



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Asset Management – Estates Issues
Date:	23 January 2009
Reporting Officer:	Gerry Millar, Director of Improvement, Ext. 6217.
Contact Officer:	Sub-Item 1 - Celine Dunlop, Estates Surveyor, Core Improvement, Ext. 3419. Sub-Items 2 and 3 - Ken Anderson, Estates Surveyor, Core Improvement, Ext. 3496.

Relevant Background Information

- Sub-Item 1. Proposed New Lease at Duncrue Industrial Estate
- Sub-Item 2. Proposed Acquisition of Land at Sliabh Dubh
- Sub-Item 3. Proposed Disposal of Land at Barnett Demesne

Sub-Item 1 – New Lease at Duncrue Industrial Estate

Action Mental Health hold from the Council a 99 year lease from 1 Jan 1975 for a site of approximately 0.8 acres at Duncrue Industrial Estate subject to a current rent of £10000pa. The lease contains a seven year rent review clause and the rent is due for review on 1 Jan 2010. The lease also contains a clause restricting use of the premises to light or general industrial purposes. As part of the negotiations for the installation of an NIE cable to serve the North Foreshore officers have agreed to grant Action Mental Health a new 125 year lease with a five year rent review pattern at a rent of £15000 pa reviewable every 5 years. The lease will allow for any reasonable commercial or industrial use. The leased area is shown outlined red on Appendix 1 attached.

Sub-Item 2 – Land at Sliabh Dubh

At its meeting on 9 October 2008 the Parks and Leisure Committee (extract from Committee minute attached as Appendix 2) approved the acquisition of a portion of land at Sliabh Dubh, off the Springfield Road, Belfast. The land which is outlined red on the attached map (Appendix 3), lies within a new development of 194 housing units developed and managed as social housing by Fold Housing Association.

It is understood the land is currently owned by Fold Housing Association who have agreed to dispose of the land to the Council at nil capital cost, free of rent, for provision of a children's playground. It is understood the disposal to the Council would be on the basis that use of the land be restricted to a Play Area.

As noted in the minute of the Parks and Leisure Committee the initial capital cost of the playground provision (estimated at £160,000 – now revised to £200,000) is to be met by the Department for Social Development. The Council would become liable for future maintenance costs, estimated at £1500 per annum, plus the costs of any replacement required on account of vandalism at the site. Under the terms of the Funding Agreement from DSD the Council will also become liable for funding replacement facilities after approximately 10 years when the initial facilities would normally require replacement.

This proposed acquisition remains subject to passage through the capital projects Gateway process.

Sub-Item 3 – Land at Barnett Demesne

At its meeting on 15 January 2009 the Parks and Leisure Committee agreed in principle to disposal of a portion of land at Barnett Demesne close to Shaw's Bridge. Discussions with the parties involved on 16 January 2009 have led to further progress with regard to the disposal – as set out below.

Belfast Activity Centre (BAC) are a registered charity whose main aim is to develop personal and social development opportunities for young people. In late August 2008 BAC obtained Planning Permission for development of a Boat House fronting the River Lagan close to Shaw's Bridge.

From drawings recently obtained by the Council it appears that approximately 40% of the proposed Boat House and most of the access areas around it plus all the access route to it are in Council ownership (map attached as Appendix 3). On the basis of incorrect assurances about land ownership given by the Department for Culture Arts and Leisure (DCAL) to BAC's solicitors, BAC have commenced development on site. DECAL and BAC now wish to enter into arrangements with the Council for purchase or lease of the lands.

The Council has previously entered into a development agreement with BAC at Barnett Demesne to allow them to develop the former Stable Yard (close to Malone House) and to develop an outdoor activity area on land adjoining the Stable Yard. Normally any arrangements of this sort would be on a similar basis to those already in place at these other locations, however due to the stage to which the boat house development scheme has been taken BAC and DECAL and taking into account the scheme's funding deadline of 13 March 2009, it seems impractical to proceed on this basis and a modified approach is therefore being proposed.

The following proposals seek to minimize risks to the Council as far as can be achieved in the circumstances.

1. It is proposed to enter into a Licence Agreement with Belfast Activity Centre to allow the work on site to progress. The Licence will seek to protect the Council's interests in terms of any claims, reinstatement of the lands, duration of the construction works and the expected quality of the finished building (as per submitted plans). The Licence will run from the date the works commenced on site (actual date in December to be confirmed) until the date of completion of the works (anticipated to be in March 2009)

2. The Department of Culture Arts and Leisure intend to grant BAC a 21 year lease from the date the boat house construction is completed. It is proposed the Council grant a 21 year lease to DECAL which will run concurrently with the DECAL lease to BAC. The Council's lease to DECAL would define the extent of the land to be leased, would restrict use of the site (in accordance with the restrictions in the Council's title and the intended use of the premises) and would be subject to agreement on financial terms to be assessed by Land and Property Services acting between the parties.

