

May 2024
Newsletter No.36

Welcome to our latest newsletter

OUR RECENT CHARITY AND COMMUNITY WORK

We continue to support worthwhile causes, such as the Rosemary Foundation (you may have seen us as a sponsor in their latest newsletter) and we remain on the Solicitors' Legal Panel Rota for the Citizens Advice Bureau.

STAFF UPDATE

We are delighted to announce that Heather Wiltshire has joined our Property team. Heather will be taking on both commercial and residential property matters and has over 20 years of experience, dealing with a wide range of different property transactions.

BUILDING UPDATE

Following our long awaited consent, the building works have now started. We have begun work on replacing windows, starting with the rear of the building. Further works will be carried out in due course, which will be made all the easier now that the nicer weather is close. We thank all clients for their patience over the last few years of waiting for the commission and for any forthcoming disruptions that may arise when scaffolding is erected for the external repairs.

LEGAL UPDATE

Changing tides

As a firm we receive a number of industry updates and have recently received one relating to the fears that millennials have regarding parents' spending habits and the potential impact this could have on their inheritance. In a survey of approximately 1,000 individuals aged between 35 and 50 and another 1,000 aged between 65 and over it was revealed that 30% of adults in their 30s to 40s believe their inheritance is jeopardised due to their parents' spending tendencies.

The results suggest that there are concerns among younger generations regarding funding and also regarding their expectations with results showing approximately 41% of millennials characterising their parents as spend thrifts who habitually spend

& splurge money and indeed 19% of results indicated that they felt that their parents' spending was selfish and neglecting the financial security of their offspring and grandchildren. More reassuringly however 70% of the individuals aged between 35 and 50 have acknowledged that they are actively saving their own money as a precaution to ensure that they are not entirely reliant on any inheritance in case this falls short of their expectation but 40% of respondents aged 40 and over have expressed no intention of excessively accumulating wealth for the purposes of their children's inheritance.

One point we always stress to clients is that they are free to make decisions in relation to their future life planning as they wish and they of course have a responsibility and a need to consider their own needs as well of those around them and accordingly individuals are completely free to make whatever choices they wish to.

Stamp Duty Land Tax ('SDLT') - update

As part of the Spring 2024 Budget, the government announced that it will abolish SDLT multiple dwellings relief ('MDR') for transactions which complete on or after 1st June 2024.

MDR is available for (linked) land transactions involving the acquisition of more than one dwelling if certain conditions are satisfied. The relief operates by fixing the SDLT rates by reference to the average chargeable consideration for the purchases of the dwellings (rather than the aggregate chargeable consideration). From 1st June 2024 it will no longer be available, unless a contract for purchase was exchanged on or before 6 March 2024 provided that there is no variation of the contract after 6 March 2024.

If you are buying a property or looking to buy a property where there are more than one dwelling, you only have until 31st May 2024 to complete your transaction if you haven't already exchanged contracts.

New Powers for the Child Maintenance Service

Following much needed reform to allow the Child Maintenance Service ("CMS") to crack down on non-paying parents, from the 26th February 2024 the £20 application fee is scrapped by the Government, to ensure that there is access to the CMS to benefit all children and that nobody misses out on the benefit of that support.

Around 10,000 parents a year wilfully refuse to pay child maintenance despite their obligation being assessed by the CMS. Changes in the rules will allow for the CMS to obtain an Administrative Liability Order, rather than having to wait for the Courts to grant a Liability Order. This is going to reduce the time taken from approximately 22 weeks at present to what is anticipated to be as little as 6 to 8 weeks in the future and allows further steps, such as the seizure of assets, forced sale of property etc., to be

considered much quicker in the process. For parents not receiving the child maintenance they are duly owed, this will hopefully mean that they then receive that financial support as quickly as possible.

The Government is keen that even the poorest families can ensure that their children are properly provided for. The Department of Work & Pensions Minister, Viscount Younger, has stated that “Child Maintenance Service makes a real difference to the lives of over 900,000 children across the UK with CMS and family based arrangements helping to keep around 160,000 out of poverty each year.”, therefore any greater access to the service or speed with which the service can act is only going to be positively received by those awaiting payment.

Access to Documents – Too Far?

Senior figures in the judiciary have set out ambitious plans to make litigation more transparent.

The Civil Procedure Rule Committee has suggested that court rules should be amended to allow an individual who is not a party in a case to obtain skeleton arguments, witness statements and expert reports without the permission of the court. Currently, only parties to a case (or those who can justify to a Court why access should be granted) are able to obtain this type of information.

The proposals have been prompted following a Supreme Court ruling in 2019, which suggested that rules on access to court documents should be reconsidered to give people a better understanding of how the justice system works. Other arguments in favour of the proposals are that access is required to court documents to enable public scrutiny of judicial decisions.

However, these proposals radically expand access for members of the public to court documents, and there is a concern that this could disproportionately burden court staff and lawyers with work and could create additional costs. It is also not clear who may have to bear additional costs if, for example, sensitive information needs to be redacted (such as medical evidence or other confidential information etc).

Other concerns raised surround artificial intelligence, which is clearly being used more and more in everyday life. Experts are concerned that, alongside judgments, these additional documents could be analysed to assess what kind of legal arguments work in particular contexts or, potentially, before particular judges. Arguably, this type of analysis would have a detrimental impact to the independence of the judiciary and be used by parties to try and obtain an unfair advantage.

Further, there are concerns that these proposals might also pose a risk for the competitiveness of the English courts, given that some international parties may prefer to resolve their disputes in a forum which has greater protection for confidentiality.

These proposals are still at the consultation stage, but it will be interesting to see if the proposals are shown support and quite how far the access will go...

Disclaimer

This newsletter has been prepared to highlight some key issues. It is intended to be for general guidance only and is not a substitute for specific advice. It is based upon our understanding of the legal position as at May 2024 and may be affected by subsequent changes in the law.

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I would be interested in future newsletters

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If you DO wish to receive any further updates or communications from us, please notify Jane Perkins by e-mail perkinsj@macklunt.co.uk or phone on 01730 265111