



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Proposed Disposal of Land at Lyric Wood
Date:	22 May 2009
Reporting Officer:	Gerry Millar, Director of Improvement, Ext. 6217.
Contact Officer:	Andrew Hassard, Director of Parks and Leisure, Ext. 3400.

Relevant Background Information

At its meeting on 14 May 2009 the Parks and Leisure Committee received the attached report and associated map (Appendix 1) in relation to the potential disposal of lands adjacent to the site of the proposed new Lyric Theatre. At that meeting the Parks and Leisure Committee agreed to the Council entering into arrangements for a temporary contractor's compound on the Council's lands and the subsequent proposed disposal of the lands to the Lyric Theatre by way of a 999 year lease. The Committee further agreed to disposal in accordance with Option 1A in the report which provided that the Council should seek the full value of £43,250, as assessed by Land and Property Services, for the 0.47 acres of Council land outlined red on the attached map. This sum is to be deducted from the Council's contribution of £1.25M, towards funding the Lyric Theatre redevelopment. The disposal remains subject to any DOE approval which may be required in relation to the Council's obligations to obtain 'best value' in accordance with the Local Government Act (NI) 1972.

In addition Committee instructed that any future use should be for open space purposes and that should the Lyric ever wish to dispose of the land Belfast City Council should have the first option to acquire it.

Key Issues

- Proposed disposal of 0.47 acres to Lyric Theatre on a 999 year lease approved by Parks and Leisure Committee at LPS assessed value of £43,250.
- Disposal remains subject to approval by Strategic Policy and Resources Committee and full Council with an appropriate legal agreement to be prepared by the Director of Legal Services and any DOE approval which may be required.

Resource Implications

Financial

As per attached report Appendix 1.

Human Resources

As per attached report Appendix 1.

Asset and Other Implications

As per attached report Appendix 1.

Recommendations

Committee is requested to note and endorse the decision of the Parks and Leisure Committee of 14 May 2009 regarding disposal of 0.47 acres of land at Lyric Wood to the Lyric Theatre on a long lease for the sum of £43,250 which figure to be deducted from the proposed Council grant funding (£1.25M) previously agreed as a contribution to the Lyric Theatre redevelopment.

Decision Tracking

To ensure completion of legal documents by December 2009 – Directors of Improvement and Parks and Leisure.

Key to Abbreviations

LPS – Land and Property Services (formerly Valuation and Lands Agency)
DOE – Department of the Environment for Northern Ireland

Documents Attached

Appendix 1. Report and map presented at Parks and Leisure Committee on 14 May 2009.

APPENDIX 1



Belfast City Council

Report to:	Parks and Leisure Committee
Subject:	Proposed Disposal of Land to Lyric Theatre
Date:	14 May 2009
Reporting Officer:	Andrew Hassard, Director of Parks and Leisure
Contact Officer:	Stephen Walker, Principal Parks and Cemeteries Development Manager Ken Anderson, Estates Surveyor, Core Improvement

Relevant Background Information

At its meeting on 13 September 2007 the Parks and Leisure Committee agreed in principle to the use of Council owned land at Lyric Wood to provide a means of escape from fire for the proposed development of the new Lyric Theatre on adjoining land owned by the Theatre. Committee also agreed to provide an area of Council land at Lyric Wood to facilitate the development of the new theatre. Both the means of escape from fire and the temporary provision of land during development were subject to appropriate legal agreements being drawn up.

Since February 2009 there have been intensive discussions between the Lyric's representatives and Council officers in an effort to agree suitable terms for inclusion in a Licence Agreement (for temporary use of land during the development of the new theatre) and a Lease (providing long term use of Council land in connection with the new theatre). The intensity of these discussions has been heightened by the commencement of construction work on the site and the Theatre's expressed need for use of Council land to enable works on site to continue.

Licence Agreement

Draft terms have been agreed with solicitors acting for the Lyric Theatre which would permit use of the Council lands outlined red on the attached map (Appendix 1) for a period of approximately 2 years (the land shaded blue is land currently in the ownership of the Lyric Theatre). Normally this type of Agreement will provide use of lands as a contractor's compound and permit temporary alteration to the land and placing of temporary buildings on the land subject to full reinstatement at the end of the Licence period. In this case it is

proposed that the Council also permit some permanent structures to be placed on Council land, these are referred to in the Licence as the 'At Risk Works'. These works include the installation of some foundations, pipework and earth retaining structures on Council lands. The 'At Risk Works' remain subject to the same reinstatement requirements as any temporary alterations to the land.

Lease

Committee has previously approved in principle the use of Council land to provide means of escape from fire. As details have merged from the Lyric Theatre's representatives it appears that land currently in Council ownership will be required for the following:

- i) the construction of an open staircase measuring approximately 30 metres by 4 metres from Stranmillis Embankment directly to the new theatre building and the construction of a small paved courtyard and paths and access on to these from the new theatre to allow exit to Ridgeway Street. These are required for the provision of means of escape from fire and are entirely located on Council land;
- ii) provision of a small area of land adjoining the above mentioned open staircase for part of the toilet block and terrace area;
- iii) provision of an overhanging balcony area (part of the bar and sponsor's area on the first floor);
- iv) the permanent alteration of ground levels (of Council land) around the new theatre to reduce these by up to approximately 3 metres;
- v) to install a series of storm and foul sewers on Council land around the new theatre and to carry these across Council land to a new outfall to the River Lagan (storm only) and to connect to existing mains drainage (foul drainage);
- vi) to install a ground source water bore hole 120m deep on Council land to allow extraction of water to assist with air conditioning/cooling the new theatre;
- vii) the installation of parts of the foundations around much of the new theatre on Council land;
- viii) a requirement to provide future access for maintenance and cleaning of the new theatre across and from Council land; and
- ix) the acquisition of rights to light across the adjoining Council land.

