# SUPPLEMENTARY LEGISLATIVE CONSENT MEMORANDUM (MEMORANDUM NO 4)

## 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 12 December 2023. Following amendments tabled at House of Commons Committee and Report stages, supplementary LCMs were laid on 30 January and 4 March 2024.
- 3. The UK Government tabled 38 amendments on 15 April for consideration at Lords Committee Stage, which commenced on 22 April and is scheduled to run until at least 1 May. The amendments make provision which fall within the legislative competence of the Senedd, as detailed in paragraphs 16 to 30 below.
- 4. The latest version of the Bill, as brought from the Commons can be found at: <u>bills.parliament.uk/publications/54460/documents/4496</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 for Levelling Up, Housing and Communities.
- 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.<sup>1</sup>
- 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 2023 includes more information on the provisions included in the Bill as introduced into Parliament on 27 November.
- 9. Amendments at House of Commons Committee stage are described in the second memorandum which I laid on 30 January. In brief, the main substantive amendments made at this stage were:
  - Requirement for a notice of future service charge demand in relation to service charges and estate management charges which will be made after the normal 18-month time period.
  - A new power for the tribunal to appoint a manager in place of an estate charge manager, in certain circumstances.
  - New rights for leaseholders and homeowners subject to estate charges to request information to support a sale.
  - Exemptions to the new enfranchisement regime for leaseholders of the National Trust and for leaseholders of community housing providers.
  - Provision to reduce rent payable by an intermediate leaseholder 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.
- 10. Amendments made at House of Commons Report stage are described in the third memorandum, which I laid on 4 March. Along with minor and technical amendments, the more substantial changes made at this stage addressed:
  - Banning the use of leasehold for most new houses.
  - Clarification of how enfranchisement rights apply to shared ownership properties.
  - Clarification of the Bill's application to the Crown.

<sup>&</sup>lt;sup>1</sup> 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.

- 11. 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 Commonhold and Leasehold Reform Act 2002 ("CLRA 2002"), and the Landlord and Tenant Act 1985 ("LTA 1985").
- 12. The Bill also amends the remit of the devolved Leasehold Valuation Tribunal ("LVT").

# Update on position since the publication of the third Legislative Consent Memorandum

- 13. Frequent engagement between Welsh Government officials and their counterparts in the UK Government continues as the Bill progresses.
- 14. During the Report stage debate in the House of Commons and the second reading debate in the House of Lords, Ministers representing the UK Government indicated that they intend to make further amendments to the Bill, which have not yet been forthcoming, in areas including limitation of ground rent in existing leases, and leasehold forfeiture. Although it is not clear yet what other amendments may still be brought forward at House of Lords Report stage, I do expect to see amendments to the powers to make subordinate legislation, as a consequence of discussions which are still ongoing between officials.
- 15. An updated version of the Bill was published as the Bill moved to the House of Lords. 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. Annex B indicates where clauses include regulation making powers, to whom they are currently extended and what procedure they are subject to.

# Provisions tabled by the UK Government for consideration at House of Lords Committee stage for which consent is required

16. The amendments tabled by UK Government at this stage are minor and technical in nature, however I will give a brief explanation of their effect here. Amendment numbers quoted in this document refer to those used in the amendment paper published on 15 April, which is available at this link: <u>HL Bill 50(e) (parliament.uk)</u>.

#### Schedule 1 (Categories of permitted lease)

17. Amendment OPC457 to Schedule 1 brings the definition of shared ownership used in the leasehold house ban provisions into line with that being used elsewhere in the Bill, where it amends the enfranchisement rights for leaseholders of houses in LRA 1967.

# *Clause 27 (Removal of restrictions on repeated enfranchisement and extension claims)*

18. Amendment OPC481 to clause 27, which amends LRA 1967, will prevent a landlord and tenant agreeing to restrict the tenant's ability to make repeated enfranchisement claims.

Schedule 3 (Eligibility for enfranchisement and extension: specific cases)

19. Amendments OPC399, OPC400 and OPC405 make amendment to Schedule 3 to reflect new legislation passed since the drafting of these provisions, and to correct references to bodies which have been abolished or succeeded. OPC 401 adds to a list of bodies to be treated as 'local authorities' for the purposes of section 57 of the Landlord and Tenant Act 1954.

