



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Asset Management – Estates Issues
Date:	20 th March 2009
Reporting Officer:	Gerry Millar, Director of Improvement, Ext. 6217.
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Relevant Background Information

- Sub-Item 1. Consent to Sub-Let Land at Ryan Park, Castlereagh
- Sub-Item 2. Proposed Wayleave at Clement Wilson Park
- Sub-Item 3. Land at Ballysillan – Iceland Foods PLC.
- Sub-Item 4. Appropriation of Land at Duncrue to Corporate Land Bank.
- Sub-Item 5. Land at Shore Road Playing Fields
- Sub-Item 6. Former Public Convenience at Templemore Avenue

Sub-Item 1 – Consent to Sub-Let Land at Ryan Park, Castlereagh

By a 999 year lease dated 5th July 2002 the Council disposed of approximately 1.59 acres of land at Ryan Park, Ballygowan Road, to Ravenblack Developments Limited. The land adjoins Roselawn Cemetery and use of the land is restricted to warehousing/workshops and associated vehicle parking. The lease requires the tenant to seek Council consent to any assignment or sub-letting of the land.

At its meeting on 10th October 2006 the former Parks and Cemeteries Services Sub-Committee approved the assignment of the whole of the premises to T G Eakin Limited. T G Eakin Limited now wish to sub-let a portion of their premises to ASM Alternative Feeds Limited who are involved in the animal and poultry foods business. The proposed sub-lease allows the sub-tenant access to the land contained in the 2002 lease but the portion which they will actually occupy is on another part of the site and not actually part of the lands leased by the 2002 lease. Solicitors acting for T G Eakin

Ltd consider Council consent should be obtained. Covenants in the proposed sub-lease restrict use of the premises to those uses defined in the 2002 lease granted by the Council.

Sub-Item 2 – Proposed Wayleave at Clement Wilson Park

The Council has recently been requested to provide a mains water wayleave across Council lands at Cement Wilson Park. The water main is to be installed as part of the work on regeneration of the Lagan Canal and has been commissioned by the Department for Culture Arts and Leisure. It is effectively a diversion of an existing water main.

The location of the proposed water main is shown on the attached map (Appendix 2).

There are no financial benefits to DECAL in routing the water main across Council land and it is considered that DECAL be requested to make only a nominal payment in consideration of the grant of the wayleave.

Installation of the proposed water main is across half the width of a public path in Council ownership. The installation will involve installation of temporary fencing around the works for a period of approximately 2 weeks. Appropriate reinstatement of the lands would be a requirement of any agreement reached with DECAL.

Sub-Item 3 – Land at Ballysillan – Iceland Foods PLC.

Approximately 5.37 acres of land at Ballysillan Road, adjacent to the Ballysillan Leisure Centre, and held by Parks & Leisure Committee is leased to Iceland Foods Plc. They also have an option on additional adjoining land of approximately 1.60 acres.

Iceland Foods Plc hold the site under a 125 year Lease dated 22nd May 2001. Iceland Foods Plc have constructed a foodstore for their own occupation and three smaller speculative units for leasing.

Under the terms of the Lease the ground rent for this site is to be reviewed every 5 years. A rent of £10,000 per annum is currently payable by Iceland Foods Plc from the commencement of the Lease term, with the first review due from 22nd May 2006.

Sub- Item 4 – Appropriation of Land at Duncrue to Corporate Land Bank.

An area of land adjoining Duncrue Complex (shown hatched on the plan at Appendix 3) and formerly held by Health and Environmental Services Committee was previously used as a Car Compound as part of an “Operation Clean-up” initiative. This initiative was terminated on 31/12/08 and the new replacement initiative which is being used by the Driver & Vehicle Agency, and managed by the National Car Parks Limited, no longer requires the use of the compound at Duncrue.

The Health & Environmental Services Committee at their meeting on the 7th January 2009 had accordingly declared the land surplus to their requirements, and approved its transfer to the Corporate Landbank held by the Strategic Policy and Resources Committee and managed by the Estates Management Unit.

