SUPPLEMENTARY LEGISLATIVE CONSENT MEMORANDUM (MEMORANDUM NO 3)

Leasehold and Freehold Reform Bill

- This legislative consent memorandum (LCM) is laid under Standing Order ("SO") 29.2. SO29 prescribes that a legislative consent memorandum must be laid, and a legislative consent motion may be tabled, before Senedd Cymru if a UK Parliamentary Bill makes provision in relation to Wales for any purpose within, or which modifies the legislative competence of the Senedd.
- The Leasehold and Freehold Reform Bill ("the Bill") was introduced in the UK Parliament, the House of Commons, on 27 November 2023. I laid an LCM on the Bill as introduced on 12 December 2023. I then laid a supplementary LCM (Memorandum No. 2) on 30 January 2024 following amendments tabled at House of Commons Committee stage.
- 3. The UK Government tabled 71 amendments on 20 February and a further 29 on 22 February for consideration at Commons Report which took place on 27 February. The majority of the amendments make provision which fall within the legislative competence of the Senedd, as detailed in paragraphs 15 to 43 below.
- 4. In this document I will refer to clause numbers from the Bill as amended Commons Committee Stage, which can be found at this link: <u>Leasehold and Freehold Reform Bill (parliament.uk)</u>.

Policy Objective(s)

5. The UK Government's stated policy objectives are to:

Amend the rights of tenants under long residential leases to acquire the freeholds of their houses, to extend the leases of their houses or flats, and to collectively enfranchise or manage the buildings containing their flats, to give such tenants the right to reduce the rent payable under their leases to a peppercorn, to regulate charges and costs payable by residential tenants, to regulate residential estate management and to regulate rent charges.

Summary of the Bill

- 6. The Bill is sponsored by the Department of Levelling Up, Communities and Housing.
- 7. The key provisions of the Bill cover:
 - Increasing the standard lease extension term for houses and flats to 990-years (up from 90 years for flats, and 50 years for houses), with ground rent reduced to a peppercorn (zero financial value) upon payment of a premium.

- Removing the so-called 'marriage value'.
- Removing the requirement for a new leaseholder to have owned their house or flat for 2 years before they can benefit from these changes.
- Increasing the 25% 'non-residential' limit which applies to mixed use properties, and which may prevent leaseholders in buildings with a mixture of homes and other uses such as shops and offices, from buying their freehold or taking over management of their buildings.
- Requiring transparency over leaseholders' service charges
- Replacing buildings insurance commissions for managing agents and landlords with transparent administration fees.¹
- Scrapping the presumption for leaseholders to pay their landlords' legal costs when challenging poor practice.
- Granting freehold homeowners on private and mixed tenure estates the same rights of redress as leaseholders.
- 8. The first LCM which I laid on 12 December includes more information on the provisions included in the Bill as introduced into Parliament on 27 November.
- 9. House of Commons Committee Stage took place between 16 and 30 January 2024. During this stage a mixture of substantive and minor and technical amendments were made, which are described more fully in the second memorandum which I laid on 30 January. In brief, the main substantive amendments made at this stage were:
 - Requirement that service charges and estate management charges, which will be made after the normal 18-month time period for a charge demand, must have been notified to homeowners via a notice, which must include specified information including about the likely cost and date of payment.
 - Extending a new right to homeowners subject to estate management charges to apply to the appropriate tribunal (Leasehold Valuation Tribunal (LVT) in Wales) to have a manager appointed in place of their current estate manager, in certain circumstances.
 - New rights for leaseholders and homeowners subject to estate charges to request information to support the sale of their property. Information must be provided within a specified timeframe and cost.
 - Specific exemptions to the new enfranchisement regime outlined in the Bill for leaseholders of the National Trust and for leaseholders of community housing providers.
 - Provision to reduce rent payable by an intermediate leaseholder, where their income has been affected by a leaseholder exercising the new right to an extended lease at a peppercorn ground rent.
 - Clarification of the enfranchisement rights available to leaseholders of shared ownership properties.

2

¹ In this document I refer to 'landlord' to denote the freeholder or superior leaseholder in leasehold arrangements, in order to avoid any confusion with the use of freeholder to describe homeowners subject to estate management charges which are the subject of Part 4 of the bill.