#### Schedule 4 (Determining and sharing the market value)

20. Amendments OPC 493-500 correct terminology being used in this schedule to 'current lease', as used elsewhere, in order to avoid confusion. Amendments OPC458 and OPC490 also make corrections to terminology. Amendments OPC491 and OPC492 change wording to ensure that provisions in paragraph 8 and paragraph 25 refer only to the current lease where there is a series of chained leases.

#### Clause 41 (Amendment to Part 1 of the LRHUDA 1993)

21. Amendment OPC390 corrects an omission in the drafting. Amendment OPC389 makes the same correction in Schedule 9.

# *Clause 45 (LRA 1967: preservation of existing law for certain enfranchisements)*

22. Amendment OPC408 requires specific leases created after a specified date to be subject to the new valuation method in this Bill, rather than allowing leaseholders of these properties to choose to use pre-2024 law to conduct their enfranchisement claims.

# New clause after 45 (Part 2: consequential amendments to other legislation) and New Schedule before Schedule 9 (Part 2: consequential amendments to other legislation)

23. Amendment OPC411 introduces a new clause after clause 45 which itself introduces a new schedule which is set out under amendment OPC412. This new schedule makes amendment to other legislation consequential on Part 2 of the Bill. Amendments OPC410 and OPC409 to Schedule 8 are consequential on the moving of consequential amendments to the Housing and Planning Act 1986 into this new schedule.

## Schedule 9 (Right to vary lease to replace ground rent with peppercorn rent)

24. OPC388 changes wording in this schedule to reflect terminology elsewhere in the Bill which refers to 'price' rather than 'premium'.

#### Clause 51 (Extension of regulation to fixed service charges)

25. Amendment OPC437 makes changes to the LTA 1987 to reflect the expansion of the leasehold service charge regime in LTA 1985 to fixed

service charges by this clause. OPC436 which amends this clause, and OPC438 which amends clause 53 are consequential on these changes.

## Clause 54 (Accounts and annual reports)

26. OPC446 provides clarification of the new requirement on landlords to provide a report from a qualified accountant to confirm accuracy of accounts relating to service charges payable by leaseholders. OPC448 clarifies that fair and reasonable costs of abiding by the clarified requirements under OPC466 may form part of the variable service charge. OPC473 is consequential on OPC466. OPC450 will allow the appropriate authority to specify the necessary qualifications required for someone fulfilling the requirement under OPC466, and OPC451 sets out details about the regulation making power under this section; regulations will be subject to the affirmative procedure.

#### Schedule 10 (Part 4: consequential amendments)

27. Amendment OPC393 is consequential on clause 67 (LTA 1985: Crown application).

#### Clause 77 (Annual reports)

28. Amendments OPC391 and OPC392 align terminology with that used elsewhere in Part 5 of the Bill.

#### Clause 81 (Meaning of "administration charge")

- 29. Amendment OPC453 makes changes to ensure that event fees in retirement accommodation do not meet the Bill definition of "administration charge". Event fees are sums payable when specific circumstances arise, such as sale, sub-letting or change of occupancy.
- 30. In my opinion, the amendments proposed by UK Government do not change my view of the requirement for consent for those clauses and schedules they amend. Additionally, the new clause and new schedule proposed by amendments OPC411 and OPC412 also trigger the requirement for consent. The reason for this is that the clauses and schedules, as due to be amended by the UK Government at House of Lords Committee stage, make provision which is within the devolved competence of the Senedd, namely housing.

#### UK Government view on the need for consent

- 31. The UK Government has identified that in their view consent is required only in relation to the following amendments:
  - OPC 412. This new Schedule includes provisions that generally relate to costs and service charges; the UK Government view is that these provisions do not relate to any reservations in the Government of Wales Act and no restrictions apply.
  - OPC 411, which inserts the new Schedule created by OPC 412 into the Bill.

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

- 32. The reasoning set out in previous LCMs on this Bill as to why it is appropriate for UK legislation to make provision for Wales in this Bill still stands. I again restate my arguments here for ease of reference.
- 33. 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.
- 34. 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.
- 35. 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.
- 36. 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.
- 37. Finally, the previous 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.
- 38. 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 further amendments to be brought forward to address my concerns. I will update the Senedd on my progress in due course.

#### **Financial implications**

39. 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 <u>here</u>.

