



Subject:	Asset Management: i) Proposed Disposal of Medway Street Depot ii) Proposed Disposal of site at Ladas Drive iii) St James Community Forum - LIF Project
Date:	17 th August 2018
Reporting Officer:	Gerry Millar, Director of Property & Projects
Contact Officer:	Pamela Davison, Estates Team Leader

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
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	The Committee is asked to grant approval to the following, subject to detailed terms to be agreed by the Estates Team Leader and Town Solicitor:

2.2	<p>i) Proposed Disposal of Medway Street Depot Approve the marketing of the former Civic Amenity Site at Medway Street, with further updates to be brought back to Committee as appropriate in relation to the disposal process.</p>
2.3	<p>i) Proposed Disposal of site at Ladas Drive Approve the disposal of the 1.5-acre site at Ladas Drive to Northern Ireland Policing Board for the consideration of £400,000.</p>
2.4	<p>ii) St James Community Forum - LIF Project Approval to act as the sponsor body for St James Community Forum in its proposed acquisition of the land shown outlined red on the plan attached at Appendix'3' at St Katherine's Road/Rodney Parade, Belfast.</p>
3.0	<p>Main report</p>
3.1	<p>Proposed Disposal of Medway Street Depot</p> <p><u>Key Issues</u></p> <p>The Medway Street depot site was appropriated to Corporate Landbank on 19 May 2017, following the relocation of staff from Medway Street to the refurbished Prince Regent Road depot.</p> <p>The site comprises a rectangular area of 0.262 acres with a main depot and 2 stores and adjoins a Council owned playground and Medway Court, a retirement housing development currently operated by Choice Housing. A site location map is attached at Appendix 1 to this report.</p> <p>A Planning Assessment was recently carried out on the site and it concluded that residential development would be an appropriate use for the site. Other uses may also be appropriate, such as a community or play facility.</p> <p>As this asset is surplus to the Council's operational requirements, it is proposed that the site is now brought forward for disposal.</p>

3.5	Given the size of the Medway Street depot site, its location and planning status, taking the site straight to open market in its current state is considered the most appropriate marketing option in this instance.
3.6	An Agent would be appointed either following a tender process or from the list of Agents used by the Estates Department. The Agent will be required to prepare a valuation and marketing strategy for the site and would be required to secure a purchaser for the site.
3.7	Approval is being sought to commence a marketing process, with further updates to be brought back to Committee in relation to the disposal process.
<p><u>Financial and Resources Implications</u></p>	
3.8	There will be costs associated with the disposal and marketing of this site. Staff from the Estates Management Unit and Legal Services will be involved with the disposal of the site.
<p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p>	
3.9	None
<p>Ladas Drive site – Proposed disposal</p>	
3.10	<p><u>Background</u></p> <p>This 1.5-acre site transferred to Belfast City Council from Castlereagh Borough Council as part of Local Government Reform on 1 April 2015. Northern Ireland Policing Board (NIPB) have occupied this site since 1991 and it is currently leased to NIPB on a 10-year lease from 1 January 2010, subject to the payment of an annual rental of £39,500.</p>
3.11	The site is situated immediately adjacent to other lands that are owned and occupied by NIPB at their Ladas Drive complex.
3.12	A site location map is attached at Appendix 2 to this report, with the site shown outlined in red and the lands occupied by NIPB shown shaded in blue.
3.13	Access to the site from Ladas Drive is provided by means of a barrier-controlled entrance over lands that are owned by NIPB. The site is irregular in shape as evidenced in the Appendices attached. From a planning perspective, the site has not been allocated any specific use under BMAP or BUAP. As such the site is capable of development as a number

of different uses, such as light industrial, commercial or residential. The surrounding area is a combination of light industrial, commercial and residential land uses.

3.14 **Key Issues**

Given the access issues associated with the site and its poor configuration, it is recognised that NIPB is likely to be the only purchaser for these lands.

3.15 BCC can retain the ongoing income stream from NIPB as tenant at this site or obtain a capital receipt of £400k. At the date of the last rent review (1 January 2015) there was no increase in the passing rent of £39,500 per annum as there was no evidence to support a rental increase. The current lease falls due for renewal on 1 January 2020.

