

**HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
14 June 2011

**Subject: SURRENDER OF THIRSK TOWN COUNCIL LEASE AT 49a MARKET PLACE,  
THIRSK**

**Thirsk Ward  
Scrutiny Committees  
Cabinet Member for Partnerships: Councillor N Clack**

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**1.0 PURPOSE AND BACKGROUND:**

- 1.1 Thirsk Town Council lease office accommodation from Hambleton District Council at 49 Market Place, Thirsk. The Town Council has a dedicated access to part of the building at 49a Market Place. The accommodation is on the ground floor, together with an associated shared use of a toilet within the former TIC area.
- 1.2 The TIC occupied the remainder of the ground floor until the transfer to the volunteer TIP at the end of March 2011. This area is now vacant. The second and third floors are also vacant.
- 1.3 The Town Council's lease is due for renewal in 2013. The current annual rent is £3,950. The Town Council has asked to be released early from the lease so that it can move into alternative accommodation in Thirsk.
- 1.4 Cabinet considered the use of 49 Market Place when the relocation of the Thirsk TIC was discussed at the meeting on 16 February 2010. The decision in relation to the building (CA.92) was that the property be declared surplus to requirements and be disposed of and also that Thirsk Town Council be given the opportunity to consider leasing 49 Market Place.
- 1.5 The Town Council has confirmed that it does not wish to lease 49 Market Place and would wish to relocate within Thirsk. It is perceived that this would afford the Town Council greater long term security, given the District Council's intention to dispose of the property.
- 1.6 The Prosperity Management Leadership Board has considered the surrender of the lease and raised no objections.
- 1.7 The Town Council has identified a property to relocate to and would wish to move in the near future. If Cabinet is minded to approve the release from the current lease it could be on the basis of the Town Council providing one month's notice.

**2.0 DECISIONS SOUGHT:**

- 2.1 Cabinet are requested to approve an early termination of the Thirsk Town Council lease for the District Council property of 49a Market Place, Thirsk, subject to one month's notice.

**3.0 RISK ASSESSMENT:**

- 3.1 There are no significant risks associated with this report.

#### **4.0 SUSTAINABILITY IMPLICATIONS:**

4.1 There are no sustainability implications.

#### **5.0 FINANCIAL IMPLICATIONS AND EFFICIENCIES:**

5.1 Thirsk Town Council pay an annual fee for the lease of £3,950. This is contracted until 30 May 2013 at which point the Town Council could elect not to renew. In addition, it is intended to dispose of the building as it is surplus to service requirements.

5.2 Cabinet has agreed that the building is surplus to requirements as a result of the relocation of the tourist information service. Cabinet has also agreed that the building should be disposed of and on that basis the revenue from the lease would not be included in the budget for 2012/13.

5.3 If Cabinet approves the early surrender it is possible that it could do so on the basis of the Town Council compensating the District Council for loss of income for the remaining period of the lease. However, given the proposal to sell the building it would be difficult to be accurate about the loss as this would reasonably depend on the actual date of sale. Alternatively the District Council could agree to a surrender based on payment up to the date of surrender only.

5.4 Although it is arguable that the Town Council would not be a barrier to a sale of 49 Market Place as a sitting tenant, it is also arguable that a building with vacant possession could be attractive to a wider range of potential purchasers and could command a higher selling price.

5.5 The lease runs from 30 May to 30 May. If the Town Council was to give notice from say 1 July for 1 August then the loss of revenue in 2011/12 would equate to 10 months which would be £3,292. This would reduce for every month in occupation.

5.6 It is recommended that the Thirsk Town Council be allowed to surrender the lease of 49a Market Place, Thirsk, subject to a pro-rata payment of the lease fee and one month's notice in writing. It is also recommended that the loss of income be met from the Service Improvement Reserve.

#### **6.0 LEGAL IMPLICATIONS:**

6.1 The Town Council has a lease of 49a Market Place until 30 May 2013 and requires the consent of the District Council to terminate the lease prior to that date. The District Council could seek a financial consideration from the Town Council for the remaining period of the lease.

6.2 Allowing the Town Council to surrender the lease for 49a Market Place would enable Hambleton to sell the building with vacant possession and obviate selling with a sitting tenant.

#### **7.0 RECOMMENDATION:**

7.1 It is recommended that:-

- (1) Thirsk Town Council be allowed to surrender the lease for 49a Market Place, Thirsk, subject to a pro-rata payment of the lease fee for 2011/12 and one month's notice in writing; and

(2) the loss of lease income be met from the Service Improvement Reserve.

DAVID McGLOIN

**Background papers:** None  
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