## Conclusion

40. 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 Cabinet Secretary for Housing and Local Government 26 April 2024

## Annex A - Comparison between versions of the Bill

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

Bill as amended at House of Commons Committee stage and published on 9 February 2024 Leasehold and Freehold Reform Bill (parliament.uk)

Bill as amended at House of Commons Report stage and published on 28 February 2024

Leasehold and Freehold Reform Bill (parliament.uk)

	Clause number		
		As amended at House of Commons Committee	As amended at House of Commons
Clause description	Introduction	stage	Report stage
Part 1 – Leasehold houses	3	1	
Ban on grant or			
assignment of certain			
long residential leases of			
houses			
Ban on grant or			
assignment of certain			
long residential leases of			
houses			1
Key definitions			
Long residential leases			
of houses			2
Leases which have a			
long term			3
Series of leases whose			
term would extend			
beyond 21 years			4
Houses			5
Residential leases			6
Permitted leases			7
Regulation of permitted			
leases			
Permitted leases:			
certification by the			
appropriate tribunal			8
Permitted leases:			
marketing restrictions			9
Permitted leases:			
transaction warning			10
conditions			10

Land registration			
Prescribed statements in			
			11
new long leases Restriction on title			12
			12
Redress			
Redress: right to acquire			
a freehold or superior			10
leasehold estate			13
Redress: application of			
the right to acquire			14
Redress: general			
provision			15
Redress regulations:			
exercising and giving			
effect to the right to			
acquire			16
Enforcement			
Enforcement by trading			
standards authorities			17
Financial penalties			18
Financial penalties:			
cross-border			
enforcement			19
Lead enforcement			
authority			20
General duties of lead			
enforcement authority			21
Enforcement by lead			
enforcement authority			22
Further powers and			
duties of enforcement			
authorities			23
General			
Power to amend:			
permitted leases and			
definitions			24
Interpretation of Part 1			
Part 2 - Leasehold enfrance	hisement and e	extension	1
Eligibility for			
enfranchisement and			
extension			
Removal of qualifying			
period before			
enfranchisement and			
extension claims	1	1	26
Removal of restrictions			
on repeated			
enfranchisement and			
extension claims	2	2	27
L	•	1	·]

Change of non			
Change of non-			
residential limit on			
			00
enfranchisement claims	3	3	28
Eligibility for			
enfranchisement and			
extension: specific cases	4	4	29
Effects of			
enfranchisement			
Acquisition of			
intermediate interests in			
collective	_	_	
enfranchisement	5	5	30
Right to require			
leaseback by freeholder			
after collective			
enfranchisement	6	6	31
Effects of extension			
Longer lease extensions	7	7	32
Lease extensions under			
the LRA 1967 on			
payment of premium at			
peppercorn rent	8	8	33
Price payable on			
enfranchisement or			
extension			
LRA 1967: determining			
the price payable for			
freehold or lease			
extension	9	9	34
LRHUDA 1993:			
determining the price			
payable for collective			
enfranchisement or new			
lease	10	10	35
Enfranchisement or			
extension: new method			
for calculating price			
payable	11	11	36
Costs of			
enfranchisement or			
extension			
Costs of			
enfranchisement and			
extension under the LRA			
1967	12	12	37
Costs of			
enfranchisement and	13	13	38

ovtonoion under the			1
extension under the			
LRHUDA 1993			
Jurisdiction of the county			
court and tribunals			
Replacement of sections 20 and 21 of the LRA			
1967	11	14	20
References to "the court"	14	14	39
in Part 1 of the LRA 1967	15	15	40
Amendment of Part 1 of	15	15	40
LRHUDA 1993	16	16	41
References to "the court"	10	10	41
in Part 1 of LRHUDA			
1993	17	17	42
Jurisdiction of the High	17	17	42
Court			
No first-instance			
applications to the High			
Court in tribunal matters	18	18	43
Enfranchisement and	10		+0
extension: miscellaneous			
amendments			
Miscellaneous			
amendments	19	19	44
Preservation of existing			
law for certain purposes			
LRA 1967: preservation			
of existing law for certain			
enfranchisements	20	20	45
Part <del>2</del> 3 – Other rights of lo	ng leaseholder	S	
New right to replace rent			
with peppercorn rent			
Right to vary long lease			
to replace rent with			
peppercorn rent	21	21	46
The right to manage			
Change of non-			
residential limit on right			
to manage claims	22	22	47
Costs of right to manage			
claims	23	23	48
Compliance with			
obligations arising under			
Chapter 1 of Part 2 of the			
CLRA 2002	24	24	49
No first-instance			
applications to the High			
Court in tribunal matters	25	25	50
Part <del>3</del> 4 – Regulation of lea	asehold		

