



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Lease of Offices at Belfast Castle
Date:	20 September 2013
Reporting Officer:	Gerry Millar, Director of Property and Projects, Ext: 6217
Contact Officer:	Cathy Reynolds, Estates Manager, Ext: 3493

1	Relevant Background Information
1.1	At its meeting on 12 September 2013 the Parks and Leisure Committee received a report (copy attached as Appendix 1) outlining proposals for a 5 year lease to ARC21. The proposed lease relates to accommodation on the second floor of Belfast Castle as outlined red on the plan attached as Appendix 2 to this report. The accommodation extends to approximately 2400 square feet (223 square metres). The Director of Property and Projects will provide an update on the outcome of the Parks and Leisure Committee meeting.

2	Key Issues
2.1	In view of the uncertainties regarding the impact of Local Government reform on ARC21, the proposed 5 year lease will provide for early termination of the lease by either party at the end of year 3 or year 4.
2.2	The proposed rent payable by ARC21 is £17,000 per annum subject to review after 5 years if the lease continues beyond the initial 5 year term. The Council will remain responsible for maintenance of the premises and the tenant will pay a service charge to include the apportioned costs of gas fired heating, lighting, insurance, security and cleaning. The tenant will be responsible for rates payable on the portion being leased.
2.3	Parking will be available to the tenant in any dedicated parking areas within the surrounding Castle Estate, on a first come first served basis.
2.4	Completion of the lease remains contingent upon the Council obtaining the necessary Planning Approvals, including Listed Building Consent and any other necessary statutory consents.

3	Resource Implications
3.1	Finance

	<p>The lease will provide a rental income of £17,000 per annum. The tenant will pay the apportioned costs of services provided in relation to the leased area. This cost recovery may contain an element of cost saving to the Council as the area has previously been occupied by the Council. In accordance with the Council's statutory obligations the lease rent is considered to represent the best rent which could be obtained.</p>
3.2	<p><u>Human Resources</u> Legal Services, Parks and Leisure and Estate Management Unit resource has been involved in agreeing terms with the prospective tenant and will be involved in drawing up and agreeing the terms of the proposed lease.</p>
3.3	<p><u>Asset and Other Implications</u> The area being leased to ARC21 was previously used as a visitor information area. However this use has been re-located by Parks and Leisure Department within Belfast Castle. The proposed lease will generate an income from the vacated space.</p>

4	Equality and Good Relations Considerations
4.1	There are no known equality or good relations issues associated with this report.

5	Recommendations
5.1	Committee is recommended to approve the grant of a 5 year lease to ARC21 in respect of the 2 nd floor accommodation at Belfast Castle, as outlined red on the attached plan (Appendix 2) subject to the necessary statutory approvals being obtained and an appropriate lease to be drawn up by the Town Solicitor.

6	Decision Tracking
Director of Property and Projects to ensure lease is in place within three months of approval by full Council being obtained.	

7	Key to Abbreviations

8	Documents Attached
<p>Appendix 1 – Copy of report presented to Parks and Leisure Committee on 12 September 2013.</p> <p>Appendix 2 – Plan showing (outlined red) the portion of the second floor Belfast Castle to be leased to ARC21.</p>	