



Subject:	I. Brooke Drive–NIE Networks Substation Lease II. Cromac Street, Station Street and Kent Street Car Parks – Licence Agreements III. Blanchflower Playing Fields – NIE Networks sub-station Lease
Date:	21 st August 2020
Reporting Officer:	Sinead Grimes, Director of Physical Programmes
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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 estates matters.
2.0	Recommendations
2.1	The Committee are asked to approve - I. Brooke Drive NIE Substation – Lease - the disposal of c. 0.007 acres of land along with a cable easement and right of way at Brooke Drive to Northern Ireland Electricity (NIE) Networks Ltd for the purposes

	<p>of an electricity substation. Disposal by way of a 950 year lease from 1 January 2020, subject to a premium of £2,350.</p> <p>II. Cromac Street, Station Street and Kent Street Car Parks – Licence Agreements</p> <ul style="list-style-type: none"> - a new one year licence for Cromac Street Car Park from Northern Ireland Housing Executive from 1 April 2020 and a new fee structure for payment of licence fees due under a current licence at Kent Street car park and the terms already agreed for a new licence at Station Street Car Park, both of which are held from DfC. <p>III. Blanchflower Playing Fields - Lease of land for an NIE Networks sub-station</p> <ul style="list-style-type: none"> - the lease to NIE Networks Ltd of c.29.45 sq m of land at Blanchflower Playing Fields for a term of 99 years from the date of the agreement at a peppercorn rent of £1 p,a. The Lease will also grant NIE Networks a right of way to carry out installation, repairs and maintenance works at the sub-station.
3.0	Main report
	<p>I. Brooke Drive NIE Substation – Lease</p> <p><u>Key Issues</u></p> <p>3.1 In 2010 an area of c. 0.007 acres of Council owned land at Brooke Drive was erroneously leased to NIE by private individuals for the proposes of a substation. The Estate Unit discovered the error and approached NIE to rectify the situation. Subject to Members approval, it has been agreed that NIE will enter into a new 950 year lease for the land from the Council from 1 January 2020, subject to a premium of £2,350. The new lease would also reserve an access right and cable easement for NIE.</p> <p><u>Financial and Resource Implications</u></p> <p>3.2 A suitable lease will be agreed and finalised by officers from the Estates Unit and Legal Services. The Council will receive a premium £2,350.00 on completion.</p> <p><u>Equality and Good Relations Implications/Rural Needs Assessment</u></p> <p>3.3 None</p>
	<p>II. Cromac Street, Station Street and Kent Street Car Parks – Licence Agreements</p> <p><u>Key Issues</u></p> <p>3.4 The Council currently hold and operate three off street car parks under licence agreements from NIHE and DfC. Details on each are provided below:-</p> <ul style="list-style-type: none"> - Cromac Street Car Park is held from NIHE under a one year licence from 1 April 2019 with an annual fee of £48,500. The fee was valued by LPS using a formula based on a percentage of income the car park generated in the previous year. The Council have been holding over under this licence from 1 April 2020. - Station Street Car Park is held from DfC under a three year licence from 1 July 2016 at £48,000 per annum. This fee was also valued by LPS using a formula based on a

percentage of income. Terms for a new licence have been agreed with DfC and reported to Committee

- Kent Street Car Park is held from DFC under a three year licence from 1 July 2019 at £25,290 per annum. Again the fee has been calculated by LPS based on a percentage of income.

After the initial COVID 19 lockdown was implemented, usage of each car park decreased significantly and Members agree to waive parking fees for all off street car parks until 29 June 2020. After the decision was taken, the Estates Unit contacted both NIHE and DFC and sought a rent free period on all three car parks to correspond with the duration of the parking charge waiver. This was granted by DfC on their car parks, however, NIHE sought advice from LPS in relation to Cromac Street with the intention that any rent free period would be incorporated within the terms of a new licence.

3.5 Parking charges have since resumed, however usage continues at much lower than normal levels, with a corresponding reduction in income to the Council. Therefore, the Estates Unit have again contacted NIHE and DfC, this time seeking new flexible terms (in addition to the 3 month rent free period) to account for the reduction in income envisaged for at least the remainder of the current financial year. NIHE and DfC both subsequently instructed LPS to advise them on the matter. After negotiations with the Estates Unit, LPS have recommended the following fee structure on all three car parks for the current financial year based on stepped projections of income from 2019/20 at the following percentages (per month):-

- April - June 2020 – 0%
- July and August 2020 – 60%
- September – November 2020 – 75%
- December 2020 – March 2021– 90%

To ensure that all parties are protected, it is proposed that a reconciliation of the fees payable should be undertaken after 31 March 2021 using actual income from the current financial year. This may result in the Council making a balancing payment should income be higher than anticipated or could result in a partial refund of fees should the anticipated levels of parking not materialize.

3.6 The above approach has been agreed with LPS by the Estates Unit, subject to Members approval. DfC have also agreed the proposal in relation to Kent Street and Station Street Car Parks. In relation to Cromac Street Car Park, NIHE are reporting the proposal internally on the 18 August and so any agreement will also be subject to this receipt of this approval. Agreement from all parties to the new fee structure will result in the need to temporarily amend the terms of the existing licence at Kent, Street, revise the terms agreed for the new

	<p>Station Street licence and enter into a new one year licence for Cromac Street from 1 April 2021. Member's approval is sought for each course of action.</p> <p><u>Financial and Resource Implications</u></p> <p>3.7 Suitable agreements will be agreed and finalised by officers from the Estates Unit and Legal Services. The Council will receive 3 three months rent free on each car park from 1 April 2020, with stepped uplifts as detailed above up to 31 March 2021, subject to a reconciliation based on actual income after this period.</p> <p><u>Equality and Good Relations Implications/Rural Needs Assessment</u></p> <p>3.8 None</p>
	<p>III. Blanchflower Playing Fields - Lease of land for an NIE Networks sub-station</p> <p><u>Key Issues</u></p> <p>3.9 It is proposed that a lease will be granted to NIE Networks for c.29.45 sq m of land situated at Blanchflower Playing Fields for a NIE sub station. The lease will be for a term of 99 years from the date of the agreement at a peppercorn rent of £1 per annum. The lease will also grant NIE Networks a right of way from the Holywood Road to carry out installation, repairs and maintenance works at the sub-station. The sub-station and right of way are located along the south western boundary of Blanchflower Playing Fields and will therefore not impact on the use of the remainder of the playing fields site.</p> <p><u>Financial & Resource Implications</u></p> <p>3.10 A suitable lease will be agreed and finalised by officers from the Estates Unit and Legal Services.</p> <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>3.11 None</p>
4.0	Appendices – Documents Attached
	Appendix 1 - Site Map showing the c. 29.45 sq m of land at Blanchflower Playing Fields proposed to be leased to NIE Networks