Service charges			
Extension of regulation to			
fixed service charges	26	26	51
Notice of future service	20	20	01
charge demands		27	52
Service charge demands	27	28	53
Accounts and annual	21	20	
reports	28	29	54
Right to obtain	20	29	54
information on request	29	30	55
Enforcement of duties	29		
relating to service			
charges	30	31	56
Insurance	50	51	50
Limitation on ability of			
landlord to charge			
insurance costs	31	32	57
	51	52	57
Duty to provide information about			
insurance to tenants	32	33	58
	52		50
Administration charges			
Duty of landlords to publish administration			
charge schedules	33	34	59
	55	- 34	
<i>Litigation costs</i> Limits on rights of			
landlords to claim			
litigation costs from			
tenants	34	35	60
Rights of tenants to claim	54		00
litigation costs from			
landlords	35	36	61
Non-litigation costs:	00	50	01
enfranchisement,			
extension and right to			
manage			
Restriction on recovery			
of non-litigation costs of			
enfranchisement,			
extension and right to			
manage		37	62
Appointment of manager			
by Tribunal			
Appointment of manager:			
power to vary or			
discharge orders		38	63
Appointment of manager:			
breach of redress			
scheme requirements		39	64
	1	00	

Sales information			
requests			
Leasehold sales		40	05
information requests		40	65
General			
Regulations under the			
LTA 1985: procedure			
and appropriate authority	36	41	66
LTA 1985: Crown			
application			67
Part 34: consequential			
amendments	37	42	68
Application of Part 34 to			
existing leases	38	43	69
Part 45 – Regulation of est		ent	
Key definitions	g		
Meaning of "estate			
management" etc	39	44	70
Limitation of estate	00		10
management charges			
Estate management			
charges: general			
limitations	40	45	71
Limitation of estate	40	40	/ 1
management charges:	4.4	40	70
reasonableness	41	46	72
Limitation of estate			
management charges:			
consultation	10	47	70
requirements	42	47	73
Limitation of estate			
management charges:			
time limits	43	48	74
Determination of tribunal			
as to estate management			
charges	44	49	75
Rights relating to estate			
management charges			
Demands for payment	45	50	76
Annual reports	46	51	77
Right to request			
information	47	52	78
Requests under section			
4 <del>7</del> <del>52</del> 78: further			
provision	48	53	79
Enforcement of sections	-		-
4 <del>5</del> <del>50</del> 76 to 48 <del>53</del> 79	49	54	80
Administration charges			
, animication onarges	I		I

Mooning of					
Meaning of	50	55	81		
"administration charge"	50	55	01		
Duty of estate managers					
to publish administration	<b>E</b> 4	FG	00		
charge schedules	51	56	82		
Enforcement of section	50		00		
<del>51 56</del> 82	52	57	83		
Limitation of	50	50	0.4		
administration charges	53	58	84		
Determination of tribunal					
as to administration	<b>F</b> 4	50	05		
charges	54	59	85		
Codes of management					
practice					
Codes of management					
practice: extension to					
estate managers	55	60	86		
Appointment of substitute					
manager by Tribunal					
Notices of complaint		61	87		
Appointment of substitute					
manager		62	88		
Conditions for applying					
for appointment order		63	89		
Criteria for determining					
whether to make					
appointment order		64	90		
Appointment orders:					
further provision		65	91		
Sales information					
requests					
Estate management:					
sales information					
requests		66	92		
Effect of sales					
information request		67	93		
Charges for provision of					
information		68	94		
Enforcement of sections					
<del>67</del> 93 and <del>68</del> 94		69	95		
General					
Part 4: application to					
government departments	56	70	removed		
Part 5: Crown application			96		
Interpretation of Part 4	57	71	97		
Part 5 6 – Leasehold and e	Part <del>5</del> 6 – Leasehold and estate management: redress schemes				
Redress schemes:					
general					
	•	•			

