Proposed Action Plan for Implementation of Resolution recorded under Minute ref 26160 on 9th September 2026

Introduction

At the Full Meeting of 9th September 2026, Council unanimously RESOLVED to grant new 99 years leases to each of Oakham Bowling Club ("OBC") and Oakham Lawn Tennis Club ("OLTC"). This RESOLUTION was made subject to satisfactory legal advice.

The RESOLUTION did not expressly state what matters legal advice was required for but the minute did set out a list of queries that Council had raised and in respect of which Council required more information.

The full minute is reproduced below for ease of reference.

It was proposed that Council grant 99-year leases to Oakham Tennis Club and Oakham Bowls Club, each with an annual peppercorn rent of £100, subject to an annual increase based on CPI inflation for the term of each respective lease.
A discussion took place which included:

- *Councillors were generally in favour of the proposal but had some queries.*
- *That Council should not be liable for any of the legal fees.*
- *A 99-year lease is treated as S123 and is general disposable after 7 years.*
- *A valuation is required.*
- *The land is open spaces/recreational ground*
- *A public consultation should take place before a decision is made.*
- *A Heads of Terms is needed.*
- *A solicitor needs to look over the leases.*
- *More information is needed, particularly a legally compliant and complete report for Council to consider.*

IT WAS RESOLVED that Council approve in principle to granting 99-year leases to the Oakham Tennis Club and Oakham Bowls Club, each with an annual peppercorn ground rent of £100 p.a. index linked, subject to satisfactory legal advice.

This report provides the further information requested in respect of each of these queries together with the actions that Council must take to meet its statutory obligations and proceed with the grant of the leases.

Some of the items overlap so they have been grouped together to avoid repetition. In addition, the research revealed certain matters relating to security of tenure of OBC and OLTC, which are also addressed in this report.

Executive Summary

The position and actions required in respect of each of the listed queries are as follows. The reasons for these conclusions are set out in the body of this report.

That Council should not be liable for any of the legal fees.

OTC has no power to insist on payment of any proportion of its legal fees other than by agreement. OBC and OLTC have each agreed to contribute £750 plus VAT to OTC's costs and to have the leases drafted at their expense.

OTC should accept this offer and bear its own legal costs in excess of this.

If OTC seeks formal legal advice on other matters, such as compliance with Section 127/123 of the LGA 1972 this will be at OTC's expense. This report addresses all of OTC's obligations and actions and proposes that OTC accepts the content of this report and acts upon it. It is recommended thar OTC ***does not*** incur the expense of obtaining formal legal advice on these matters.

A 99-year lease is treated as S123 and is general disposable after 7 years.

The proposed leases *will* be treated as a disposal for the purposes of the LGA 1972.bIt is actually Section 127 of the Act that applies as OTC is a Town Council, but this still requires the provisions of Section 123 to be met.

Section 123 allows OTC to proceed with the disposal under a General Consent (without reference to any higher authority) provided that the value of the land is less than £2m, the intention to make the disposal is advertised locally for 14 days and any "subsidy" must be less than £315k over a rolling 3 year period.

OTC must obtain a "Red Book" valuation to determine the value of the lease and of any subsidy conferred by granting the lease at below market rent. OTC must also place an advertisement of its intent to grant the leases in a local newspaper for 14 days. A brief for appointment of an RICS Valuer is attached at Appendix A and a draft advertisement is attached at Appendix B.

A valuation is required.

This is confirmed and addressed above.

The land is open spaces/recreational ground

This statement is correct and the obligations flowing from this are set out above.

A public consultation should take place before a decision is made.

This statement is not quite correct. The public has to be notified of OTC's intention by way of the newspaper advertisement outlined above. Any representations made must then be considered by Full Council before a final decision as to whether or not to proceed with the leases can be taken.

A Heads of Terms is needed.

A draft has been discussed with OBC and OLTC and is attached at Appendix C

A solicitor needs to look over the leases.
The leases will be drafted by solicitors acting for OBS and OLTC and reviewed by solicitors to be appointed by OTC.

3 quotes for the legal advice will be obtained.

Detailed Statement on each of the matters raised by Council

That Council should not be liable for any of the legal fees

There are three issues here;

- Legal fees directly connected to drafting, negotiation and execution of the leases.
- Legal and professional fees for OTC connected to obtaining advice on its obligations under Section 123 of the LGA 1972 and implementing those obligations.
- In researching the Section 123 obligations, it has become apparent that both Clubs appear to have Security of Tenure under the Landlord and Tenants Act 1954 ("LTA"). OTC may need advice as to the implications of this, both in terms of ending and replacing the existing leases and in terms of the valuation of the land for the purposes of Section 123.