3.16 It is likely that PBNi will renew the lease at the end of the current term, should the disposal not be approved.

3.17 Approval is being sought to dispose of the site to NIPB at a figure of £400,000.

Financial and Resources Implications

3.18 Loss of income of £39,500 per annum. Capital receipt of £400k. The disposal of the site was considered at the Finance Oversight Board on the 9th August 2018. Staff from the Estates Management Unit and Legal Services will be involved with the disposal of the site.

Equality or Good Relations Implications/Rural Needs Assessment

3.19 None

St James Community Forum - LIF Project

Key Issues

3.20 St James Community Forum currently hold the land at St Katherine's Road/Rodney Parade as shown outlined red on the attached plan on Licence from DfI Roads.

3.21 At its meeting on the 23rd Oct 2015 the SP&R Committee approved LIF funding of £82k for St James Community Forum to create an Urban Farm and Community Garden on the land at St Katherine's Road/Rodney Parade. St James Community Forum have expressed an interest in acquiring the land via the Community Asset Transfer process as provided for in the LPS D1 trawl process, with the Council potentially acting as their sponsoring body.

3.22	<p>Community Asset Transfer (CAT) refers to the transfer of an interest in land or buildings from a public authority to a community based organisation. The practice is recognised in Great Britain as a means of delivering regeneration, community empowerment and social enterprise and is supported by policy, legislation and funding. There is no corresponding policy in NI, however, the NI Executive's Programme for Government 2011-2015 contains a commitment to promote CAT, the Department for Communities being responsible for developing a policy.</p>
3.23	<p>Previously the LPS D1 procedure only applied to public sector bodies and community groups could not acquire public sector assets declared surplus and offered for sale via the D1 process. However, the LPS policy changed in 2016 and community groups seeking to acquire an interest in land or buildings offered for sale via the LPS D1 process can do so but need to have a sponsoring body with compulsory purchase powers.</p>
3.24	<p>It is for the asset owner (disposing department) to assess the Community Group's business plan with input from the sponsoring body as required and if satisfied, it is for the asset owner to make a decision as to whether to proceed by way of a CAT and on what terms e.g. value/reduced market value or full market value. It should be noted, however that public sector bodies are generally constrained by legislation in their ability to dispose of assets at less than best price (or market value). In this case, LPS have agreed that DfI can transfer the land at nil value.</p>
3.25	<p>Aside from providing the compulsory purchase powers (all that is required under the D1 process), one of the sponsor bodies main roles is to assess the group's business case and viability appraisals and assure itself that the sponsored organisation is not taking on a liability, and that the social values envisaged are reasonable and sustainable. Council officers are in the process of carrying out this function as part of the due diligence process for the LIF project and it is expected that the LIF project will be approved at the Council's due diligence meeting on the 24th August 2018.</p>
3.26	<p>Members should note that by agreeing to act as the sponsoring body for St James Community Forum, the Council will not itself acquire the property. In this case the land will transfer from DfI Roads to St James Community Forum and the land will not become a Council asset.</p>

3.27	<p>Legal Services are satisfied that the Council has the vires to act as sponsor for St James Community Forum and that the Council hold appropriate compulsory purchase by way of the Recreation and Youth Service (Northern Ireland) Order 1986 to allow the Council to act as sponsor body for St James Community Forum in the proposed acquisition of the Dfl Roads land at St Katherine's Road/Rodney Parade at nil value as approved by LPS.</p> <p><u>Financial & Resource Implications</u></p>
3.28	<p>At its meeting on the 23rd Oct 2015 the SP&R Committee approved LIF funding of £82k for St James Community Forum for the creation of an urban farm and community garden. There will be no further financial implications for the Council. If St James Community Forum fail to acquire the land for any reason the land will be offered for sale on the open market by LPS acting on behalf of Dfl Roads.</p> <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p>
3.29	None
4.0	Appendices – Documents Attached
	<p>Appendix 1 - Location Map Medway Street</p> <p>Appendix 2 - Location Map Ladas Drive</p> <p>Appendix 3 - Location Map St James Community Forum</p>