



## Belfast City Council

<b>Report to:</b>	Strategic Policy & Resources Committee
<b>Subject:</b>	Rent Review, Ulster Bank Limited, Andersonstown Leisure Centre
<b>Date:</b>	18 May 2012
<b>Reporting Officer:</b>	Gerry Millar, Director of Property & Projects, Ext. 6217
<b>Contact Officer:</b>	Adrian Ferguson, Estates Surveyor, Ext. 3503

<b>1</b>	<b>Relevant Background Information</b>
1.1	By lease dated 2 November 1983 the Council leased premises at Andersonstown Leisure Centre to Ulster Bank Limited for a term of 99 years (Appendix 1 – location map) Under the terms of the lease the rent is due for review every seven years. The current rent of £38,000 per annum was due for review from 1 April 2009.
1.2	Following protracted negotiations between the Estates Management Unit and the Ulster Bank's valuer, the Ulster Bank made a referral to the Lands Tribunal to determine the rent at review.
1.3	Despite referral to the Lands Tribunal negotiations continued and prior to any formal proceedings a revised rent of £46,350 per annum has been provisionally agreed from the review date, subject to Committee approval.
1.4	As part of the agreement to settle the rent review the Ulster Bank has requested a Deed of Variation to formalise the basis on which agreement has been reached.

<b>2</b>	<b>Key Issues</b>
2.1	This Lease to the Ulster Bank at the Andersonstown Leisure Centre provides for both upward and downward movement in rent at each 7 yearly review and the Ulster Bank's valuer formally offered a revised rent of £22,000 per annum (reduction of £16,000 per annum) to settle the 2009 review.

2.2	Failure of initial negotiations to agree a revised rent prompted the Ulster Bank to make a referral to the Lands Tribunal for an independent determination of the rent. However, this Lands Tribunal referral was abandoned following further protracted negotiations and a revised rent of £46,350 per annum for the next 7 years from 1 <sup>st</sup> April 2009 has been provisionally agreed, subject to Committee approval.
2.3	The Ulster Bank have requested that Council grant a Deed of Variation to their Lease with Council in order to clarify the basis on which future rent reviews are undertaken and which will address the key issue at dispute (length of term) in the 2009 review negotiations.
2.4	Under Standing Orders all property related matters are to be reported to Strategic Policy and Resources Committee.

<b>3</b>	<b>Resource Implications</b>
3.1	<p><u>Financial</u></p> <p>Revised rental of £46,350 per annum represents an additional rental income of £8,350 per annum over the existing rental and a total increase in rental income of £58,450 over the 7 year review period. The revised rental of £46,350 per annum is a 22% increase on the passing rent.</p>
3.2	<p><u>Human Resources</u></p> <p>None</p>
3.3	<p><u>Asset and Other Implications</u></p> <p>Completion of this rent review represents effective asset management.</p>

<b>4</b>	<b>Equality and Good Relations Implications</b>
	There are no equality implications to this proposal

<b>5</b>	<b>Recommendations</b>
5.1	It is recommended that the Committee agree to a revised rent of £46,350 per annum for the 7 year period from 1 <sup>st</sup> April 2009 until 31 <sup>st</sup> March 2016 and that a Deed of Variation is entered into with Ulster Bank Limited, terms of which will be subject to approval of Legal Services.

<b>6</b>	<b>Decision Tracking</b>
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Director of Parks & Leisure to ensure revised rent payable, together with any arrears from date of review, is correctly invoiced; Director of Legal Services to draft the Deed of Variation.

<b>7</b>	<b>Key to Abbreviations</b>
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None

<b>8</b>	<b>Documents Attached</b>
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Appendix 1 – Location Map