



# Leasehold Reform, Housing and Urban Development Act 1993

## 1993 CHAPTER 28

### PART II

#### PUBLIC SECTOR HOUSING

#### CHAPTER I

#### ENGLAND AND WALES

##### *Disposals of dwelling-houses by local authorities*

#### **136 Levy on disposals.**

- (1) For the purposes of this section a disposal of one or more dwelling-houses by a local authority to any person is a qualifying disposal if—
  - (a) it requires the consent of the Secretary of State under section 32 of the 1985 Act (power to dispose of land held for the purposes of Part II), or section 43 of that Act (consent required for certain disposals not within section 32); and
  - (b) the aggregate of the following, namely—
    - (i) the number of dwelling-houses included in the disposal; and
    - (ii) the number of dwelling-houses which, within any relevant period, have been previously or are subsequently disposed of by the authority to that person, or that person and any associates of his taken together, exceeds 499 or, if the Secretary of State by order so provides, such other number as may be specified in the order.
- (2) In subsection (1) “relevant period” means—
  - (a) any period of five years beginning after the commencement of this section and including the date of the disposal; or

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**Changes to legislation:** Leasehold Reform, Housing and Urban Development Act 1993, Section 136 is up to date with all changes known to be in force on or before 27 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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- (b) if the Secretary of State by order so provides, any such other period beginning after that commencement and including that date as may be specified in the order.
- (3) A local authority which after the commencement of this section makes a disposal which is or includes, or which subsequently becomes or includes, a qualifying disposal shall be liable to pay to the Secretary of State a levy of an amount calculated in accordance with the formula—

$$L = (CR - D) \times P$$

where—

L = the amount of the levy;

[<sup>F1</sup>CR = the aggregate of—

(i) any sums received by the authority in respect of the disposal which are capital receipts for the purposes of Chapter 1 of Part 1 of the Local Government Act 2003 (capital finance etc) and do not fall within a description determined by the Secretary of State; and

(ii) any capital receipts which the authority is treated as having by virtue of the application, in relation to the disposal, of regulations under section 10 of the Local Government Act 2003 (power to make provision about disposal consideration not received by the person making the disposal or not received in the form of money)]

D = such amount as may be calculated in accordance with such formula as the Secretary of State may determine;

P = 20 per cent. or, if the Secretary of State by order so provides, such other percentage as may be specified in the order.

- (4) A formula determined for the purposes of item D in subsection (3) may include any variable which is included in a determination made for the purposes of section 80 of the 1989 Act (calculation of Housing Revenue Account subsidy).

[<sup>F2</sup>(4A) The power of the Secretary of State to determine a formula for the purposes of item D in subsection (3) shall include power to determine that, in such cases as he may determine, item D is to be taken to be equal to item CR.]

- (5) The administrative arrangements for the payment of any levy under this section shall be such as may be specified in a determination made by the Secretary of State, and such a determination may in particular make provision as to—
- (a) the information to be supplied by authorities;
  - (b) the form and manner in which, and the time within which, the information is to be supplied;
  - (c) the payment of the levy in stages in such circumstances as may be provided in the determination;
  - (d) the date on which payment of the levy (or any stage payment of the levy) is to be made;
  - (e) the adjustment of any levy which has been paid in such circumstances as may be provided in the determination;

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- (f) the payment of interest in such circumstances as may be provided in the determination; and
  - (g) the rate or rates (whether fixed or variable, and whether or not calculated by reference to some other rate) at which such interest is to be payable;
- and any such administrative arrangements shall be binding on local authorities.

(6) Any amounts by way of levy or interest which are not paid to the Secretary of State as required by the arrangements mentioned in subsection (5) shall be recoverable in a court of competent jurisdiction.

<sup>F3</sup>(7) .....

<sup>F3</sup>(8) .....

<sup>F3</sup>(9) .....

(10) Any sums received by the Secretary of State under this section shall be paid into the Consolidated Fund; and any sums paid by the Secretary of State by way of adjustment of levies paid under this section shall be paid out of money provided by Parliament.

(11) Before making an order or determination under this section, the Secretary of State shall consult such representatives of local government as appear to him to be appropriate.

(12) An order <sup>F4</sup>... under this section—

- (a) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament;
- (b) may make different provision for different cases or descriptions of case, or for different authorities or descriptions of authority; and
- (c) may contain such transitional and supplementary provisions as the Secretary of State considers necessary or expedient.

