

Report to Full Council regarding purchase of land under the Shinfield Parish Hall

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Summary

The Chair of the Council seeks approval to sign and seal a Contract of Sale and Overage Deed and make payment of £160,000 for the purchase of the freehold of Shinfield Parish Hall and associated land from Shinfield United Charities (SUC).

Background

Shinfield Parish Council approved the transaction at the Full Council meeting of Monday 13 November 2017. Since that time the Chair of the Parish Council, through the council's legal representative, Katherine Lamprell at Select Legal Services, has been negotiating the legal terms of the contract via Blandy and Blandy (B&B) with Shinfield United Charities.

The transaction

The terms of these documents have now been agreed and are attached together with the Draft TR.1 Transfer for SUC to sign and the report on Title. The Contract of Sale and Overage Deed are outlined below.

The price of the purchase is £160,000. The site will be subject to an Overage Agreement for a period of 30 years as described below which is executed if a change of use and/or disposal is made that alters the valuation of the land used in this transaction. The valuation for this transaction of the land and building is based on use as a Community Centre and/or Parish offices.

Contract for Sale and Purchase – this sets out the requirements for the sale and purchase and that SPC are buying the property as per the official copy title BK492455 (the freehold of the Hall site – plan enclosed with title report) and subject to any overriding interests or matters on the local land charges register (please see attached report regarding searches).

SPC confirm that they do not rely on any statements made by SUC other than any confirmations to enquiries SLS raised (we were not instructed to raise any formal enquiries as SPC are in actual occupation but I have enquired as to any financial charges against SUC – which B&B confirm there are none), that SPC will pay any outstanding rent or other sums due at completion and be refunded any rent due accordingly. I believe it is only the rent paid by SPC at the property and that the rent has been paid up until 31 March 2020 and so any refund will be for the period from completion until then.

TR1 – this transfers the whole of title BK492455 to SPC for £160,000. The property is not opted to tax so there is no VAT payable on the purchase price. This also means no change to the stamp duty land tax payable by SPC for the purchase being £200.

Overage Agreement – the overage deed will remain in place for 30 years from completion and overage will be payable if a planning permission for Development (whole or part development of the Hall site with or without other land for any use other than as a community facility including D1 and/or D2 but not a full time Health Centre – part time being permitted) is implemented or the land is sold with the benefit of such planning during that period. We have previously discussed that the HOTs did not include sale but SPC have agreed to proceed on that basis.

For ongoing protection for SUC, any planning applications and decisions and any dispositions (whether or not they trigger overage) - as the deed includes sale above – being any transfer, easements or leases to be granted at the property (anything other than hire agreements/licences) need to be sent to SUC during the next 30 years for their information as well as providing evidence as to why the Overage has or has not been triggered (SUC acting reasonably) – further information is required if Overage is triggered. These are standard provisions a seller will request on overage but require administration and ongoing review for SPC. This will be more prominent in terms of dispositions for SPC if they are considering entering into utilities wayleaves/easements or leases (where SPC are providing sole occupation to a third party of part of the property where a lease is used rather than a licence/hire agreement).

There will be a restriction on SPC's freehold title to the site that no leases/easements or other matters that require Land Registry registration are to be registered on their title other than by a certificate from SUC's solicitors unless they are Permitted Disposals where your solicitors can provide the certificate. For any s106 or s38 disposals or those required for utilities, any wayleaves, easements or leases under 25 years in term your own solicitor can provide the certificate. For anything further you would need to request from SUC/their solicitors and pay their reasonable costs of providing the certificate/Deed of Covenant as required.

Timescale

SPC wish to undertake simultaneous exchange and completion so all the monies will be payable to SUC at exchange of contracts.

Recommendation

1. The Chair and Clerk sign and seal the Contract of Sale and Overage Deed
2. The clerk makes the transfer of funds to our legal representative.
3. The transaction is completed.
4. These actions are completed by 31st January 2020.

Andrew Grimes
Chair of Shinfield Parish Council