



Subject:	Asset Management: i) Percy Street Community Centre – Lease Renewal ii) 10-18 Cromac Street and 33-37 Market Street, Belfast – Disposal of Ground Rent Interest iii) Stewart Street – Proposed Agreement for Easement with Northern Ireland Electricity at Stewart Street
Date:	16 December 2016
Reporting Officer:	Gerry Millar, Director of Property & Projects Department
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Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report is to seek approval from Members to asset related disposal, acquisition and lease matters.
2.0	Recommendations
2.1	i) Percy Street Community Centre – Lease Renewal Committee is recommended to approve the renewal of the Lease for Percy Street Community Centre for a further 5 years with the Trustees of Lower Shankill Group Welfare Committee.
2.2	ii) 10-18 Cromac Street and 33-37 Market Street, Belfast – Disposal of Ground Rent Interest Committee is recommended to approve the disposal of the Council's ground rent interest in land at 10-18 Cromac Street and 33-37 Market Street, Belfast.
2.3	iii) Stewart Street – Proposed Agreement for Easement with Northern Ireland Electricity at Stewart Street Committee is recommended to grant approval to enter into an Agreement for Easement with

	NIE in respect of land at Stewart Street (location edged red on map in Appendix 1) for the purposes of facilitating development of a community garden and to provide potential pedestrian access to the Council's Gasworks Estate.
3.0	Main report
3.1	<p>(i) Percy Street Community Centre – Lease renewal</p> <p><u>Key Issues</u></p> <p>In 1982 the Trustees of the Lower Shankill Group Welfare Committee were granted a month to month Licence to occupy the Percy Street Community Centre. This arrangement continued until 2011 when the Development Committee (11 June 2011) and the Strategic Policy and Resources Committee (23 September 2011) agreed to change the licence agreement to a lease similar to other independently managed centres. A 5 year Lease was granted from 1st April 2011 at a yearly rent of £1,550.</p>
3.2	It has now been agreed with the Trustees that the Lease will be renewed for a further 5 years from 1 April 2016 on the same terms as present including the rental amount of £1,550 per annum.
3.3	<p><u>Financial & Resource Implications</u></p> <p>Staff resources from the Estates Management Unit and Legal Services Department will be required to finalise the renewal documentation. This Lease agreement is covered by the committee decision of 7 March 2006 to include the rental cost of independently managed premises leased from the Council within the annual Council grant.</p>
3.4	<p><u>Asset and Other Implications</u></p> <p>None</p>
3.5	<p>ii) 10-18 Cromac Street and 33-37 Market Street, Belfast – Disposal of Ground Rent Interest</p> <p><u>Key Issues</u></p> <p>The Council hold the reversionary interest in a Fee Farm Grant dated 1 July 1916 for land located at 10-18 Cromac Street and 33-37 Market Street, subject to a non-reviewable annual rent of £120.00, collected half yearly. The land has since been developed in recent times with an office building known as Forsyth House.</p>
3.6	The Council's interest in the premises is historic and non-functional and the Development Committee on the 18 August 2004 approved a number of recommendations regarding the collection of ground rents relating to this and other similar properties. One of these

proposals was to continue collecting ground rents above a £30.00 per annum threshold but at the same time offer to dispose of the ground rent interest to the ground rent payer if possible. The Estates Management Unit subsequently wrote to all the ground rent payers included in the report offering them the chance to effectively 'buy out' the ground rent payable on their interests. Take up of this offer was limited and was declined by Haymarket House Limited who owned the interest in Forsyth House at this time.

3.7 However, recently the building has been purchased by a company called CL5 Limited. Under terms within the Fee Farm Grant the Council had to provide consent to this transfer of interest, after which the opportunity to 'buy out' the ground rent was offered to CL5 Limited. The Company have now accepted the offer and agreed to the release of the covenant to pay the ground rent for a premium of £1,200.00 plus reasonable legal fees which have been estimated at £400.00 plus VAT, subject to Committee approval.

3.8 Financial & Resource Implications

The Council will receive a premium of £1,200.00 in return for releasing the covenant to pay the annual ground rent of £120.00 plus payment of reasonable legal fees incurred. The Council will also no longer incur the administration costs of invoicing this ground rent half yearly. Staff resources from the Estates Management Unit and Legal Services Department will be required to finalise the conveyance documentation.

3.9 Asset and Other Implications

The Council's reversionary interest in the Fee Farm Grant and the other covenants contained within it will remain unaffected.

3.10 **iii) Stewart Street – Proposed Agreement for Easement with Northern Ireland
Electricity at Stewart Street**

Key Issues

Following redevelopment of the Markets area during the 1980's a revised street pattern was established with formal adoption of the new Stewart Street layout following in 1990. However there was never any formal abandonment of the original street layout resulting in a small portion of land along Stewart Street becoming surplus for the purpose of highway provision. Whilst Transport NI historically has had control of the land as an adopted highway, they never had ownership of the underlying title, which has always remained with the Council. This area of land is no longer regularly maintained as part of a public highway and has become a convenient dumping ground creating a hazardous eyesore in the area.

An application was received by TransportNI from the Markets Development Association

3.11	<p>(MDA) for the abandonment of land on Stewart Street (location edged red on map in Appendix 1) and this request was formally noted at the Council's Planning Committee's meeting of 17th May 2016. Formal abandonment is a necessary step required in order to facilitate the proposed installation of planters and artwork on the land as a community garden.</p>
3.12	<p>NIE own an adjoining site on Stewart Street (identified on map in Appendix 1) which has its sole access over this land which TransportNI are seeking to abandon; NIE also have existing in-ground electricity cables that traverse the subject land. Given the pre-existing NIE requirements to have access over this land they have formally objected to its abandonment.</p>
3.13	<p>Upon completion of any formal abandonment procedure full control of the land would revert to the Council as the legal landowner.</p>
3.14	<p>In addition to providing scope to develop a community garden, by regaining control of this portion of land the Council is presented with an opportunity to establish a pedestrian access from the Markets through to the Council Gasworks Estate thereby facilitating more direct access for the community to the riverside walkway.</p>
3.15	<p>In order for NIE to withdraw their objection and thereby progress the abandonment procedure the Council, as effective landowners, have been requested by NIE to enter into an easement with them so as to retain appropriate accesses as required by NIE over the land. However, until such time as abandonment has formally completed, and full control regained, the Council are not at liberty to grant such easement requested. Therefore the Council's Legal Services have advised, and NIE agree, that an Agreement for Easement (which is in effect a precursor to an agreed form of Easement, which would be appended) would provide sufficient legal comfort sought that would permit NIE to withdraw their objection to formal abandonment proceeding.</p>
3.16	<p>Further reports will be brought back to this Committee with more detail in respect of the community garden and the Gasworks pedestrian access in the context of the Gasworks Northern Fringe Masterplan.</p>
3.17	<p><u>Financial & Resource Implications</u></p> <p>There are no finance or resource implications at this time associated with progressing the Agreement for Easement beyond Estates and Legal Services input.</p> <p>There are proposals by the MDA to develop a community garden but details of this will be</p>

3.18	brought back to Committee in due course.
3.19	As part of their planning consent for the Council's Maysfield site Allstate is committed to providing £15,000 towards the cost of providing a community garden on this land in Stewart Street together with 100 hours volunteer time for its development. The creation of a pedestrian access from the Markets though to the adjoining Gasworks Estate is also referenced in the commitment made through Allstate's planning consent.
4.0	Appendices – Documents Attached
4.1	Appendix 1 – Map identifying location of proposed Easements at Stewart Street