- 10. The Bill and the amendments which are the subject of this supplementary memorandum largely amend existing England and Wales leasehold legislation, most notably the Leasehold Reform Act 1967 ("LRA 1967"), the Leasehold Reform, Housing and Urban Development Act 1993 ("LRHUDA 1993), the Leasehold and Commonhold Reform Act 2002 ("CLRA 2002"), and the Landlord and Tenant Act 1985 ("LTA 1985").
- 11. The Bill also amends the remit of the devolved Leasehold Valuation Tribunal ("LVT").
- 12. Regular engagement between officials has continued as these further amendments have been developed.

Update on position since the publication of the second Legislative Consent Memorandum

- 13. As I have previously set out, Welsh Government officials have continued to liaise with counterparts in the UK Government regarding amendment of the Bill. I understand the UK Government is giving consideration to the recent consultation on the limitation of ground rent in existing leases, and that decisions made as a result of this consultation may be added to the Bill at a later stage. My officials will continue to work with UK Government to ensure that provisions being developed which will apply in Wales are appropriate.
- 14. An updated version of the Bill was published after House of Commons Committee stage. Annex A contains a table which outlines the changes to clause numbers following the amendments made at each relevant stage of the Bill's passage so far.

Provisions tabled by the UK Government for consideration at House of Commons Report stage for which consent is required

- 15. As set out in the previous memoranda on this Bill, my view is that where this Bill makes provision in relation to Wales, it is for a purpose within the legislative competence of the Senedd, namely housing, and therefore the majority of the Bill, as amended by Government amendments at Report stage, triggers the requirement for consent.
- 16. In this section I will briefly explain the effect of the Government amendments proposed at Report stage. I have grouped the major amendments, and refer to the clause numbers of the Bill as amended at Commons Committee Stage, as well as the UK Government amendment numbers (eg Gov 28, NC 52) as set out in the amendment list at this link: leasehold-rm-rep-0223.pdf (parliament.uk).

- 17. The most significant set of amendments made at Report stage implement a long-standing commitment to end the use of leasehold for new houses.
- 18. New clause 'Ban on grant or assignment of certain long residential leases of houses' (NC42) introduces the new provision that new leases of houses must not be granted on or after the date on which this section comes into force. It also protects against a potential loophole whereby a lease of land is then sold on with a house having been built on it.
- 19. New clauses 'Long residential leases of houses' (NC43), 'Leases which have a long term' (NC44), 'Series of leases whose term would extend beyond 21 years' (NC45), 'Houses' (NC46), and 'Residential leases' (NC47) define which leases will be impacted by the ban.
- 20. New clause 'Permitted leases' (NC48), and new schedule 'Categories of permitted lease' (NS2) set out which types of leases will still be permitted to be used for new houses once the ban comes into force. Part 1 of the schedule sets out that some types of leases must be certified by a tribunal in order to be permitted: leases granted out of historical estates; community housing leases; retirement housing leases; and leases of certain National Trust properties. Part 2 sets out some types of lease which may be self-certified as permitted: leases agreed before commencement; shared ownership leases meeting specified conditions; home finance plan leases; certain specified types of extended leases; and agricultural leases. The Secretary of State is given powers to further specify conditions which should be fulfilled by permitted community housing leases, retirement housing leases and home finance plan leases.
- 21. New clause 'Permitted leases: certification by the appropriate tribunal' (NC49) sets out that the tribunal (LVT in Wales) must consider and issue applications for permitted lease certificates where they are satisfied that the lease will fall within Part 1 of the permitted leases schedule.
- 22. New clauses 'Permitted leases: marketing restrictions' (NC50) and 'Permitted leases: transaction warning conditions' (NC51) set out the information which must be provided to prospective purchasers about the fact that the property is a permitted leasehold house during marketing, and ahead of the grant of the lease. The Welsh Ministers for Wales (or the Secretary of State for England) may by regulations specify the form, content and manner of issuing of a 'warning notice' which must be served on the prospective leaseholder. Together, these clauses should ensure that anyone considering purchasing a permitted leasehold house is aware of the tenure and the reason why the house is able to be sold as a leasehold property.
- 23. New clauses 'Prescribed statements in new long leases' (NC52) and 'Restriction on title' (NC53) provide that a statement of compliance with these provisions must be included in leases issued following commencement, and that where this is not the case, a restriction must be

