



## Belfast District Council (Shadow)

<b>Report to:</b>	Shadow Strategic Policy and Resources Committee
<b>Subject:</b>	LGR: DRD Off Street Car Parking
<b>Date:</b>	20 <sup>th</sup> February 2015
<b>Reporting Officer:</b>	Gerry Millar, Director of Property & Projects
<b>Contact Officer:</b>	Cathy Reynolds, Estates Manager, Property & Projects

<b>1</b>	<b>Relevant Background Information</b>
1.1	Members will be aware that as of 1 <sup>st</sup> April 2015 the Council will be responsible for the Department for Regional Development (DRD) off-street car parks including their management and enforcement (excluding Park & Ride and Park & Share car parks).
1.2	Members are reminded that there are currently 30 off-street car parks with approximately 2200 car parking spaces. 17 of these car parks, comprising of 1567 parking spaces, serve the city centre and are charged. The remaining 13 car parks, outside the city centre, are free to use. 7 of the charged car parks are currently leased by DRD from NIHE, DSD, Belfast Harbour Commissioners, BCC and the University of Ulster.
1.3	At the Transition Committee meeting on 9 <sup>th</sup> December, Members gave authority for the Estates Unit to enter into discussions with NIHE, DSD and Belfast Harbour Commissioners to renew the lease/licence terms for the leased/licensed car parks, subject to a subsequent report being brought back to the relevant committee for agreement on the terms of the leases/licences. A verbal update was also given at this meeting regarding renewal of the agreement for the Frederick Street car park, which is currently owned by the University of Ulster and leased to DRD.
1.4	Members will also recall that DRD were proposing to retain ownership of the car park at Corporation Street for the development of the York Street Interchange. Initially DRD had proposed to retain a number of car parks required in connection with proposed road schemes but they subsequently changed their position on this and confirmed that they only intend to retain the Corporation St car park. The Transition Committee, at their meeting on 13 October 2014 had agreed that all off-street car parks should transfer on the 1 <sup>st</sup> April 2015.
1.5	Members had agreed that should any proposed road schemes go ahead in the future then DRD could acquire the car parks by agreement or via compulsory purchase powers. In both cases the Council should receive a capital premium based on the open market value of the sites which could be used to provide alternative car parking spaces. Members were advised that if any car parks were to be developed by DRD

	for the purpose of road schemes then the Council, who will have the statutory responsibility for off street car parking, may potentially have to re provide car parking elsewhere at their expense.
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<b>2</b>	<b>Key Issues</b>
2.1	<p><b>Transfer Scheme</b></p> <p>A draft Transfer Scheme scheduling the transferring assets has been forwarded by DRD and the detail of this is currently being considered by officers. It is anticipated that the Transfer Scheme will be brought before Members in March.</p>
2.2	<p><b>Leases and Licences:</b></p> <p>Revised licence terms have now been agreed by Estates (subject to Committee approval) in respect of the following car parks:</p> <p><u>(i) Station Street:</u> (licence from DSD): Open ended licence to commence 01/04/2015 at £1 pa.</p> <p><u>(ii) Kent Street</u> (licence from DSD): Open ended licence from 01/04/2015 at £1 pa.</p> <p>Note: Both of these DSD owned assets are proposed to transfer to BCC in April 2016 as part of the Transfer of Regeneration function.</p> <p><u>(iii) Frederick Street:</u> Licence from UU from 01 April 2015 to 31 March 2016 at £25,750 pa (previous rent £25,000 pa). UU will require possession of this car park on 31 March 2016 to construct its multi storey car park.</p> <p><u>(iv) Corporation Square:</u> Licence from Belfast Harbour Commissioners for part only of site (27 spaces). Remainder is DRD owned. Licence from Harbour Commissioners from 01 April 2015 – envisaged that this will be a 9 month licence expiring 31 December 2015. £4860pa [same rental level as per previous agreement with DRD].</p> <p><u>(v) Bankmore St:</u> Licence from NIHE to run from 1 April 2015 to 31 March 2106 at £25,200 p.a. (rent assessed by LPS, based on turnover).</p> <p><u>(vi) Cromac Street:</u> Licence from NIHE to run from 1 April 2015 to 31 March 2016 at £45,420 pa (rent assessed by LPS, based on turnover).</p> <p>It should be noted that there is no guaranteed security of tenure in respect of these NIHE owned car parks beyond 31 March 2016.</p> <p>Smithfield Car Park is currently held by DRD under a licence agreement from BCC but this agreement will now come to an end.</p>
2.3	<p><b>Corporation Street Car Park</b></p> <p>In recent correspondence from DRD, they have confirmed that they do not intend to transfer the Corporation St Car Park to the Council. They have advised that they have not included the surplus from this car park in the rates neutral calculation. DRD have suggested that the Council may wish to enter into a lease/licence with DRD to allow the Council to operate the car park until such time as it is required for development and that the Council may wish to use the income from this arrangement to finance the purchase of additional parking spaces, should they feel this is required. The annual surplus for this car park is £66,000. DRD have advised that the car park</p>

2.4	<p>is likely to be required for development in June 2017.</p> <p>Members are asked whether they wish to re state their previous position that all car parks should transfer or accept DRD's position that Corporation Street will not transfer to the Council as it is required for the York St Interchange. If Members accept DRD's position that it will not transfer, it is proposed that a lease /licence is entered into with DRD for use of the car park until required by DRD. If the lease option is agreed by Members it is also recommended that agreement is sought from DRD in respect of any surplus lands being transferred to BCC at nil cost, once the York Street Interchange Scheme has been completed.</p>
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<b>3</b>	<b>Resource Implications</b>
3.1	<p><b>Financial Implications</b></p> <p>The revised rentals, as set out above represent a very slight increase on current rents. It should be noted that there is no guaranteed security of tenure in respect of the leased car parks. Members are also being asked to advise on DRD's proposal in relation to the Corporation St car park.</p> <p><b>Human Resources</b></p> <p>Staff resource to complete the lease /licence renewals and future staff resource associated with the use and management of the car parks.</p> <p><b>Asset Implications</b></p> <p>There are currently 30 operational car parks with 28 currently included in the Transfer Scheme from DRD although 7 no are held under lease /licence from 3<sup>rd</sup> parties. The Frederick Street car park has not been included in the Transfer Scheme but there is a proposed separate licence agreement with UU. The car park at Corporation Street has also been excluded from the current DRD Transfer Scheme.</p>

<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	No equality or good relations implications associated with this report.

<b>5</b>	<b>Call In</b>
5.1	This decision is subject to Call In.

<b>6</b>	<b>Recommendations</b>
6.1	<p>Members are asked to</p> <p>(i) approve the terms of the revised lease/licence agreements in respect of the car parks at Station St; Kent St; Frederick St; Corporation Square; Bankmore St and Cromac Street, as outlined above; and</p> <p>(ii) advise if they accept the position of DRD that they retain the Corporation Street car park and that an interim lease/licence agreement is entered into with DRD for use of the car park (pending the York Street Interchange Road Scheme). If Members agree to proceed with the lease option it is also recommended that agreement is</p>

	sought from DRD in respect of any surplus lands being transferred to BCC at nil cost, once the York Street Interchange Scheme has been completed.
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<b>7</b>	<b>Key to Abbreviations</b>
DRD – Department for Regional Development NIHE – Northern Ireland Housing Executive DSD – Department for Social Development	