

Appendix 1



Belfast City Council

Report to:	Development Committee
Subject:	Belfast Visitor & Convention Bureau & Belfast Welcome Centre, 35-47 Donegall Place & 34-40 Fountain St, Belfast
Date:	13 April 2011
Reporting Officer:	John McGrillen, Director of Development, ext 3470
Contact Officer:	Shirley McCay, Head of Economic Initiatives, ext 3459

Relevant Background Information
<p>Members will be aware that the Belfast City Council's (10 year) lease for the existing Welcome Centre premises on Donegall Place terminated on 31st July 2010.</p> <p>The landlord had served a Landlord's Notice under the Business Tenancies (NI) Order 1996 notice on BCC proposing a new lease for a further ten years from 1st August 2010 at the existing rent of £160,000 p.a (subject to 5 yearly reviews). BCC, as tenant, subsequently applied to the Lands Tribunal for an order of grant of tenancy for one year from 1st August 2010 and month to month thereafter at a rent of £160,000 p.a. The application was made to the Tribunal as it was not possible to agree the term of the new lease with the Landlord, who had been insisting on a 10 year Lease Term. The length of term requested by BCC reflects the ongoing work around a potential relocation of BVCB and BWC.</p> <p>At the Development Committee meeting on 22nd February 2011 Members were advised that the Lands Tribunal had set the 25th March 2011 as the hearing date for Belfast City Council's lease renewal application. Members were also advised that the landlord's position at that stage was that they would accept no less than a five year Lease Term on lease renewal at the existing rent. The hearing did not happen on this date as the Lands Tribunal agreed to have a further Mention on 31st March 2011 in order to give both the Landlord and BCC further time to negotiate and prepare evidence.</p> <p>The Development Committee on 22 February 2011 had also agreed to the development of a full business case for options associated with the relocation of the Welcome Centre, subject to the Strategic Policy & Resources Committee agreeing that the project be included within the Capital Programme. At full Council on 1 March 2011 it was agreed that further sites within the City be</p>

	<p>included as options for the relocation of the Welcome Centre.</p> <p>The development of a full business case for the relocation of Belfast Visitor & Convention Bureau and Belfast Welcome Centre was considered at the Strategic Policy & Resources Committee on 18th March 2011. The Committee were also updated on the position in relation to the renewal of the existing lease. Members were advised that if agreement could not be reached between the parties there was no guarantee that the Lands Tribunal would award a Lease Term shorter than that proposed by the Landlord. Further, that whilst the Council had applied for a new one year lease (and monthly thereafter) from 1 August 2010, given that the programme for any relocation was likely to extend beyond August 2011, it was proposed that Council officers would seek to try and reach agreement on a new Lease Term of 3 years from August 2010 or alternatively a 5 year lease with a break option at the end of Year 3.</p> <p>Members were also advised that the time required to select and agree upon a new location, agree funding and lease arrangements, together with design, procurement and fitting out fitting may take 18-24 months.</p> <p>The Committee were further advised that the outcome of a NITB grant application was unlikely to be known in time for a relocation to be completed by the beginning of 2012 and that in any case, relocation by the start of 2012 was not deemed to be essential; rather that as there will be considerable tourism draw arising from next year's events, a new facility would subsequently promote sustainable tourism development following 2012. This would enable a programme to be developed for the opening of a new facility by August 2013, if a new 3 year lease (from 1 August 2010) could be agreed.</p>
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	Key Issues
	<ul style="list-style-type: none"> • The renewal of the lease on the premises in Donegall Place remains outstanding. The Landlord's Notice for the grant of a new lease was on the basis of a further 10 year Lease Term from 1 August 2010. • In the absence of agreement between the parties the Lands Tribunal will make a determination on the Lease Term and the level of rent. The Landlord is entitled to seek a Lease Term of the same duration as the previous (10 year) lease and it is up to the Council, as tenant, to make a case to the Lands Tribunal for a shorter term. There is no guarantee that the Lands Tribunal will award a term shorter than that proposed by the Landlord. • Legal Services and Counsel's advices have been sought on the matter and extensive negotiations have taken place between the parties. • The time frame to select and agree upon a new location, agree funding and lease arrangements, together with design, procurement and fitting out may take 18 -24 months. • On the basis of the above factors and in order to reach agreement without recourse to a full Lands Tribunal hearing, a proposal was put to the Landlord advisors at the Lands Tribunal Mention on 31 March, on the basis of a 3 year Lease Term from 1 August 2010 at the passing rent of £160,000 p.a. This proposal was made on a without prejudice basis, subject to Council Committee approval. The proposal also remains subject to the Landlord's Board approval.

Resource Implications	
	<p><u>Financial</u>: The rent of £160,000 p.a. is the same rent as agreed in 2000 and is provided for in Departmental estimates. The rent is paid by BCC and off charged to BVCB.</p> <p><u>Human Resources</u>: Staff resources from the Estates Management Unit and Legal Services have been and will be required, to reach agreement on lease terms and complete the lease renewal.</p> <p><u>Asset & Other Implications</u>: The grant of a new 3 year Lease Term from 1 August 2010 will provide security of tenure and provide BCC with a reasonable timeframe within which to select and agree upon a new location, agree funding and lease arrangements, together with design, procurement and fitting out fitting out.</p>

Equality Implications	
	None

Recommendations	
	<p>It is recommended that Members request the Strategic Policy & Resources Committee to accept a three year lease on the existing Belfast Visitor & Convention Bureau and Belfast Welcome Centre premises in Donegall Place from 1st August 2010 at the existing rent of £160,000 per annum (which will be subject to subsequent Board approval of the Landlord). The new lease proposal, in accordance with Standing Orders, will be brought before the Strategic Policy & Resources Committee on 15th April 2011.</p>

Decision Tracking	
	<p>The recommendation if agreed by members passes to the SP&R Committee for completion of the new lease by Legal Services and the Estates Management Unit in Property & Projects Department.</p>

Key to Abbreviations	
	<p>BCC - Belfast City Council SP&R - Strategic Policy & Resources Committee</p>

BVCB - Belfast Visitor and Convention Bureau
BWC - Belfast Welcome Centre

	Documents Attached