Renewal of Lease – Cemetery Road Play Park

The parish council has an existing lease for the pocket park play area at Cemetery Road, which is situated on land registered to the Trustees of Wickhambrook Memorial Social Centre. The lease was negotiated in 2013 and provides for Wickhambrook Parish Council to use and maintain the land for the purposes of recreation. It was drafted in such a way that the parish council simply needs to give notice of its intention to renew.

The lease will expire in February 2023 and the budget approved for the next financial year (2022/23) makes provision for £1500 plus VAT for the renegotiation/renewal of the lease.

At its February '22 meeting the Estates Committee considered renewal of the lease of Cemetery Road Play area from Wickhambrook Memorial Social Centre and agreed that it wished to renew the lease on the same basis as the existing lease. Trustees of Wickhambrook Memorial Social Centre (WMSC) indicated that they are content to renew the lease on the existing terms (attached as Appendix A).

Solicitors were canvassed for costs of undertaking the work to re-new the lease, and the parish council considered the options (Min **EO.22.04.10** refers) and resolved to appoint Burnett Barker Solicitors to renew the lease with Wickhambrook Memorial Social Centre at a cost of not more than £1500.00 plus VAT.

The Clerk instructed the solicitors in May, and a payment on account (£50.00) was made in June. Relevant ID documentation has been submitted to the solicitors by both parties to the lease. The clerk has formally advised, and received acknowledgement from the Trustees of WMSC that it intends to renew the lease on the same basis.

Burnett Barker Solicitors advised in e-mail correspondence on 25th August:

...the lease is inside the renewal provisions of the Landlord & Tenant Act, so that the parties could just leave it to roll on, but she would advise that you enter into a new Lease.

My colleague has confirmed that she is able to produce a draft of a lease on essentially the same terms save for some updating that you could accept. The freeholders can then decide whether or not they want to grant that lease. My colleague is able to prepare the new lease at a rate of £210 per hour plus Vat, and provided that the parties do require like for like with some minor updating, that she would expect to be able to complete the work for a cost of £350 to £500 plus Vat. This estimate is provided on the basis that there are no major changes to the document, and that the freeholder co-operates efficiently and in a timely manner.

Asking how the parish council wishes to proceed. The clerk has requested the solicitors provide an explanation of their reasoning for re-negotiation of the lease, and sought advice from SALC (a summary of which, together with their response, is attached as Appendix A).

No further correspondence has been received from the solicitors.

Action:

The parish council is asked to consider whether to proceed with renewal lease under the Landlord and Tenant Act and instruct Burnett Barker to proceed with registering the renewed lease with HM Land Registry per the original instruction.

Minutes:

EO.22.04.10 22.02.10 Reports:

WPC.EO.22.04.03 WPC.22.02.04

Hilary Workman Clerk & RFO September 2022

Appendix A

EN2458: Query on renewal of lease and whether it should be redrafted



Reply from the SALC team

As you have already done - we agree you should raise this query with the Solicitors and ask for an explanation as to why it is necessary in order to help the council consider and justify any additional cost for re-drawing the Lease.

User Hilary Workman Fri Sep 16 2022

Query on renewal of lease and whether it should be redrafted

The parish council leases the land on which a children's play area is sited from the Trustees of the Memorial Social Center, who are the freeholders, at a peppercorn rent.

The lease is due to be renewed and land registry updated in February 2023. Provision was made in the current financial budget for the cost of this, and authority given at the April meeting for the clerk to instruct Solicitors to undertake the registration with HM land registry, for which they quoted £245 plus VAT plus disbursements. It was stated that the lease was to be renewed on the same basis (both parties agreeing to this), which could be/has been effected by written notice to the freeholders (the trustees), they having acknowledged this.

Our Solicitors have now provided the following advice:

Further to previous correspondence in this matter I have now spoken to my colleague who has confirmed that the lease is inside the renewal provisions of the Landlord & Tenant Act, so that the parties could just leave it to roll on, but she would advise that you enter into a new Lease.

My colleague has confirmed that she is able to produce a draft of a lease on essentially the same terms save for some updating that you could accept. The freeholders can then decide whether or not they want to grant that lease. My colleague is able to prepare the new lease at a rate of £210 per hour plus Vat, and provided that the parties do require like for like with some minor updating, that she would expect to be able to complete the work for a cost of £350 to £500 plus Vat. This estimate is provided on the basis that there are no major changes to the document, and that the freeholder co-operates efficiently and in a timely manner.

I have attached a redacted copy of the lease. I do not understand why it needs to be updated, the solictors having acknowledged that the lease is inside the renewal provisions of the Landlord and Tenant Act. I anticipate some resistance from the freeholders to even minor changes to the lease, which they might be obliged to instruct legal advice for (they having already indicated that they did not see the need or wish to incur the cost of legal advice on renewal of the lease - see enquiry EN1968.

I have asked the solicitors to provide a paragraph explaining why they consider it necessary to re-draft the lease, and the benefits, which will be reported to the parish council at its meeting on 29th. My inclination is that if we can renew within the scope of the Landlord and Tenant Act, without incurring additional cost to either the parish or a community centre which has limited resources, we should do so.

Please could you advise whether you concur with this approach, or if there is anything further the parish council should consider?

Responses



Sally Longmate Fri Sep 16 2022 13:18:05 GMT+0100 (British Summer Time)

Your enquiry has been answered - please log onto the SALC Portal to access using the link below. Watch this video to find out where the response from SALC to your enquiry can be located.

MEMBER PORTAL

Suffolk Association of Local Councils

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