Sub- Item 5 – Land at Shore Road Playing Fields

At its meeting on the 23rd May 2008 the Strategic Policy & Resources Committee noted the appropriation of land adjoining Shore Road Playing Fields from Parks and Leisure Committee to the Strategic Policy and Resources Committee to form part of the Corporate Land Bank, with further reports to be brought to the Committee in due course regarding the future utilisation of the site. The subject land, which extends to approximately 0.84 acres, is shown hatched on the plan at Appendix 4.

The land is currently let on Licence to the Whitewell Metropolitan Tabernacle (WMT) and is used by them as an overflow car parking area. The Licence was for a one year period from 12th June 1999, terminable by either party on one month's notice at an initial fee of £5,000 per annum which is subsequently revised to £10,000 per annum. The WMT continue to hold over under the terms of the 1999 Licence. The WMT have subsequently contacted the Council with a request for a new lease of at least 25 years.

The subject land forms part of a larger area of land acquired from BELB, and at its meeting on the 9th March 1999 the former Parks and Amenities Sub-Committee had agreed to retain this land for the time being until market conditions were appropriate, but in the interim to agree to the use of this site by WMT in order to generate some short term income from the land.

The subject land is shown as "white lands" in the Belfast Urban Area Plan and in dBMAP. Subject to receipt of Planning permission it may therefore have development potential for a variety of uses. The value of the land will therefore reflect its development potential, and an independent valuation undertaken a few months ago as part of the City Investment Strategy would indicate that this is potentially a very valuable site (subject to planning).

Sub Item 6 – Former Public Convenience at Templemore Avenue

The Health and Environmental Services Committee, at their meeting on the 6th February 2006, had declared the public conveniences at Templemore Avenue surplus to their operational requirements and had passed them to Corporate Landbank, which is now held by the Strategic Policy and Resources Committee and managed by the Estates Management Unit. The site, extending to approximately 0.12 acres, is shown hatched the plan at Appendix 5.

Options for the future use of the premises were subsequently considered and due to the state of repair and anti social behaviour demolition was deemed appropriate. However, this was not immediately possible as the premises are located in an Area of Townscape Character (as designated in dBMAP), and in line with planning policy, Planning Service would not permit demolition unless an outline application was also made for redevelopment of the site in parallel with an application for demolition.

The Strategic Policy and Resources Committee, at their meeting on the 13th June 2008, declared the premises surplus to Council requirements pending no alternative Council use being identified, and had authorised the submission of an outline planning application for the demolition of the public conveniences and redevelopment of the site for housing, and the site being subsequently placed for sale on the open market. Outline planning approval was granted on the 18th December 2008 for demolition of the public conveniences and redevelopment to provide a residential development of 6 townhouses with gardens.

Key Issues

Sub-Item 1 – Consent to Sub-Let Land at Ryan Park, Castlereagh

- 999 year lease from Council restricts use of land to warehousing / workshops and associated parking. Lease requires Council consent to assignment or sub-letting.
- Committee previously approved assignment of entirety to T G Eakin Limited. T G Eakin Limited now wish to sub-let portion to ASM Alternative Feeds Limited.
- Main portion of sub-lease relates to neighbouring lands although sub-tenant will have access to the lands for which Council consent to sub-letting is required.

Sub-Item 2 – Proposed Wayleave at Clement Wilson Park

- Sewer wayleave required by the Department of Culture Arts and Leisure to enhance environmental/leisure facilities around the Lock Keepers Cottage and former Lock.
- The proposed wayleave is across Council owned land at Clement Wilson Park.