- placed on the registration of the property by the Land Registry to prevent onward sale until the omission is rectified. This will ensure that leases of houses which contravene the new provisions are identified and addressed, either by varying the lease to include the specified information about why the house is permitted, or by the homeowner seeking redress for the breach of the ban.
- 24. New clauses 'Redress: right to acquire a freehold or superior leasehold estate' (NC54), 'Redress: application of the right to acquire' (NC55), 'Redress: general provision' (NC56) and 'Redress regulations: exercising and giving effect to the right to acquire' (NC57) set out the legal remedy available to homeowners who have inadvertently acquired a leasehold house which is not permitted. Homeowners in such a position are entitled to be given the freehold (or a superior leasehold) of their property, for no charge, effectively reinstating the estate which they should have been given since their property should not have been sold as leasehold. These clauses set out who this remedy should be available to, and how it should operate. The Secretary of State may make regulations to give effect to the right to acquire, including specifying notices and processes to be followed by the holder of the right and the landlord, specific issues to be dealt with in conveyancing, and any related tribunal (LVT in Wales) cases.
- 25. New clauses 'Enforcement by trading standards authorities' (NC58), 'Financial penalties' (NC59), 'Financial penalties: cross border enforcement' (NC60), 'Lead enforcement authority' (NC61), 'General duties of lead enforcement authority' (NC62), 'Enforcement by lead enforcement authority' (NC63), 'Further powers and duties of enforcement authorities' (NC64) and new schedule 'Financial penalties' (NS3) set out the enforcement regime. Enforcement is to be undertaken by local weights and measures (trading standards) authorities, who may impose a financial penalty of between £500 and £30,000 for a breach of leasehold house restrictions. These clauses set out who may enforce and under what circumstances, and the potential for a lead enforcement authority to be designated who could enforce on other authorities' behalf, as well as provide guidance and oversight on enforcement. The Secretary of State may make regulations in relation to the lead enforcement authority, notices required to be given in relation to financial penalties, and to amend the amount of penalties available to enforcement authorities to reflect changes in the value of money. Gov 85 makes consequential amendment to clause 87 'Extent' as a result of NC64.
- 26. New clause 'Power to amend: permitted leases and definitions' (NC65) sets out the power of Secretary of State to amend by regulation definitions of 'long residential lease of a house', leases which have a long term, and 'house', to add or remove categories of permitted lease (these powers are subject to the affirmative procedure), and to amend a category of permitted leases (this power is subject to the negative procedure). New clause 'Interpretation of Part A1' (NC66) provides interpretation for terms used in this new part of the Bill.

Shared ownership

- 27. Gov 24 amends clause 8 which deals with lease extensions of houses under LRA 1967 Act, to make clear that only the ground rent on the tenant's share of the leasehold property is extinguished by a lease extension, and not any rent liability related to the portion of the property still owned by the shared ownership provider. Gov 29 proposes changes to clause 10 which amends LRHUDA 1993 to achieve the same result in respect of lease extensions for flats. Similarly, Gov 69 proposes an amendment to schedule 7 to the effect that where the rent under a shared ownership lease is reduced under Schedule 7 to the Bill, only the rent payable in respect of the tenant's share will be reduced to a peppercorn. Gov 28 amending clause 10 is consequential on Gov 29 and Gov 52 amending Schedule 2 is consequential on Gov 24 and 25.
- 28. Gov 65 and Gov 66 amend Schedule 6 to apply the commutation principles introduced in the Committee stage amendments (outlined in Memorandum 2) to shared ownership leases. The rent payable by an intermediate leaseholder, who is superior to a shared ownership leaseholder who has exercised a lease extension right, should be reduced, where the ground rent under the shared ownership leaseholder's extended lease has been reduced to a peppercorn. This reduction should only take place where the shared owner paid ground rent (rather than any rent on the portion of the property owned by the shared ownership provider). Gov 65 amends provisions in LRA 1967 which deals with leasehold flats. Gov 67 corrects an error.

Enfranchisement under LRA 1967

- 29. Gov 36 amends clause 20 to make it clear that where existing law which will be retained under the Bill restricts a leaseholder's ability to make a further claim to acquire a freehold for a time, that restriction only applies in relation to further 'preserved law claims'. This means that such leaseholders are not prevented from exercising other rights which they may wish to access. Gov 35 is consequential on this change.
- 30. Gov 63 amends Schedule 6, which in turn amends LRA 1967 to clarify the types of orders and regulations which may be made under that Act. Gov 31, 32, 33, 50 and 51 are all consequential on this change.