The above proposals have led Council officers to consider the most appropriate means of meeting the Lyric Theatre's requirements while protecting the Council against future claims or expenditure associated with the future operation of any of the matters listed at i) to ix). Officers are also aware that installation of the proposed open staircase and other paths (on land currently in Council ownership) could raise issues in relation to the management and liabilities relating to security of the new multi million pound theatre building.

Taking all the matters referred to above into consideration officers are of the view that sale to the Theatre of Council lands in the vicinity of the new building simplifies the line of responsibility in relation to security of the theatre and represents the least risk option for the Council. On this basis it is proposed to dispose of the 0.47 acres of land outlined red on Appendix 1 on a 999 year lease.

On the above basis a value of £43,250 has been assessed by Land and Property Services (formerly Valuation and Lands Agency) for the land in question.

Members will be aware of the Council's obligations to obtain best price under the Local Government Act (NI) 1972 and that the approval of the DOE Local Government Policy Division is required for any disposal of property at less than best price. Members will also be aware that the Council have also agreed to provide £1.25M funding towards development of the new Lyric Theatre. In view of these twin issues Members are asked to determine the approach to be adopted in relation to the sale price of the identified land to the Lyric Theatre. The following options are provided for Members consideration.

Option 1: Charge the Lyric Theatre the full value for the land (£43,250) as assessed by Land & Property Services (LPS) and seek cash payment of same. As a stand-alone issue this would have no impact on the proposed funding and would not require DOE approval. It likely requires the Lyric to raise additional finance in connection with the development of the new theatre.

Option 1A: Charge the Lyric Theatre the full value for the land (£43,250) as assessed by LPS but rather than seek cash payment make a deduction of the relevant amount from the proposed grant funding. This may require DOE approval (subject to further legal advice). A reduction in Council funding is also likely to require the Lyric to raise substitute funding from other sources to cover the shortfall.

Option 2: On the basis that the Lyric development represents a major cultural and artistic development for the City to waive (in full). This option would require DOE approval in advance of completing disposal of the lands and require submission of a case to Local Government Policy Division setting out why the Council did not seek the 'best price' in this case.

Key Issues

The Committee is asked to note the following key points:

- Following on from decision of the Parks & Leisure Committee of 13 September 2007, officers have had intensive discussions with the Lyric Theatre's representatives the results of which are set out below (subject to Committee approval now being sought).
- Agreement has been reached with the Lyric Theatre on terms for a proposed Licence Agreement which would allow contractor's use of Council land and progress by the contractor on 'At Risk Works' on Council lands.
- Agreement has been reached with the Lyric Theatre (subject to Committee approval) on the terms of disposal for approximately 0.47

- acres of Council land on a 999 year lease, subject to agreement on price.
- Owing to the urgency of the matter a report will be brought to Policy and Resources in May following the Parks and Leisure meeting.

Resource Implications

Financial

A disposal could provide a capital receipt (subject to Members' decision). Disposal of the lands would ensure the Council do not incur future maintenance or investment costs associated with enhancing the visual presentation of the new Lyric Theatre. Waiver of the disposal price would mean the Council would mean the Council reduces its land holding without gaining the direct benefit of a capital receipt.

Human Resources

No additional human resources required. Resources within Parks and Leisure Department, Legal Services Department and Core Improvement Department have already been expended to bring the matter to the current point and some further inputs from all these Departments will be required to bring any legal matters to a conclusion.

Asset and Other Implications

The portion of Lyric Wood being considered for disposal is in the main a lightly wooded bank alongside Stranmillis Embankment. The portion of Lyric Wood being retained is more heavily wooded and has a greater visual and ecological benefit. Disposal of the 0.47 acres outlined red on Appendix 1 would distance the Council's retained lands from the new theatre and allow the retained lands to be managed by the Council independently as a single woodland entity.

Recommendations

Committee is recommended to note the contents of this report in relation to the proposed temporary Licence Agreement and approve completion of the legal documentation on this basis.

Committee is further recommended to dispose of approximately 0.47 acres land (outlined red on Appendix 1) to the Lyric Theatre (NI) by way of a 999 year lease on the basis of the financial arrangement as per Option 2 and to seek the approval of the Department of the Environment before entering into a legal agreement to be prepared by the Director of Legal Services on this basis. In line with Standing Orders this decision will need to be ratified through Strategic Policy & Resources.

Decision Tracking

Stephen Walker, Principal Parks and Cemeteries Development Manager, to instruct Estates Management Unit, Core Improvement, to ensure completion of legal documents by 1 December 2009.

Key to Abbreviations

LPS – Land and Property Services (formerly Valuation and Lands Agency)
DOE – Department for the Environment for Northern Ireland

Documents Attached

Appendix 1: Map showing (outlined red) lands to be included in proposed Licence Agreement and Lease. Land shaded blue is in the ownership of the Lyric Theatre and the land shaded green is the remainder of Lyric Wood in Council ownership.