(13) Any determination under this section—

- (a) may make different provision for different cases or descriptions of case, or for different authorities or descriptions of authority; and
- (b) may be varied or revoked by a subsequent determination.

<sup>F5</sup>(14) In this section—

“the 1989 Act” means the Local Government and Housing Act 1989;

“dwelling-house” has the same meaning as in Part 5 of the 1985 Act except that it does not include a hostel (as defined in section 622 of that Act) or any part of a hostel;

“local authority” has the meaning given by section 4 of that Act;

“long lease” means a lease for a term of years certain exceeding 21 years other than a lease which is terminable before the end of that term by notice given by or to the landlord;

“subsidiary” has the same meaning as in section 61 of the Housing Act 1996 but as if references in subsection (2) of that section and section 60 of that Act to registered social landlords and landlords were references to housing associations (within the meaning of the Housing Associations Act 1985).

(15) For the purposes of this section—

- (a) a disposal of any dwelling-house is to be disregarded if at the time of the disposal the local authority's interest in the dwelling-house is or was subject to a long lease;

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- (b) two persons are associates of each other if—
  - (i) one of them is a subsidiary of the other;
  - (ii) they are both subsidiaries of some other person; or
  - (iii) there exists between them such relationship or other connection as may be specified in a determination made by the Secretary of State; and
- (c) a description of authority may be framed by reference to any circumstances whatever.]

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#### Textual Amendments

- F1** Words in s. 136(3) substituted (1.4.2004) by [The Local Authorities \(Capital Finance\) \(Consequential, Transitional and Saving Provisions\) Order 2004 \(S.I. 2004/533\)](#), arts. 1, **5(a)**
- F2** S. 136(4A) inserted (*retrospectively*) by 1997 c. 16, **s.109**
- F3** S. 136(7)(8)(9) repealed (1.4.2004) by [The Local Authorities \(Capital Finance\) \(Consequential, Transitional and Saving Provisions\) Order 2004 \(S.I. 2004/533\)](#), arts. 1, **5(b)**
- F4** Words in s. 136(12) omitted (1.4.2004) by virtue of [The Local Authorities \(Capital Finance\) \(Consequential, Transitional and Saving Provisions\) Order 2004 \(S.I. 2004/533\)](#), arts. 1, **5(c)**
- F5** S. 136(14)(15) substituted for s. 136(14) (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), **Sch. 14 para. 3(3)**; S.I. 2008/3068, art. 4(1)(c) (with arts. 6-13)

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#### Modifications etc. (not altering text)

- C1** S. 136 amended (28.11.1994) by S.I. 1994/2825, **reg. 53**

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

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

- s. 12A and cross-heading inserted by 2002 c. 15 s. 123(1)
- s. 12A(3)(a)(b) words substituted by S.I. 2009/1941 Sch. 1 para. 140(5)
- s. 12A(4)(a) words substituted by S.I. 2009/1941 Sch. 1 para. 140(5)
- s. 12A(4)(c) words substituted by S.I. 2009/1941 Sch. 1 para. 140(5)
- s. 13(2ZA) inserted by 2002 c. 15 s. 121(3)
- s. 13(2ZB) inserted by 2002 c. 15 s. 123(2)
- s. 13(5A) inserted by 2002 c. 15 Sch. 8 para. 6(3)
- s. 29(4A) inserted by 2002 c. 15 Sch. 8 para. 18(2)
- s. 29(4A) words added by S.I. 2003/2096 Sch. para. 20(b)
- s. 29(4A)(a) words omitted by S.I. 2003/2096 Sch. para. 20(a)
- s. 29(4A)(d) words substituted by S.I. 2009/1941 Sch. 1 para. 140(6)
- s. 70(15) inserted by 2023 asc 3 Sch. 13 para. 166(b)
- s. 78(5A)-(5C) inserted by 2008 c. 17 Sch. 12 para. 15(3)
- s. 78(7) inserted by 2008 c. 17 Sch. 12 para. 15(4)
- s. 79(2)(2A) substituted for s. 79(2) by 2002 c. 15 Sch. 10 para. 16(3)
- s. 156(4) repealed by 2014 asp 14 sch. 2 para. 7
- Sch. 20 para. 5(1A) inserted by 2008 c. 29 Sch. 9 para. 5(2)