Crown application

- 31. Several amendments are made which clarify the Bill's application to the Crown.
- 32. New clause 'LTA 1985: Crown application' (NC26) moves provision currently located in CLRA 2002 about application to the Crown of sections of LTA 1985 into that Act. Gov 40, 41 and 82 are consequential on this new clause. These changes have the purpose of moving provision about Crown application of the LTA 1985 currently in the Commonhold and Leasehold Reform Act 2002 into the LTA 1985 and clarifying which of the

leasehold provisions in the Landlord and Tenant Act 1985 bind the Crown, with respect to tenants having the right to request information from their landlord. Currently the Crown is bound by the provisions where it acts as a landlord (as set out in Section 172 of the Commonhold and Leasehold Reform Act 2002), but it is not bound in circumstances where it may be asked to provide information as a third party. These amendments address this and clarify that where a landlord requires information and the Crown, as a third party, holds that necessary information, then the Crown must provide it.

33. New clause 'Part 4: Crown application' (NC27), and Gov 42 which is consequential on it, relate to Part 4 of the Bill and omits Clause 70 to clarify how Part 4 applies to the Crown. It binds the Crown in respect of all homebuying and selling sales information obligations on managed estates as set out in Part 4 (clauses 66-69). It would also bind the Crown where there are third party obligations placed on it in relation to the provision of information (clause 52). For example, where the estate management is carried out by another person – whether this is an estate management company or a government department – and the Crown, as a third party, holds that necessary information, then the Crown must provide it.

Ground rent buy out

- 34. Gov 54 amends the new valuation regime set out in Schedule 2 to the Bill in order to provide that any reduction of rent payable by a person as a tenant, where there is commutation of rent, is taken into account when determining the person's loss for the purpose of sharing the consideration payable on an enfranchisement or extension.
- 35. Gov 70-73 and 76 amend Schedule 7 to deal with the situation where there are intermediate leases which would be impacted by the exercise of a ground rent buy out. Gov 71 provides a formula to calculate how much of the premium payable to exercise the right should be divided, Gov 72 defines who may be considered an 'eligible landlord' for the purpose of the calculation in Gov 71, and Gov 70 provides that where there are intermediate leases, the lease variation may still proceed without shares of the premium due to each landlord having been determined.
- 36. Gov 73 provides that the appropriate tribunal (LVT in Wales) may determine any matter relating to commutation of rent due on intermediate leases where a leaseholder has exercised the right to ground rent buy out. Gov 76 sets out that the immediate landlord should deal with ground rent buy out claims on behalf of all other qualifying intermediate leaseholders, how their actions bind those other landlords, and in what ways the other landlords may participate, if they wish to.
- 37. Other minor and consequential amendments are made to Schedule 7, which are listed in the section below.

Further minor, technical and consequential amendments

- 38. Gov 23 and 84 update the long title of the Bill to better reflect the contents following further amendments proposed at Report stage.
- 39. Gov 25, 34, 57, 58, 61, 62, 64, 74, 75, 79 and 80 are all consequential amendments.
- 40. Clause 10 is amended by Gov 27 to clarify what is valued in a collective enfranchisement. Gov 30 provides a minor clarification to clause 11 to explain that amendments in Schedule 5 are consequential on clauses 9 to 11 and Schedules 2 to 4. Schedule 5 is amended by Gov 59 to confirm in what circumstances tenants may pay amounts into tribunal under section 56(3) of LRHUDA 1993. Gov 81 amends Schedule 7 to clarify the procedure for regulations under paragraph 18.
- 41. Gov 37, 38 and 39 help implement legal costs changes by amending clauses 35 and 36 to make clear what proceedings concern a lease for the purposes of new sections the Bill is adding to LTA 1985 and CLRA 2002.
- 42. Gov 53 and 55 correct incorrect cross-references in Schedule 2. Gov 68 and 78 make minor amendments to Schedule 7 to bring wording into line with the rest of the Bill.
- 43. Gov 60 amends Schedule 5 to add further consequential amendments to LRA 1967 and LRHUDA 1993. Gov 26 which amends clause 9, Gov 56 which amends Schedule 5 and Gov 77 which amends Schedule 7 are themselves consequential on Gov 60.