Leasehold and estate			
management: redress			
schemes		72	98
Redress schemes:		12	30
voluntary jurisdiction		73	99
Financial assistance for		75	33
establishment or			
maintenance of redress			
schemes		74	100
		74	100
Approval and designation of redress schemes		75	101
Redress schemes: no		75	101
			100
Crown status			102
Enforcement		70	402
Financial penalties		76	103
Financial penalties:		77	101
maximum amounts		77	104
Decision under a redress			
scheme may be			
enforceable as if it were		70	405
a court order		78	105
Lead enforcement			
authority: further		70	100
provision		79	106
Guidance			
Guidance for			
enforcement authorities			
and scheme			407
administrators		80	107
Amendments to other			
Acts			
Part 6: amendments to			
other Acts			108
Interpretation			
Interpretation of Part <del>5</del> 6		81	109
Part <del>5</del> 7 – Rentcharges	1		1
Meaning of "estate			
rentcharge"	58	82	110
Regulation of remedies			
for arrears of rentcharges	59	83	111
Part 8 – Amendments of P	art 5 of the Bui	Iding Safety Act 2	022
Remediation of building			
defects			
Steps relating to			
remediation of defects			112
Remediation orders			113
Remediation contribution			
order			114

Pagevory of logal ageta			
Recovery of legal costs			
etc through service			445
charge			115
Repeal of section 125 of			
the BSA 2022			116
Insolvency of responsible			
persons			
Higher-risk and relevant			
buildings: notification in			
connection with			
insolvency			117
Part <del>6</del> 9 - General			
Interpretation of			
references to other Acts	60	84	118
Power to make			
consequential provision	61	85	119
Regulations	62	86	120
Extent	63	87	121
Commencement	64	88	122
Short title	65	89	123
Categories of permitted	00	00	120
lease			Schedule 1
Categories of permitted			
lease for Tribunal			
			Dort 1
certification			Part 1
Categories of permitted			
lease for self-certification			Part 2
Leasehold houses:			
financial penalties			Schedule 2
Eligibility for			
enfranchisement and			
extension: specific cases	Schedule 1	Schedule 1	Schedule 3
Determining and sharing			
the market value	Schedule 2	Schedule 2	Schedule 4
Introduction	Part 1	Part 1	Part 1
The market value	Part 2	Part 2	Part 2
Determining the market			
value	Part 3	Part 3	Part 3
Assumptions and other			
matters affecting			
determination of market			
value	Part 4	Part 4	Part 4
The standard valuation			
method	Part 5	Part 5	Part 5
Entitlement of eligible	-	-	-
persons to shares of the			
market value	Part 6	Part 6	Part 6
Determining the term			
value	Part 7	Part 7	Part 7
			. a.c./

Other compensation	Schedule 3	Schedule 3	Schedule 5
Schedule 2 4 and			
Schedule <del>3</del> 5:			
Interpretation	Schedule 4	Schedule 4	Schedule 6
Amendments			
consequential on section			
11 36 and Schedules 2 4			
to 4 6	Schedule 5	Schedule 5	Schedule 7
Leasehold			
enfranchisement and			
extension: miscellaneous			
amendments	Schedule 6	Schedule 6	Schedule 8
LRA 1967 and LRHUDA			
1993: general	Part 1	Part 1	Part 1
Shared ownership leases			
and the LRA 1967 etc		Part 2	Part 2
Shared ownership leases			
and the LRHDA 1993		Part 3	Part 3
Other legislation	Part 2	Part 4	Part 4
Right to vary lease to			
replace rent with			
peppercorn rent	Schedule 7	Schedule 7	Schedule 9
Part 3: consequential			
amendments	Schedule 8	Schedule 8	Schedule 10
Amendments			
consequential on section			
<del>36</del> 41	Part 1	Part 1	Part 1
Other consequential			
amendments	Part 2	Part 2	Part 2
Redress schemes:			
financial penalties		Schedule 9	Schedule 11
Part 6: amendments to			
other Acts			Schedule 12
Title			

## Annex B – Power to make subordinate legislation

The information listed under 'description' is a brief summary. More detailed information about the powers in the Bill may be found in the Delegated Powers Memorandum at this link: <u>4513 (parliament.uk)</u>.