Sub-Item 3 – Land at Ballysillan – Iceland Foods PLC

- At its meeting on 18th August 2004 the Development Committee it was agreed that the Estates Management Unit would proactively manage certain assets belonging to the Community & Recreation Department. This decision was notified to the Client Services Committee on 21st September 2004.
- The Lease of the land at Ballysillan Road, let to Iceland Foods Plc, is one of these assets now managed by the Estates Management Unit.
- The Client Services (Community & Leisure Services) Sub-Committee was advised at its meeting on 25th January 2000 that Iceland Foods plc had formally entered into a lease agreement with the Council for the construction of a retail unit located adjacent to the Ballysillan Leisure Centre.
- Following protracted negotiations between Estates Management Unit and Iceland Foods Plc failed to reach agreement on a revised rent an RICS Independent Expert was appointed to determine the revised rent. Whilst the Lease terms provided for reference to the Lands Tribunal in the event of such a dispute, reference to an independent expert was considered appropriate in terms of speed and cost.
- The Independent Expert concluded in his Determination that there was no substantial change in the circumstances surrounding the value of the land over the intervening 5 years that would warrant any increase or decrease in the existing rent.
- The reviewed rent from 22nd May 2006 has therefore been fixed at £10,000 per annum until the next review in May 2011.

Sub-Item 4 – Appropriation of Land at Duncrue to Corporate Land Bank.

- The subject land is to be appropriated from Health & Environmental Services Committee to the Strategic Policy and Resources Committee to form part of the Corporate Land Bank managed by the Estates Management Unit.
- Future use options for the land will be considered and further report brought back to committee in due course.

Sub- Item 5 – Land at Shore Road Playing Fields

- Land was declared surplus by the Parks and Leisure Committee and is now held in the Corporate Land Bank. WMT currently have a Licence agreement for use as a car park.
- The Land is potentially very valuable given its planning designation and development potential. The Land is held in Fee Simple with no restrictive covenants.
- Disposal of the Land on the open market is not however recommended at the present time due to the current economic climate.
- The Corporate Asset Management Strategy planning process which has recently been embarked upon will seek to consider all the Council's assets and align them to corporate priorities and objectives.
- If the Council enter into a 25 year lease with the WMT this will preclude them from considering the disposal of this site to realise a capital receipt which could be used in furtherance of the City Investment Fund or towards other corporate priorities. If a decision is subsequently made to dispose of the land on the open market the WMT could make an offer for the land at that time.
- A planning appraisal for the subject land would consider the options for the site in terms of maximising its development potential and ultimately increase the return to the Council if a decision is subsequently made to dispose of the Land.
- The WMT could continue to hold over on their Licence agreement pending an improvement in the property market, and completion of the Corporate Asset Management Strategy.

Sub Item 6 – Former Public Convenience at Templemore Avenue

- Site has been declared surplus to Council requirements, and has outline planning approval for redevelopment for 6 no townhouses.
- Demolition of the public conveniences and making good the cleared site should be completed within the next couple of weeks.
- Demolition can proceed without having to immediately redevelop.
- Site is located in a residential area and also adjoins Templemore Library and backs onto the Belfast Metropolitan College (former Rupert Stanley).
- Given the current economic climate and the downturn in the property market there is likely to be limited interest in this site on the open market. However, given its location there may exist some interest by public bodies, and the availability of the site could be trawled to other public bodies (inc NIHE and BELB) by LPS, on the Council's behalf, under the Disposal of Public Sector Lands procedures.
- Any disposal would be still be at open market value but it would give public bodies the opportunity to express interest in the site prior to open marketing and the use of the site for say, social housing, may also fulfil a need in the area.
- Alternatively, the Committee may wish to consider holding off on disposal until the property market recovers.

Resource Implications

Sub-Item 1 – Consent to Sub-Let Land at Ryan Park, Castlereagh

Financial

No additional financial resources required.

Sub-Item 2 – Proposed Wayleave at Clement Wilson Park

Financial

No financial implications.

Human Resources

No additional human resources required.

Asset and Other Implications

Installation of this short length of water main at this location will have negligible impact on the future use of the Council's asset as a public path. Given the location of the main it is also unlikely that its presence would impact upon any future built development. Some disruption during installation works.