Amendments which do not engage the requirement for consent

- 44. New clauses NC30-35 amend parts of the Building Safety Act 2022 which only apply to England and Gov 49 is a commencement clause in relation to those clauses which are concerned with building safety and the insolvency of persons who have repairing obligations related to certain types of buildings, and so these amendments do not trigger the requirement for legislative consent.
- 45. Amendments Gov 43-48 to clause 75, new clauses NC28 and NC29 and the NS1 which inserts a new schedule relate to the new requirements being introduced by the Bill for redress scheme membership. These requirements only apply in England and so do not trigger the requirement for legislative consent.

Powers to make subordinate legislation

46. New powers are granted to both the Welsh Ministers and the Secretary of State in relation to new provisions for a leasehold house ban. All regulation-making powers are subject to the negative procedure, except those in new clause 'Power to amend: permitted leases and definitions' (NC65) set out above.

Summary

47. I maintain the view that the requirement for Senedd consent is either triggered or maintained by the amendments proposed by the UK Government at Commons Report stage which were tabled on 20 and 22 February. The only exceptions to this are those amendments to the Building Safety Act 2022 (NCs 30-35 and Gov 49) and to the redress requirements in the Bill (Gov 43-48, NC 28-29 and NS1) which apply only in England. This is because rest of the Bill, as amended by the UK Government at Report stage, makes provision for a purpose within the legislative competence of the Senedd, namely housing, and therefore requires the legislative consent of the Senedd. Additionally, many of the amendments further amend the functioning of the devolved Leasehold Valuation Tribunal, which also requires the consent of the Senedd.

UK Government view on the need for consent

- 48. UK Housing Minister Lee Rowley MP wrote to me on 21 February to set out the UK Government view that the requirement for consent is triggered only by the following amendments:
 - OPC 311, 324, 342, 253, 291, 357 and 367 [Gov 57, 58, 59, 76 and 73, NC 49 and 57]. The UK Government's view is that consent is required for these amendments only to the extent that these provisions relate to the procedure of the leasehold valuation tribunal, as they otherwise relate to the private law restriction.
 - OPC 328-335 (NC 58-64, NS3). The UK Government's view is that consent is required for these amendments only to the extent that these provisions impose functions on devolved Welsh authorities, as they otherwise relate to the private law restriction.
 - OPC 268, 269, 270, 307, 298, 299, 300, 143, 265, 142, 287, 288, 144, 358 and 359 [Gov 31, 32, 33, 34, 37, 38, 39, 40, 41, NC26, 27, 42, 50, 51 and 82]. The UK Government's view is that these provisions do not relate to any restrictions or reservations in the Government of Wales Act 2006.

Reasons for making these provisions for Wales in the Leasehold and Freehold Reform Bill

- 49. The reasoning set out in the initial LCM on this Bill at introduction as to why it is appropriate for UK legislation to make provision for Wales in this Bill still stands. I restate my arguments here for ease of reference.
- 50. I believe it appropriate to pursue joint England and Wales legislation to reform leasehold. In my view this approach will reduce complexity, maximise the clarity and coherence of the law and ensure the new fairer reformed system applies to all.
- 51. I have outlined above where there are differences between my view and the views of UK Government Ministers on the extent to which the Senedd could legislate for the provisions in this Bill. If we were to pursue a Walesonly Bill to achieve the same aims, and it was challenged as not within competence, there may be a significant delay in the benefit of the changes being felt by citizens in Wales. Taking a joint approach avoids this risk.
- 52. In my view, the interconnectedness and commonality of the law in this area mean that it is most effective and appropriate for provision for England and Wales to be taken forward at the same time in the same legislative instrument.
- 53. Similarly, given the complexity of the existing leasehold legislation, a coherent and consistent approach would be beneficial to both England and Wales, particularly given that England and Wales share a highly populated border region.
- 54. Finally, the First Minister's principles for recommending consent to provisions in UK Bills makes reference to it being unwise for the Welsh Government to adopt a self-denying ordinance. In my view, not taking the opportunity afforded by this Bill would represent such a policy.
- 55. As I set out in the previous memoranda on this Bill, although in my view the provisions of this Bill represent significant positive improvements for homeowners in Wales, there continues to be disagreement with UK Government as to the extent to which individual provisions are within the legislative competence of the Senedd, and the extent to which the Welsh Ministers should be able to exercise powers to make subordinate legislation flowing from the Bill. This applies again in the allocation of executive functions in these amendments. I continue to actively engage with UK Government to pursue this matter, and expect amendments to be brought forward during the House of Lords stages of the Bill to address my concerns. I will update the Senedd on my progress in due course.