I have listed all powers in the Bill, but omitted information about the purpose of powers where the provisions apply only to England. These are shaded grey in the table.

Bill		Exercisable	_
ref	Description	by	Procedure
	Permitted leases: transaction	Secretary of	
	warning conditions (form, content,	State / Welsh	
10	process for notice)	Ministers	Negative
	Redress regulations: exercising and		
	giving effect to the right to acquire		
	(wide ranging power to set and		
	amend regulations for process and	Secretary of	
16	detail)	State	Negative
	Financial penalties (amend minimum	Secretary of	
18	and maximum)	State	Negative
	Lead enforcement authority (power	Secretary of	
20	to appoint and change)	State	Negative
	General duties of lead enforcement		
	authority (power direct the lead	Secretary of	
21	enforcement authority)	state	NA
	Power to amend: permitted leases		Some
	and definitions (amend definitions		affirmative,
	and add or remove categories of	Secretary of	some
24	permitted leases)	State	negative
	Costs of enfranchisement and		
	extension under the LRA 1967		
	(prescribe amounts of landlords non-		
	litigation costs payable by		
	enfranchisers, set circumstances	Secretary of	
07	where part of premium must be	State / Welsh	
37	shared between landlords)	Ministers	Negative
	Costs of enfranchisement and		
	extension under the LRHUDA 1993		
	(prescribe amounts of landlords non-		
	litigation costs payable by	Compton of	
	enfranchisers, set circumstances	Secretary of	
20	where part of premium must be	State / Welsh	Negativa
38	shared between landlords)	Ministers	Negative
	Notice of future service charge	Secretary of	
50	demands (form, content, process for	State / Welsh	Negetive
52	notice)	Ministers	Negative

	Comise channe dour /f		]
	Service charge demands (form,		
	content, process for demand; power	Secretary of	
	to exempt some landlords or charges	State / Welsh	
53	from requirements)	Ministers	Negative
	Accounts and annual reports (form,	Secretary of	
	content, process for accounts and	State / Welsh	
54	reports; exemptions)	Ministers	Negative
	Right to obtain information on		
	request (types of information,	Secretary of	
	process of request, time period to	State / Welsh	
55	comply)	Ministers	Negative
	Enforcement of duties relating to	Secretary of	- Ŭ
	service charges (amend damages	State / Welsh	
56	limit)	Ministers	Negative
	Limitation on ability of landlord to	Secretary of	
	charge insurance costs (what may be	State / Welsh	
57	considered as permitted payments)	Ministers	Affirmative
51	Duty to provide information about	11111131013	
	insurance to tenants (types of		
	information, time period to respond,	Socratory of	
	form and manner of response,	Secretary of	
50	exceptions from requirements,	State / Welsh	Newst
58	amend damages limit)	Ministers	Negative
	Duty of landlords to publish		
	administration charge schedules		
	(meaning of 'building', form,	Secretary of	
	publication and process for providing	State / Welsh	
59	schedule, amend damages limit)	Ministers	Negative
	Limits on rights of landlords to claim		
	litigation costs from tenants (matters		
	the court or tribunal must consider,	Secretary of	
	process of making application; form,	State / Welsh	
60	content, process of notices)	Ministers	Negative
	Rights of tenants to claim litigation		
	costs from landlords (matters the		
	court or tribunal must consider, what	Secretary of	
	are 'relevant proceedings' for this	State / Welsh	
61	right to be exercised)	Ministers	Negative
	Leasehold sales information requests	Secretary of	
	(what information to be provided, by	State / Welsh	
65	whom, to whom, by when, what cost)	Ministers	Negative
'	Limitation of estate management		<u> </u>
	charges: consultation requirements		
	(define appropriate amount,	Secretary of	
73	consultation requirements)	State	Negative
75		Olaic	Negative
	Limitation of estate management		
	charges: time limits (form, content,	Socratoriat	
74	process for notice; 'relevant rule' for	Secretary of	Negetive
74	when charges may be made late)	State	Negative