In terms of the first bullet point, OTC has no power to insist on the Clubs paying anything other than their own costs in this connection. The Costs of Leases Act 1958 states

> *" Notwithstanding any custom to the contrary, a party to a lease shall, unless the parties thereto agree otherwise in writing, be under no obligation to pay the whole or any part of any other party's solicitor's costs of the lease."*

The Clubs have agreed to pay for having the leases drawn up and to make a contribution to OTCs legal costs of £750 each plus VAT.

The position is that the Clubs have offered to contribute more than they are obliged to under statute so OTC will be unable to demand anything more.

In connection with the 2nd and 3rd bullet points, the position is that, if OTC seeks formal legal advice on these matters, these costs will be incurred by OTC in the normal course of meeting its obligations under the LGA 1972 and the LTA 1954, regardless of whether or not a 99 year lease is granted.

There is therefore no basis for OTC to recover these costs. should they be incurred, from the Clubs.

The reasons for this are as follows:

- The LTA 1954 gives a tenant under a commercial lease (which this is) an automatic right to request a new lease on identical terms, save for the rent amount, on expiry of the existing lease.

- The Landlord (OTC) can only oppose the new lease on very limited grounds, none of which appear to subsist at the present time.

- The OBC lease expires in a little under 6 months.

- Given that OTC has a current and statutory obligation to negotiate and grant a new lease to OBC; this automatically triggers OTC's obligations to comply with Section 127/123 of the LGA 1972 and to incur all of the costs associated with doing so.

- Apart from the direct costs of drafting the leases, all of OTC's legal costs flow from its obligations under the LTA 1954 and the LGA 1972, specifically; instructing and obtaining independent valuations to confirm that the effective disposal of the land falls within the financial limits of the General Consent and drafting and placing public notices of the intention to grant the leases.

- It is not clear whether OTC has demonstrated strict compliance with the relevant statutes when previous leases were granted, but now that Cllr Ainsley has brought these obligations to Council's attention, there is no option but to do so now and at its own expense.

Requests for Quotations for legal advice covering; OTC's obligations under the LGA 1972, the LTA 1954 and drafting of new leases were issued to 3 solicitors. Two of them declined to provide this advice and the one that did offer it asked for £6,500. The author of this report does not consider that Council should incur this expense. The matters concerned are sufficiently clear for Council to understand and meet its statutory obligations.

A 99-year lease is treated as S123 and is general disposable after 7 years. / A valuation is required. / The land is open spaces/recreational ground. / A public consultation should take place before a decision is made.

These 4 bullets are all connected with the requirements of Section 123 of the LGA 1972 where the grant of the lease is treated as a disposal. It appears that the proposed leases very clearly meet this test.

Requests for Quotations for Valuations to confirm that OTC has authority to grant the proposed leases under a General Consent under the LGA 1972 and the Subsidy Control Act 2022 have been drafted and are with the Clerk for review and issue.

It appears that the land does qualify as Open Space for the purposes of the LGA 1972 and in consequence, will require the intention to grant the leases to be advertised

locally. A proposed Advertisement/Notice has been drafted based on examples from other Councils.

A Heads of Terms is needed.

This was drawn up with the Clubs but it is not clear whether it was presented to Council. The terms are as discussed at the Full Meeting on 9th September 2026 and a copy is attached for completeness.

A solicitor needs to look over the leases. / More information is needed, particularly a legally compliant and complete report for Council to consider.

Quotations from 3 solicitors to review, negotiate and execute the leases will be obtained.

It is submitted that this report provides Council with sufficient information to proceed with actions required to grant the leases under a General Consent and does not need formal legal advice to confirm this.

Proposed Course of Action

It is proposed that Council:

- Confirm that the provisos attached to the September 9th resolution have been satisfied and the decision to grant the leases is a final decision.
- Establishing a Task and Finish Group to finalise the leases, in conjunction with the Clerk, including authority to liaise with the Clubs.
- Approval of the proposed Terms of Reference for the Task and Finish Group.
- Quotes received from the 3 legal advisers for review, negotiation and finalisation of the draft leases.
- Delegating authority to the Clerk to select a Valuer (if 3 quotes are not available in time for this meeting).
- Giving the Clerk delegated power to action any statutory obligations e.g. public notice of the intention to grant the leases, including delegated power for any advertising costs.
- Resolve to accept the drafting of the leases at the expense of the clubs plus £750 each plus VAT as the contribution of the Clubs to the legal costs.