Financial implications

56. This Bill makes significant provision in relation to the devolved Leasehold Valuation Tribunal, which will have an impact on its powers and case load. Work is ongoing to assess the potential impact on the tribunal and to

understand what the financial implications of that impact will be. The UK Government Impact Assessment for the Bill which covers the wider implications of the Bill as a whole, including the impacts on Wales may be found here.

Conclusion

57. In my view it continues to be appropriate to deal with these provisions in this UK Bill as this approach will reduce complexity, maximise the clarity and coherence of the law and ensure the new fairer reformed system applies to all.

Julie James MS Minister for Climate Change 4 March 2024

Annex A - Comparison table between versions of the Bill

Bill as introduced to the House of Commons on 27 November 2023 <u>Leasehold and Freehold Reform Bill (parliament.uk)</u>

Bill as amended at House of Commons Committee stage and published on 9 February 2024

Leasehold and Freehold Reform Bill (parliament.uk)

Clause number on introduction	Clause description	As amended at House of Commons Committee stage		
Part 1 - Leasehold enfranchisement and extension				
	Eligibility for enfranchisement and extension			
1	Removal of qualifying period before enfranchisement and extension claims	1		
2	Removal of restrictions on repeated enfranchisement and extension claims	2		
3	Change of non-residential limit on collective enfranchisement claims	3		
4	Eligibility for enfranchisement and extension: specific cases	4		
	Effects of enfranchisement			
5	Acquisition of intermediate interests in collective enfranchisement	5		
6	Right to require leaseback by freeholder after collective enfranchisement	6		
	Effects of extension			
7	Longer lease extensions	7		
8	Lease extensions under the LRA 1967 on payment of premium at peppercorn rent	8		
	Price payable on enfranchisement or extension			
9	LRA 1967: determining the price payable for freehold or lease extension	9		
10	LRHUDA 1993: determining the price payable for collective enfranchisement or new lease	10		
11	Enfranchisement or extension: new method for calculating price payable	11		
	Costs of enfranchisement or extension			
12	Costs of enfranchisement and extension under the LRA 1967	12		
13	Costs of enfranchisement and extension under the LRHUDA 1993	13		
	Jurisdiction of the county court and tribunals			
14	Replacement of sections 20 and 21 of the LRA 1967	14		

Clause number on introduction	Clause description	As amended at House of Commons Committee stage
15	References to "the court" in Part 1 of the LRA 1967	15
16	Amendment of Part 1 of LRHUDA 1993	16
17	References to "the court" in Part 1 of LRHUDA 1993	17
	Jurisdiction of the High Court	
18	No first-instance applications to the High Court in tribunal matters	18
	Enfranchisement and extension: miscellaneous amendments	
19	Miscellaneous amendments	19
	Preservation of existing law for certain purposes	
20	LRA 1967: preservation of existing law for certain enfranchisements	20
Part 2 – Other	rights of long leaseholders	
	New right to replace rent with peppercorn rent	
21	Right to vary long lease to replace rent with peppercorn rent	21
	The right to manage	
22	Change of non-residential limit on right to	22
	manage claims	
23	Costs of right to manage claims	23
24	Compliance with obligations arising under Chapter 1 of Part 2 of the CLRA 2002	24
25	No first-instance applications to the High Court in tribunal matters	25
Part 3 – Regu	lation of leasehold	
	Service charges	
26	Extension of regulation to fixed service charges	26
	Notice of future service charge demands	27
27	Service charge demands	28
28	Accounts and annual reports	29
29	Right to obtain information on request	30
30	Enforcement of duties relating to service charges	31
	Insurance	
31	Limitation on ability of landlord to charge insurance costs	32
32	Duty to provide information about insurance to tenants	33
	Administration charges	
33	Duty of landlords to publish administration charge schedules	34
	Litigation costs	

