

# The Landlord & Tenant Act 1954 – what every practice in leasehold surgery needs to know



If you lease your surgery premises then the Landlord & Tenant Act 1954 (“L&TA”) is something that could affect you.

The act covers the rights and obligations of both a landlord and tenant in relation to commercial premises, and whatever your situation – whether your GP practice has a documented lease in place, or you’re occupying a surgery under an ‘implied’ tenancy - it is important you understand what the L&TA is and may mean for your practice.

To help you, here we take a closer look at the act and some of the key benefits that having a lease covered by the L&TA can bring, along with the risks and challenges you may face if it is excluded.

## What is the L&TA?

The Landlord and Tenant Act 1954 is an important piece of legislation that governs the relationship between landlords and tenants of commercial premises. It was introduced to offer greater protection for tenants.

The rights and obligations covered by the act will be in addition to any terms and conditions set out in your lease.

## Understanding your current lease

Unless your lease includes a specific clause contracting you out of the L&TA, then you are likely to be protected by the provisions it sets out. This will also generally be the case even if you do not have a formal documented lease in place but have been in occupation and paying rent for a number of years.

## Inclusion of the L&TA – Benefits to GPs

If your tenancy is covered by the act then you will benefit in a number of ways:

1. You will have an automatic right of renewal. That means that even when the fixed term of your lease has ended, you will have the right to remain in occupation and to apply to the court for the grant of a new lease.
2. If you and your landlord fail to agree on the terms of a new lease then the court can make key decisions, such as the length of time it will run and the rent payable.
3. When it comes to the length of the new lease, the court is much more likely to agree to a time period requested by a tenant, than by a landlord. A key benefit of having a shorter term lease inside the L&TA is that it reduces the risk of having to pay rent long after you have left the practice and after the building is no longer used for Primary Care.

4. If your lease payments are linked to the rent reimbursement (as most GP surgery rents are), a court is unlikely to permit a new rent which permits a landlord to break this link, or indeed to permit the introduction of new or significantly varied service charges.

### Exclusion of the L&TA – Potential problems for GP practices

If your lease does exclude the conditions of the L&TA, then there are some key issues you may face:

1. When your lease comes to an end on the specified termination date, you will have to vacate the surgery regardless of the impact on patients.
2. It will be entirely up to your landlord whether or not they decide to offer you a new lease and if they do, then it could be on very different terms to your previous one. This means that any draft lease proposed may not be approved by NHSE and that your rent reimbursement could be prejudiced, and/or that you could find yourself liable for rent even after you have left the practice.

### Negotiating the best lease for your practice

While you may be keen for your lease to be protected by the L&TA, your landlord may prefer it is excluded. This means it could become an important part of your negotiations. The arguments for and against excluding it will depend on many factors, including the buoyancy of the current rental market, and your future plans and those of your landlord.

The L&TA is a particularly complex area of law, with strict procedures that have to be followed to the letter, or you risk losing your protected rights. Unfortunately, even a seemingly trivial technical error in the processing of notices given in accordance with the L&TA can cause them to be invalid, resulting in some serious and potentially very costly problems for the practice.

We recommend you always seek assistance from a legal professional at least a year before your lease is due to expire (whether or not you wish to renew the lease or bring it to an end) and in the event that you receive any notice from your landlord seeking to terminate or change the terms of your occupation (such as a section 25 notice).

### Protecting your practice

As with any contract or lease negotiations, it is always advisable to seek the advice of an experienced legal team, who can advise you on your specific case and personal circumstances.

*For more info about this, or any other legal issue relating to your practice, please contact Daphne Robertson on 01483 511555 or [d.robertson@drsolicitors.com](mailto:d.robertson@drsolicitors.com)*