule

Right to payment: business use on 13th December 1955.

- 3 The authority shall also make such a payment if no payment falls to be made under paragraph 2 but the conditions specified in sub-paragraphs (a) and (b) of that paragraph were satisfied at the relevant date and on 13th December 1955.

Amount of payment.

- 4 (1) The amount of the payment to be made in respect of an interest is its full compulsory purchase value less the compensation which was or would have been payable in respect of the interest in connection with the compulsory purchase of the house at site value.
- (2) For this purpose—
- (a) “full compulsory purchase value” means the compensation which would be payable in respect of the compulsory purchase of that interest if it fell to be assessed in accordance with the Land Compensation Act 1961, and
 - (b) “site value” means compensation assessed in accordance with section 585.
- (3) The amount payable shall be reduced by so much, if any, of the amount as may reasonably be attributed to any part of the house not occupied at the relevant date for the purposes of the business.
- (4) Any question arising under sub-paragraph (3) as to the purposes for which any part of a house was occupied shall be determined by the Secretary of State; subject to that, the amount of any payment under this Part of this Schedule shall be determined (in default of agreement) as if it were compensation payable in respect of the compulsory purchase of the interest and shall be dealt with accordingly.

Supplementary provisions.

5 In this Part of this Schedule—

“business”, in relation to the purposes for which a house was occupied, does not include the letting of accommodation in the house, whether with or without service;

“house” includes any building constructed or adapted wholly or partly for use as a dwelling;

“interest” in a house does not include the interest of a tenant for a year or any less period or of a statutory tenant.