

Leasehold Reform Bill

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Amend the law relating to long leaseholders; to confer further powers on leaseholders; to make provision in relation to leaseholders in local council owned property and property owned by other social landlords; to confer powers on landlords to create sinking funds; to make requirements of landlords relating to the management of property; and for connected purposes.

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Involvement of tenants in decisions on works

- (1) The Landlord and Tenant Act 1985 (c. 70) is amended as follows.
- (2) In section 20ZA (consultation requirements: supplementary), for subsection (5) substitute—
 - “(5) Regulations under subsection (4) shall include provision— 5
 - (a) requiring the landlord to give reasons in prescribed circumstances for carrying out works;
 - (b) requiring the landlord to provide details of proposed works, including estimates of costs, to tenants or the recognised tenants’ association representing them; 10
 - (c) requiring the landlord to invite residential tenants or the recognised tenants’ association to propose the names of persons from whom the landlord should try to obtain other estimates;
 - (d) requiring the landlord to consult those tenants affected by the proposed works on— 15
 - (i) the specifications for any tenders issued in respect of the proposed works, and
 - (ii) all tenders received in respect of the proposed works;
 - (e) to enable tenants or the recognised tenants’ association to submit, within a specified period of time, a counter-proposal in 20

- respect of proposed works, specifying alternative provision of the proposed works;
- (f) requiring the landlord to –
- (i) have regard to any observations made by tenants or the recognised tenants’ association in relation to the proposed works, 5
 - (ii) hold a ballot of the tenants directly affected by the proposed works on any counter-proposal that is supported by 25 per cent or more of those tenants directly affected by the proposed works, and 10
 - (iii) adopt the counter-proposal if it is supported by a majority of tenants directly affected by the proposed works in the ballot;
- (g) requiring the landlord to make available for inspection by the public at reasonable times and for a period of ten years – 15
- (i) details of any proposed works and any responses to consultations on such works,
 - (ii) any counter-proposals that are supported by more than 25 per cent of tenants directly affected by the proposed works, and 20
 - (iii) any requests to a residential property tribunal service for adjudication and details of the consequent decisions;
- (h) in cases of dispute, for a leasehold valuation tribunal or other independent arbitration tribunal to make a determination in respect of proposed works or agreements upon application by a landlord, residential tenant or the recognised tenants’ association.” 25
- (3) In section 19 (limitation of service charges: reasonableness), after subsection (3) insert –
- “(3A) If the relevant contribution of any residential tenant in any 12 month period exceeds £12,000, arrangements must be made by the landlord for such tenants to pay that contribution in monthly instalments not exceeding £250 for that period.” 30
- ## 2 Consultation on proposals by the Secretary of State
- (1) The Housing Act 1985 (c. 68) is amended as follows. 35
- (2) In section 105 (consultation on matters of housing management), after subsection (2)(b) insert –
- “(c) a proposed measure or policy relating to the matters specified in paragraphs (a) and (b) about which the Secretary of State has published a consultation document to which the landlord authority intends to make a written response.” 40
- ## 3 Power to buy back a share of a property
- (1) The Secretary of State must, within 12 months of the date on which this Act is passed, make regulations conferring duties and powers on local authority landlords to buy back, at the request of a residential tenant and after a specified period from that tenant’s purchase of the lease, a proportion of the property concerned. 45

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- (2) The Secretary of State may, by order, specify –
 (a) the period referred to in subsection (1); and
 (b) the proportion referred to in subsection (1).
- (3) The Secretary of State may, by order, vary the amounts specified in any order made under subsection (2). 5
- (4) Orders and regulations made by the Secretary of State under this section shall be made by statutory instrument.
- (5) A statutory instrument containing an order or regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament. 10

4 Sinking funds

- (1) The Secretary of State must, within 12 months of the date on which this Act is passed, make regulations regarding the terms of leases granted by local authorities for residential properties.
- (2) The regulations made under subsection (1) shall provide that all leases granted by local authorities for residential properties shall be deemed to include provision for tenants to make contributions to a sinking fund to be used to finance any proposed works in relation to tenants' properties. 15
- (3) Regulations made by the Secretary of State under this section shall be made by statutory instrument. 20
- (4) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.

5 Short title

- (1) This Act may be cited as the Leasehold Reform Act 2008.
- (2) This Act extends to England and Wales. 25

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