Clause number on introduction	Clause description	As amended at House of Commons Committee stage
34	Limits on rights of landlords to claim litigation costs from tenants	35
35	Rights of tenants to claim litigation costs from landlords	36
	Non-litigation costs: enfranchisement, extension and right to manage	
	Restriction on recovery of non-litigation costs of enfranchisement, extension and right to manage	37
	Appointment of manager by Tribunal	
	Appointment of manager: power to vary or discharge orders	38
	Appointment of manager: breach of redress scheme requirements	39
	Sales information requests	
	Leasehold sales information requests General	40
36	Regulations under the LTA 1985: procedure and appropriate authority	41
37	Part 3: consequential amendments	42
38	Application of Part 3 to existing leases	43
Part 4 – Regu	lation of estate management	
	Key definitions	
39	Meaning of "estate management" etc	44
	Limitation of estate management charges	
40	Estate management charges: general limitations	45
41	Limitation of estate management charges: reasonableness	46
42	Limitation of estate management charges: consultation requirements	47
43	Limitation of estate management charges: time limits	48
44	Determination of tribunal as to estate management charges	49
	Rights relating to estate management charges	
45	Demands for payment	50
46	Annual reports	51
47	Right to request information	52
48	Requests under section 47 52: further provision	53
49	Enforcement of sections 45 50 to 48 53	54
<u> </u>	Administration charges	
50	Meaning of "administration charge"	55
51	Duty of estate managers to publish administration charge schedules	56

Clause number on introduction	Clause description	As amended at House of Commons Committee stage		
52	Enforcement of section 51 56	57		
53	Limitation of administration charges	58		
54	Determination of tribunal as to administration charges	59		
	Codes of management practice			
55	Codes of management practice: extension to estate managers	60		
	Appointment of substitute manager by Tribunal			
	Notices of complaint	61		
	Appointment of substitute manager	62		
	Conditions for applying for appointment order	63		
	Criteria for determining whether to make appointment order	64		
	Appointment orders: further provision	65		
	Sales information requests			
	Estate management: sales information requests	66		
	Effect of sales information request	67		
	Charges for provision of information	68		
	Enforcement of sections 67 and 68	69		
	General			
56	Part 4: application to government departments	70		
57	Interpretation of Part 4	71		
Part 5 – Leasehold and estate management: redress schemes				
7 5.1.4 5 25 3.5	Leasehold and estate management: redress schemes	72		
	Redress schemes: voluntary jurisdiction	73		
	Financial assistance for establishment or	74		
	maintenance of redress schemes	7 -		
	Approval and designation of redress schemes	75		
	Financial penalties	76		
	Financial penalties: maximum amounts	77		
	Decision under a redress scheme may be enforceable as if it were a court order	78		
	Lead enforcement authority: further provision	79		
	Guidance for enforcement authorities and scheme administrators	80		
	Interpretation of Part 5	81		
Part 5 – Rento				
58	Meaning of "estate rentcharge"	82		
59	Regulation of remedies for arrears of rentcharges	83		
Part 6 - General				
60	Interpretation of references to other Acts	84		
61	Power to make consequential provision	85		
62	Regulations	86		

Clause number on introduction	Clause description	As amended at House of Commons Committee stage
63	Extent	87
64	Commencement	88
65	Short title	89
Schedule 1	Eligibility for enfranchisement and extension: specific cases	Schedule 1
Schedule 2	Determining and sharing the market value	Schedule 2
Part 1	Introduction	Part 1
Part 2	The market value	Part 2
Part 3	Determining the market value	Part 3
Part 4	Assumptions and other matters affecting determination of market value	Part 4
Part 5	The standard valuation method	Part 5
Part 6	Entitlement of eligible persons to shares of the market value	Part 6
Part 7	Determining the term value	Part 7
Schedule 3	Other compensation	Schedule 3
Schedule 4	Schedule 2 and Schedule 3: Interpretation	Schedule 4
Schedule 5	Amendments consequential on section 11 and Schedules 2 to 4	Schedule 5
Schedule 6	Leasehold enfranchisement and extension: miscellaneous amendments	Schedule 6
Part 1	LRA 1967 and LRHUDA 1993: general	Part 1
	Shared ownership leases and the LRA 1967 etc	Part 2
	Shared ownership leases and the LRHDA 1993	Part 3
Part 2	Other legislation	Part 4
Schedule 7	Right to vary lease to replace rent with peppercorn rent	Schedule 7
Schedule 8	Part 3: consequential amendments	Schedule 8
Part 1	Amendments consequential on section 36 41	Part 1
Part 2	Other consequential amendments	Part 2
	Redress schemes: financial penalties	Schedule 9