The land at this location was acquired by the Council under the Will of the late William Barnett and it is likely that formal approval to any disposal will require the approval of Charities Branch.

Key Issues

Sub-Item 1 – New Lease at Duncrue Industrial Estate

The Council have taken the opportunity to introduce modern lease terms and increase the rent and the tenant is benefiting from a longer period of lease and more flexible user and assignment clauses.

Sub-Item 2 – Land at Sliabh Dubh

- Acquisition of land at new housing development at Sliabh Dubh, Springfield Road, Belfast at no initial capital cost to the Council.
- DSD to fund capital cost of playground on site.
- Council to bear future revenue and capital costs associated with maintenance and replacement (vandalism and after 10yrs).
- Acquisition remains subject to capital projects Gateway process which includes an assessment of whole life costs.

Sub-Item 3 – Land at Barnett Demesne

- Proposed Boat House development by Belfast Activity Centre (BAC) at Barnett Demesne fronting the River Lagan close to Shaw's Bridge.
- Large proportion of the Boat House site and access to it is on Council owned land. BAC has commenced development based on incorrect information as to land ownership provided by Department for Culture Arts & Leisure (DECAL).
- BAC /DECAL now wish to enter into legal arrangements with the Council in to allow the development to proceed.
- It is proposed to enter into a Licence Agreement with BAC for the duration of the construction process and thereafter enter into a 21 year lease with DECAL. BAC and DECAL are agreeable to such an arrangement.
- The site of the proposed Boat House has not previously been declared surplus to Council requirements.
- The arrangements remain subject to agreement on financial terms to be assessed by Land and Property Services.

Resource Implications

Sub-Item 1 – New Lease at Duncrue Industrial Estate

The new lease provides for an increase in the rent from £10000pa to £15000pa to the Council.

Sub-Item 2 – Land at Sliabh Dubh

Financial

No initial capital cost to Council. Estimated servicing costs to Council £1500 per annum, plus repairs and replacements. No figures are yet available for repair and replacement costs.

Human Resources

No additional human resources identified by Parks and Leisure regarding on-going maintenance.

Asset and Other Implications

Potential additional site added to Council's portfolio. Restriction on use of the land and potential DSD Funding Agreement requirements regarding retention and use of the site.

Sub-Item 3 – Land at Barnett Demesne

Financial

Small capital sum to become payable by DECAL on commencement of proposed lease.

Human Resources

No additional human resources will be required.

Asset and Other Implications

Land has not previously been declared surplus although use of the proposed facility may fall within one of the Council's statutory functions as set out in the Recreation and Youth Service (NI) Order 1986. The estimated construction cost of the proposed development is believed to be in the region of £300,000 and would provide a single storey stone clad traditional Boat House which is in keeping with the neighbouring historic stone built Shaw's Bridge. The terms of the proposed lease would aim to protect the Council's property interests in the longer term.

Recommendations

Sub-Item 1 – New Lease at Duncrue Industrial Estate

It is recommended that the Committee grant approval for the new 125 year lease to Action Mental Health at Plot 30 Duncrue Industrial estate on the terms outlined in this report.

Sub-Item 2 – Land at Sliabh Dubh

Committee is recommended to consider in principle the acquisition of the land outlined red on Appendix 3 at no initial capital cost to the Council, but subject to an appropriate legal agreement to be approved by the Director of Legal Services and a further report to Committee providing information associated with the capital projects Gateway process.

Sub-Item 3 – Land at Barnett Demesne

Committee is recommended to authorise the grant of temporary Licence Agreement to Belfast Activity Centre to enable construction works to progress and to the grant of a 21 year lease to the Department for Culture Arts and Leisure for an agreed site area on financial terms to be determined by Land and Property Services and subject incorporation of suitable terms in a legal agreement to be compiled by the Director of Legal Services..

Key to Abbreviations

DSD – Department for Social Development
BAC – Belfast Activity Centre
DCAL – Department for Culture Arts and Leisure

Documents Attached

Appendix 1 - Shows area to be leased to Action Mental Health outlined red. The Council's surrounding lands at Duncrue Industrial Estate are shown shaded pink.

Appendix 2 – Extract from the minute of the Parks and Leisure Committee of 9 October 2008 re land at Sliabh Dubh.

Appendix 3 – Map showing the location of the land (approximately 0.164 acres) which it is proposed to acquire from Fold Housing Association at Sliabh Dubh housing development, off the Springfield Road.

Appendix 4 – Draft location map showing proposed Boat House, access route (shaded black) from Roads Service car park and land in Council ownership (shaded green). The physical boundaries of the proposed Licence Agreement and Lease to be agreed with the Council's Estates Manager.

This page has been intentionally left blank.