

Belfast City Council

Report to:	Parks and Leisure Committee
Subject:	Surrender of Lease at Dunville Park
Date:	9 June 2011
Reporting Officer:	Andrew Hassard, Director of Parks and Leisure
Contact Officer:	Stephen Walker, Principal Parks and Cemeteries Development Manager Cathy Reynolds, Estates Manager, Property and Projects Department

1	Relevant Background Information
1.1	The Parks and Leisure Committee at its meeting on 14 April 2011 and the Strategic Policy and Resources Committee of 15 April 2011 have agreed to commit to the refurbishment of Dunville Park. This project is being jointly funded by the council and DRD.
1.2	Springfield Charitable Association (a registered charity) occupies the former Elderly Men's Centre, on a site of approximately 0.1 acres, at Dunville Park, on a 25 year lease dated 1 January 1995. Due to the impending redevelopment of Dunville Park, council officers have been in discussions with Springfield Charitable Association regarding the potential surrender of the lease in order to facilitate the proposed redevelopment of the park for the benefit of the local area.
1.3	The original rent under the lease was £700 per annum and because the building was in poor condition at that time, the association was required to expend the sum of at least £66,000 in upgrading and refurbishing the building within two years of commencement of the lease. The rent was subject to review every five years and use of the building was originally restricted to a day centre for elderly persons. By a deed of variation dated 8 May 2001 the use of the building was widened to allow use as a "community activity centre". The association currently pays the rent of £700 p.a. as set out in the lease although following settlement of rent reviews effective 1/1/99, 1/1/04 and 1/1/09 revised rents of £800p.a; £900 p.a and £1040 p.a. have been agreed.
1.4	Officers have sought to agree a surrender value with the association and, in conjunction with the association, have agreed to offset this against back rents. As a result of discussions the association has now agreed surrender of the lease for a net sum of £8079 payable by the council to the association. Surrender of the existing 25 year lease (which would otherwise expire in 2019) secures the site for the proposed redevelopment of Dunville Park for the benefit of the local area.

1.5	<p>Springfield Charitable Association has a number of properties in the Falls area and is keen to maintain their presence. As part of the discussions on the potential surrender of the Dunville Park lease they have asked that the council consider granting them a 25 year lease on alternative council premises in the locality. Officers are conscious that a number of hurdles would need to be overcome in order to allow the council to enter into new arrangements with the association and these include:</p> <ul style="list-style-type: none"> a) consideration of the nature of the proposed use; b) the identification and availability of an appropriate site/accommodation, taking account of planning, environmental and socio economic issues; c) the capital and revenue costs to the council and/or the association from any such arrangement; and d) issues in relation to obtaining 'best price' and/or marketing of the relevant property in accordance with Section 96 of the Local Government Act (NI) 1972.
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2	Key Issues
2.1	<p>Springfield Charitable Association has agreed to surrender the lease at Dunville Park to facilitate the council's redevelopment of the park. The surrender is entirely voluntary and the association would be legally entitled to continue with the existing lease until it expires in 2019.</p>
2.2	<p>The council has considered contingency proposals for redevelopment of Dunville Park while retaining the association's building within the park, but considered the arrangements would be much less satisfactory and that surrender of the lease, and demolition of the existing structure, brings a much better outcome for the park.</p>
2.3	<p>The association has agreed to surrender their existing 25 year lease for the net sum of £8079.</p>
2.4	<p>Officers will have further discussions with the association on a without prejudice basis regarding the provision of an alternative site/accommodation from the council. However, their agreement to surrender of their existing lease is not conditional upon the council providing them with an alternative site.</p>

3	Resource Implications
3.1	<p><u>Financial</u> Modest net expenditure by the council (dependent on date of surrender) but likely in the region of £8,000 to secure surrender of lease to allow planned redevelopment of Dunville Park as previously approved by committee.</p>
3.2	<p><u>Human Resources</u> Legal Services and Estate Management Unit resource in finalising terms of proposed deed of surrender and any subsequent discussions regarding alternative accommodation.</p>
3.3	<p><u>Asset and Other Implications</u> Surrender of the existing 25 year lease (which would otherwise expire in 2019) secures the site for the proposed redevelopment of Dunville Park for the benefit of the local area. Surrender of the lease and vacation of the site to be achieved prior to commencement of the redevelopment contract. Any subsequent discussions with Springfield Charitable Association to be without prejudice to the council's ability to provide the association with an alternative site/accommodation on a 25 year lease.</p>

4	Equality and Good Relations Considerations
4.1	There are no known good relations or equality issues to report at this time.

5	Recommendations
5.1	Committee is recommended to approve the immediate surrender of a lease dated 1 January 1995 by Springfield Charitable Association on the basis of the terms outlined in this report subject to completion of an appropriate deed of surrender to be prepared by Legal Services and the approval of the Strategic Policy and Resources Committee in accordance with Standing Orders 46 and 60.

6	Decision Tracking
6.1	Director of Parks and Leisure to liaise with the Director of Property and Projects regarding bringing the outcome from this committee before the Strategic Policy and Resources Committee at the earliest opportunity.

7	Key to Abbreviations
7.1	The association – Springfield Charitable Association

8	Documents Attached
8.1	Appendix 1 – Copy of map from lease dated 1 January 1995, showing leased area outlined red and right of way shaded green.