



## Belfast City Council

<b>Report to:</b>	Strategic Policy & Resources Committee
<b>Subject:</b>	Land at McClure Street
<b>Date:</b>	21 January 2011
<b>Reporting Officer:</b>	Gerry Millar, Director of Property & Projects. Ext 6217
<b>Contact Officer:</b>	Cathy Reynolds, Estates Manager. Ext 3493

<b>1</b>	<b>Relevant Background Information</b>
1.1	The Strategic Policy & Resources Committee, at their meeting on 10 December 2010 granted approval to land at McClure Street being marketed, free of restrictions as to future use and on the basis that any disposal was time bound. However at full Council on 5 January 2011 the matter was referred back to the Strategic Policy & Resources Committee.
1.2	A copy of the previous Strategic Policy & Resources Committee report is enclosed at Appendix 1, which outlines the relevant background, a summary of all the previous Committee decisions, key decisions and details of potential options.
1.3	It should be emphasised that the key issue affecting the future use of this land is its planning designation. Furthermore the key issue to be considered in deciding how the Council deals with any disposal of the land relates to the Council's legislative requirement to obtain best price as set out in the Local Government Act (NI) 1972.
1.4	The previous report highlighted that in order to comply with the LGA (NI) 1972 best price obligation there should be no restriction given as to the future use for social housing. If the use was restricted to any one particular use this would not allow for any other potential uses and could therefore restrict value and hence potentially not accord with the best price statutory requirement.
1.5	It is important to note that there have been various audit reports in respect of land disposal issues at other Councils. These have highlighted the legislative requirement to obtain best price, best rent or otherwise best terms in the disposal of land, where the consent of the DOE is not sought. In order to demonstrate that best price is being established the view is that the land should normally be subject to marketing, subject to certain exceptions. Open competition is normally seen as the most effective way to demonstrate that best price is being

	established.
1.6	In the current case with McClure Street, the recommended option for the Council to take in order to comply with its legislative requirements and to demonstrate that best price is being obtained is to advertise the land for sale on the open market free of restrictions as to future use. Otherwise the consent of the DOE will be required. Any interested parties are free to make a bid accordingly. To do otherwise could leave the Council open to challenge.
1.7	The previous Committee reports sets out the planning issues which essentially indicate that any proposed development would have to bring substantial community benefit to outweigh the loss of open space.

<b>2</b>	<b>Key Issues</b>
2.1	<ul style="list-style-type: none"> <li>• Legislative requirement under the Local Government Act (NI) 1972 to obtain best price, best rent or otherwise best terms in the disposal of land, where the consent of the DOE is not sought.</li> <li>• Restrictions on the future use of the land when marketing could restrict the value and potentially not comply with the best price legislative requirements.</li> <li>• In order to demonstrate that best price is being obtained and to not leave the Council open to challenge, the land should be openly marketed and any interested parties can bid accordingly.</li> <li>• Planning restrictions would indicate that any proposed development would have to bring substantial community benefit to outweigh the loss of open space.</li> </ul>

<b>3</b>	<b>Resource Implications</b>
3.1	As set out in the previous report.

<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	None at this time.

<b>5</b>	<b>Recommendations</b>
5.1	Members are recommended to approve that the land at McClure Street is marketed, free of restrictions as to future use and on the basis that any disposal is time bound. A report will be brought back to advise on the marketing price and to advise of any DSD requirements in release of the restrictive covenant.

<b>6</b>	<b>Decision Tracking</b>
Director of Property & Projects to bring a report back to Committee within 2 months to advise re marketing.	

<b>7</b>	<b>Key to Abbreviations</b>
dBMAP: Draft Belfast Metropolitan Area Plan	

<b>8</b>	<b>Documents Attached</b>
Appendix 1: Copy Strategic Policy & Resources Committee Report: 10 December 2010	