	Demondo for novement (form content	Connetory of	
76	Demands for payment (form, content,	Secretary of State	Negativo
70	process for demand; exemptions)		Negative
77	Annual reports (form, content	Secretary of State	Negativa
77	process for report; exemptions)		Negative
70	Right to request information (types of	Secretary of State	Negativa
78	information, process of request)	Siale	Negative
	Requests under section 78: further provision (time period to comply with	Secretary of	
79		Secretary of State	Nogotivo
19	requests)	Secretary of	Negative
	Enforcement of sections 76 to 79	State / Welsh	
80	(amend damages limit)	Ministers	Negative
00			Negative
	Mooning of "administration charge"	Secretary of State / Welsh	
81	Meaning of "administration charge" (amend definition)	Ministers	Affirmative
01	· · · · · · · · · · · · · · · · · · ·	Secretary of	Ammauve
	Duty of estate managers to publish administration charge schedules	State / Welsh	
82	(form, content, process for schedule)	Ministers	Negative
02		Secretary of	Negative
	Enforcement of section 82 (amend	State / Welsh	
83	damages limit)	Ministers	Negative
00	Notices of complaint (content of	Secretary of	Negative
87	notice, when it may be given)	State	Negative
07	Conditions for applying for		Negative
	appointment order (content of final		
	warning notice, when it may be	Secretary of	
89	given)	State	Negative
	Criteria for determining whether to		litegalite
	make appointment order		
	(circumstances when the tribunal		
	would be prevented from making an	Secretary of	
90	appointment)	State	Negative
	Estate management: sales	Secretary of	Ŭ
	information requests (form, content,	State / Welsh	
92	process for information request)	Ministers	Negative
	Effect of sales information request	Secretary of	
	(time limit to reply, manner of	State / Welsh	
93	replying)	Ministers	Negative
		Secretary of	
	Charges for provision of information	State / Welsh	
94	(limit amount that can be charged)	Ministers	Negative
		Secretary of	
	Enforcement of sections 93 and 94	State / Welsh	
95	(amend damages limit)	Ministers	Negative
		Secretary of	
		State	
	Leasehold and estate management:	(England	
98	redress schemes	only)	Affirmative

		Secretary of	
		State	
	Approval and designation of redress	(England	
101	schemes	only)	Affirmative
-		Secretary of	
		State	
400	Financial nonalting	(England	
103	Financial penalties	only)	Affirmative
		Secretary of	
		State	
	Financial penalties: maximum	(England	
104	amounts	only)	Negative
		Secretary of	
	Decision under a redress scheme	State	
	may be enforceable as if it were a	(England	
105	court order	only)	Negative
100			Negative
		Secretary of	
		State	
	Lead enforcement authority: further	(England	Negative
106	provision	only)	/None
	Regulation of remedies for arrears of		
	rent charges (limit amount payable		
	for action to recover or compel	Secretary of	
111	payment of arrears)	State	Negative
		Secretary of	Nogativo
		State	
		(England	
114	Remediation contribution order	only)	Negative
			Affirmative
			if amending
			Act or
	Power to make consequential		Parliament,
	provision (includes provision to	Secretary of	otherwise
119	amend Acts of Parliament)	State	negative
	Commencement (power to		
	commence, make transitional or	Secretary of	
122	savings provision)	State	Negative
			negative
	Categories of permitted lease		
	(amend definitions of community		
	housing, retirement housing, shared		
	ownership and home finance plan	Secretary of	
Sch 1	leases)	State	Negative
	Leasehold houses: financial		
	penalties (manner for providing	Secretary of	
Sch 2	notices)	State	Negative
	Eligibility for enfranchisement and		Affirmative
	extension: specific cases (description		for
	of community led housing provider,	O a averta en l	community
	process for application or	Secretary of	housing
Sch 3	cancellation of certificate, matters for	State	powers,

	tribunal to have regard to; prescribe 'National Trust buy-back term' and		negative for National
	make provision for 'protected		Trust
	National Trust tenancy')		powers
	Determining and sharing the market		
	value (set deferment and	Secretary of	
Sch 4	capitalisation rates)	State	Negative
	Leasehold enfranchisement and		
	extension: miscellaneous		
	amendments (which shared		
	ownership leases should be		
	excluded from enfranchisement	Secretary of	
Sch 8	rights)	State	Negative
		Some	
		Secretary of	
	Right to vary lease to replace rent	State, some	
	with peppercorn rent (landlord non-	Welsh	
	litigation costs payable by	Ministers	
	leaseholder; power to give effect to	(those	
	the right; power to amend qualifying	relating to	
Sch 9	criteria for the right)	costs)	Negative