



Belfast City Council

Report to:	Parks and Leisure Committee
Subject:	Lease of Office Space at Belfast Castle
Date:	12 September 2013
Reporting Officer:	Andrew Hassard, Director of Parks and Leisure
Contact Officer:	Brendan Toland, Estates Manager

1.	Relevant Background Information
1.1	Members will be aware that, at the 13 June 2013 meeting of Parks and Leisure Committee, a report was considered in relation to the leasing of commercial office accommodation on the second floor of Belfast Castle.
1.2	An update on the outcome of the feasibility work into costs for the change of use from the current visitor facility was provided and members agreed to lease out the space, subject to the relevant statutory approvals being obtained.
1.3	It was noted that a further report would be brought to the committee in the event of agreement on lease terms with a third party.

2.	Key Issues
2.1	Facilities Management have now completed the work at the Castle and this area is now ready for occupation.
2.2	Negotiations have taken place with Arc 21 and the Estates Management Unit in Property and Projects Department about the possibility of Arc 21 renting out the office space as a whole. Arc 21 currently rent office space at Duncrue Industrial Estate from a private landlord and their lease is coming to an end.
2.3	On advice from officers within Legal Services and Estates Management Unit, the following lease terms are proposed: <ul style="list-style-type: none"> The proposed term of rental is for 5 years with an options by either party to terminate at the end of year 3 and the end of year 4

	<p>subject to a suitable notice period</p> <ul style="list-style-type: none"> • The rent is proposed at £17,000 reviewable after 5 years to then market value • Rates are payable by the tenant and a rating assessment will be carried out by Land and Property Services (LPS) • The maintenance of the building will continue to be the responsibility of the Council. The tenant will indemnify the council in respect of any damage caused by the tenant or their invitees etc • The letting will remain subject to Council obtaining all the necessary Planning and other statutory consents • The tenant will pay a proportionate amount of any shared services, including heating, cleaning and electricity.
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3.	Resource Implications
3.1	The overall cost of the refurbishment work at Belfast Castle was £65,000. This has been funded from non-recurring capital funds.
3.2	The rent for the office accommodation is proposed at £17,000 pa excluding rates and service charges.

4.	Equality Implications
4.1	No specific equality or good relations implications.

5.	Recommendations
5.1	Members are asked to agree to the lease terms for the office accommodation at Belfast Castle, as set out above and to proceed with the letting subject to the approval of the Strategic Policy and Resources Committee in accordance with Standing Orders and to an appropriate legal agreement to be drawn up by Legal Services.

6.	Decision Tracking
6.1	Appropriate Legal agreement to be signed. Tenancy to be managed, monitored and reviewed by the Estates Manager in conjunction with Estates Management Unit.

7.	Key to Abbreviations
	LPS – Land and Property Services

8.	Documents Attached
	None