



Report to:	Parks and Leisure Committee
Subject:	Belfast Castle – office accommodation
Date:	13 June 2013
Reporting Officer:	Andrew Hassard, Director of Parks and Leisure
Contact Officers:	Brendan Toland, Estates Manager, Parks and Leisure Dept. Ken Anderson, Estates Surveyor, Property and Projects Dept.

1	Relevant Background Information
1.1	Members will be aware that, at the 15 November 2012 meeting of the Parks and Leisure Committee, a report outlining opportunities to generate additional income through the provision of office accommodation at Belfast Castle was considered.
1.2	The second floor of Belfast Castle currently consists of a number of small rooms and offices. Some of these used to house the visitor centre but the centre has become tired and is relatively inaccessible for those visiting the Castle and its grounds. The Visitor Centre has now been relocated to the Cellar area where the visitors can now use the restaurant and shop facilities in this area. It is considered that, with some internal works, there is potential to let the space as commercial office accommodation.
1.3	The Committee noted the proposals and authorised officers to undertake additional feasibility work to explore the viability of these proposals. As part of that work, it was agreed that consideration would be given to potential costs as well as planning issues, and that a report would be brought to the committee in due course to update on the findings and to agree a way forward.

2	Key Issues
2.1	Facilities Management have undertaken some initial design work and have prepared estimated costs for the re-configuration of the existing visitor centre which has been relocated in the Cellar area to provide 2500 square feet of office accommodation space. The estimate for the work would be in the region of £65,000. This funding has been released from non-recurring capital funds to carry out the required works.
2.2	Given the listed status of the building, an application for change of use has also been submitted to the Planning Service and the necessary notifications have also

	been made to the council's Building Control service and Northern Ireland Environment Agency (NIEA).
2.3	Alongside the capital works, some preliminary market engagement has also take place to determine potential interest in the site and to identify what level of rental income might be expected, in order to allow an assessment of the return on investment to be made and to support the business case for the works.
2.4	Estates Management Unit have carried out an initial assessment of the anticipated level of rent which might be achievable for the second floor offices on the assumption the proposed capital works have been completed. The level of rent is estimated to be in the region of £20,000 per annum, subject to agreement with the relevant prospective tenant. The tenant would also be responsible for Rates and the costs of heating, lighting and other outgoings associated with the leased area, via a Service Charge.
2.5	Arc 21 our partner organisation has expressed an interest in the office accommodation at the castle and has suggested that they would be willing to rent all of the available space. Further discussions would be required regarding the terms of any agreement.

3	Resource Implications
	The cost of the works is likely to be approximately £65,000. The funding has been released from non-recurring capital funds to carry out the required work. It is anticipated that the accommodation will yield an annual rental income in the region of £20000 exclusive of service charges. This means a financial payback within 3 years.

4	Equality and Good Relations Considerations
	No specific equality and good relations implications. Accommodation will meet accessibility requirements and a bidding process may be undertaken to ensure equal access to apply for the rental of the facilities.

5	Recommendations
	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the outcomes of the feasibility work into the costs for the change of use of the current visitor centre at the castle to be used as office accommodation • Give authority to lease out the space for this use, subject to the relevant statutory approvals being obtained. • Give authority to enter into further discussions with the potential tenant (Arc 21) Regarding potential lease terms (including rent). • Provide authority to market the property in the event that suitable terms cannot be agreed with ARC21. • Note that a further report would be brought to Committee in the event of agreement on lease terms with a third party. •

6	Decision Tracking
	A report on the progress of this engagement will be brought back to a future meeting of the committee.

7

Abbreviations

LPS – Land and Property Services

NIEA – Northern Ireland Environment Agency