Sub-Item 3 – Land at Ballysillan – Iceland Foods PLC

Financial

- Cost of the Independent Expert's Determination of £8,525.00 is equally shared with Iceland Foods Plc

Asset and Other Implications

- None

Sub- Item 4 – Appropriation of Land at Duncrue to Corporate Land Bank.

Financial:

Some expenditure will be incurred to cover any site management issues that may arise.

Human Resources:

No additional human resources at this time.

Asset & Other implications:

The appropriation of this property to the Strategic Policy & Resources Committee as part of the Corporate Land Bank will allow the Council to consider the most appropriate future use of the property

Sub- Item 5 – Land at Shore Road Playing Fields

Financial:

A significant capital receipt may be obtainable for the site given its development potential, which could be used in furtherance of the City Investment Fund or other corporate priorities.

Human Resources:

None at this time

Asset & Other Implications

Consideration of the optimal uses and potential return to the Council for this land

represents a better use of resources and accords with effective management of the Councils assets.

Sub Item 6 – Former Public Convenience at Templemore Avenue

Financial

Any subsequent disposal will result in a capital receipt for the Council. There is also a cost associated with demolition of the premises and the interim management of the site may involve some expenditure in terms of fencing etc.

Human Resources

None

Asset & Other Implications

Redevelopment of this surplus site represents a better use of resources and accords with effective management of the Council's assets.

Recommendations

Sub-Item 1 – Consent to Sub-Let Land at Ryan Park, Castlereagh

Committee is recommended to consent to the sub-letting of premises at Ryan Park from T G Eakin Limited to ASM Alternative Feeds Limited.

Sub-Item 2 – Proposed Wayleave at Clement Wilson Park

Committee is recommended to provide authority for the Council to enter into a Wayleave Agreement with the Department for Culture Arts and Leisure to allow them to install and maintain a water main at Clement Wilson Park in the location shown on Appendix 1 attached

Sub-Item 3 – Land at Ballysillan – Iceland Foods PLC

Members are asked to note that a rent of £10,000 per annum for the land leased to Iceland Foods Plc is effective from 22nd May 2006 until 21st May 2011.

Sub- Item 4 – Appropriation of Land at Duncrue to Corporate Land Bank.

The Committee is asked to note the appropriation of the above lands from the Health and Environmental Services Committee to the Strategic Policy & Resources Committee to be held as part of the Corporate Land Bank.

Sub- Item 5 – Land at Shore Road Playing Fields

The Committee is asked to recommend that the Council does not enter into a 25 year Lease with WMT which would preclude them from subsequently considering the disposal of the site, but permit WMT to continue to hold over on their Licence agreement pending an improvement in the property market and the completion of the Council's Corporate Asset Management Strategy and in the interim that a planning appraisal is undertaken in respect of the land.

Sub Item 6 – Former Public Convenience at Templemore Avenue

The Committee is asked to either grant approval to the subject site being circulated to other public sector bodies by LPS under the Disposal of Public Sector Lands procedures, or, alternatively to indicate if they wish to hold off on disposal until the property market recovers. If it is to be circulated by LPS a report would be brought back

to this Committee following any expressions of interest by public sector bodies.

Key to Abbreviations

DCAL – Department for Culture Arts and Leisure
RICS – Royal Institution of Chartered Surveyors
WMT - Whitewell Tabernacle Church
LPS – Lands and Property Services
NIHE – Northern Ireland Housing Executive
BELB – Belfast Education and Library Board

Documents Attached

Appendix 1 - Map showing the land sold by the Council by lease dated 5 July 2002.

Appendix 2 – Map showing the position of the proposed water main marked blue and the Council's surrounding land shaded green.

Appendix 3 – Map showing an area of land at Duncrue Complex (car compound).

Appendix 4 – Map showing the proposed land at the Shore Road.

Appendix 5 - Map showing the land at Templemore Avenue.