



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Tender for the Appointment of Consultancy Services to Undertake Rent Reviews at Balmoral and Duncrue Industrial Estates
Date:	9 th November, 2012
Reporting Officer:	Gerry Millar, Director of Property and Projects, ext 6217
Contact Officer:	Celine Dunlop, Estates Surveyor, Property and Projects, ext 3419

1.0 Relevant Background Information

1.1 Members will be aware that, under the revised Scheme of Delegation, approval must be sought from the relevant Committee prior to inviting tenders for the supply of any goods or services.

1.2 The Estates Unit has responsibility for the management of a significant leased property portfolio of circ. 280 leases (including the Council's commercial estate at Balmoral, Duncrue and the Gasworks); these are proactively managed to ensure rent reviews and lease terms are adhered to and optimised for the benefit of the Council. The total rental income to the Council (in 2011/12) was approximately £6.7m which represents a marked increase over the past few years.

2.0 Key Issues

2.1 The Council's Industrial Estates at Balmoral and Duncrue have been let on long term leases dating from the 1970s and 80s. There are some 250 acres of land let to 131 tenants on various types of lease, all of which require the tenant to pay a rent to the Council in accordance with the terms of the lease, such rent being reviewed periodically, usually on a 5-yearly basis taking into account the terms of the lease. The management of the Industrial Estates and the rent reviews are dealt with by the Estates Management Unit's RICS qualified chartered surveyors with some support from consultants who were previously appointed by way of quotation.

2.2 The Estates Management Unit now requires the engagement of consultants specifically to carry out rent reviews at Balmoral and Duncrue Industrial Estates and undertake other miscellaneous rent reviews as required. The consultants will work

under the direction of the in-house Estate Management Unit.

2.2 The Estates Management Unit proposes to invite tenders from suitably qualified chartered surveyors to complete the current programme of rent reviews including all reviews falling due until the end of FY 13/14.

2.3 The Estates Management Unit would remain responsible for triggering the rent reviews and completing the memoranda recording agreements as recommended. The Estates Management unit would remain responsible for all other estate management issues including approval of settlement offers that go beyond rental assessments e.g. widening of user clauses, consent to assignment/sub-letting etc.

2.4 The rental from Council assets is a valuable income stream for the Council and as such it is important that it is managed effectively.

3.0 Resource Implications

3.1 Financial

The resources for this specialist work have been provided for within the Property & Projects revenue budget and fees relating to the rent review work will fall due over a 2-3 year period.

3.2 Human Resources

Staff resource from the Estates Management and Procurement units will be required to complete the tender and evaluation process.

3.3 Asset and Other Implications

The appointment of specialist consultants to carry out the rent review programme will maximise the Council's investment income from the leased assets.

4.0 Recommendation

4.1

- (i) It is recommended that the Committee approve the invitation of tenders and the award of contracts in respect of consultancy services for the completion of the current programme of rent reviews of the Council's leased assets, as detailed above, on the basis of the most economically advantageous offers received and evaluated on cost and quality criteria.
- (ii) The Committee is requested to approve the above recommendation to invite tenders and to delegate authority to the Director of Property and Projects to approve the successful consultant/consultants in line with cost and quality criteria, with the result of the tender exercise being reported back to Committee.

6.0 Decision Tracking

To be actioned by Celine Dunlop and completed by December, 2012.