

SWALCLIFFE PARISH COUNCIL

MINUTES OF AN EXTRAORDINARY PARISH COUNCIL MEETING **OF 29TH JUNE 2017 AT 7.30PM** **IN SWALCLIFFE VILLAGE HALL**

Councillors Present

Lizzie Melvin (LM), Chairperson
Ben Benson (BB) (arrived late)
Ryan Smith (RS)
Victoria Taylor (VT)
Neil Urquhart (NU)

Christine Coles - Parish Clerk and the garage owners Colin Hill, Cathy Stoertz, Gillian Brookes and Matt Stanton (arrived late)

1. Apologies

Cllr Mike Stanley, Mick Foley

2. Declarations of Interest

There were no interests to declare.

3. To discuss and agree the terms of the garage lease and rental payments

It was first agreed that there would be no discussion on the sale of garage plots at this meeting.

Mr Hill was invited to open the meeting. Dissatisfaction was raised at what he felt to be the poor lease model used and he expressed further dissatisfaction on behalf of the garage owners that having reviewed the first version of it in December 2016 and asked for a working party to be created that nothing had come of that idea. They received an updated version on 23rd June, with an invitation to present further comments at this meeting.

The garage owners felt this still to be confusing and poorly presented. They had reformatted the document and highlighted points that they wished addressed, presenting this new form for future consideration. The Parish Council thanked particularly Mr. Hill for his input to this.

The resulting document is now in a format for further review by all parties.

A number of key items of ongoing interest and concern were listed:-

Business Lease, Rent, Rent Review, Length of lease, Interest, VAT, Charges, Registration Fees, Lease Termination and the future of this document.

Each item was then discussed individually.

Business Lease. It was agreed this is not a business lease although the term has been used in the document. The lease will be checked by a solicitor once all the changes have been made and agreed and this point will be clarified.

Rent/Rent Review. A lengthy discussion took place about the rent and rent review.

In summary, the Parish Council was proposing a new rent for a single plot to rise from £160 to £228 and a double from £230 to £340. The garage owners were proposing a much lower rise in line with various presented indices. Going forward, the garage owners want any rent increases linked to an inflation index and not to a commercially accepted method of review for all property which is related to the land market place at the time of review.

The Chair suggested the rent be fixed at a set amount for the first 3 years and should then be reviewed in a standard accepted manner of property leases. The garage owners agreed they would be happy for a rent review in 3 years. However, they were still not in agreement to this being based on the land values in 3 years. It was noted by Cllr Urquhart that annual rent of between £160-£229 is not a huge outlay in day to day living and that the Parish Council must try to get the best from any asset held to the benefit of the Parish as a whole.

The Parish Council felt that £160 for a single garage fixed for the next 3 years was too low and the Garage Owners felt that £228 was too high. Cllr Urquhart then proposed to Mr Hill that the rent for a single garage be set at £200 per year for them to consider as a compromise position.

Action: It was agreed that Cllr Urquhart would email a proposed rent value linked to a commercial value review to Mr Hill. Mr Hill would then consult the other garage owners. It was agreed that for the future the rent review negotiations would start in the September, in time for the lease to start on 1st January.

Length of Lease.

The Parish Council initially offered to create a 5 year lease term with a 3 year rent review. It was raised at this meeting by the garage owners, that originally when first leased, the term had been 7 years, believed to be the maximum length for which a Parish Council may commit to a lease. A 7 year option was then asked for by the garage owners instead. It was agreed that a 7 year lease was acceptable to all parties. The new lease will start in January 2018. There will be a 3 year rent renewal period. A schedule of review dates will be attached to each lease.

Cllr Urquhart raised the issue to the meeting about any long term plans for the garage area that the Parish Council might have. The Chair confirmed that there are no immediate future plans, but that the option to acquire the land back has to be written in to any lease to take into account possible future needs.

Action: A 7 year lease was agreed. The Parish Council is to get legal advice on whether the lease has to be registered with the Land Registry.

Afternote. Cllr Urquhart can confirm that a 7 year lease period does require registration with the Land Registry so the lease will end on 31st December of the 6th year.

Interest. There are two places in the current proposed lease referring to the payment of interest. They were calculated differently. The question as to why was raised. Mr Hill has amended the comments in this part of the document.

Action The amendments will be reviewed by the Parish Council in due course.

Late service of the rent requests in the past was raised, as was the delayed payment to the Parish Council upon that demand. Mr. Hill said that a particular form had to be used and provided a current sample to the council.

It was agreed the invoice will be sent to garage owners on the 1st December ready for the rent to be paid by 1st January.

VAT. The position on VAT was discussed. The Parish Council are registered for VAT but have never charged VAT on garage rental payments before.

Action: It was agreed the Parish Council would take legal advice on whether VAT should be charged.

Service Charge. There is a section in the lease which refers to service charges. Following discussion, it was proposed that this be entered as a maintenance clause instead to cover the use of all the land occupied and used by the garage owners.

Action: It was agreed that the forum of Garage Owners would discuss ongoing maintenance and anything major would be brought to the attention of the Parish Council. The Parish Council are to check the new clause in the lease.

Registration Fees.

Action: The Parish Council to take legal advice as to whether this should be included in the lease.

Lease Termination. If it is the intention of the Parish Council not to renew a lease when it ends, or to terminate a lease early due to a need to have the land, the Tenant will be given notice to quit.

Action: It was agreed that it would be reasonable for the Parish Council to give one year's notice not to renew a lease if a 7 year term had been signed up to. The Parish Council agreed to take responsibility for removing garages and meeting that cost, if they had not been previously removed by the building owner. Mr Hill to amend the lease to reflect this statement.

Afternote. Cllr Urquhart will make this amendment.

Another clause was discussed which referred to a Guarantor. The Garage Owners asked if this is relevant.

Action: The Parish Council to get legal advice from a solicitor.

Future of the document.

The Garage Owners are committed to continue working with the Parish Council towards a final lease. Cllr Urquhart agreed to be the document owner on behalf of the Parish Council. It was agreed the final document will be checked by a solicitor.

Thanks was given to Mr Hill for all his work on the lease.

Meeting closed at 9.20pm