



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Asset Management: Leases, Licences & Disposals (i) Beechvale Farm – Letting to the Agri-Food and Biosciences Institute (ii) Grampian Avenue Playground – Licence Renewals (iii) Ormeau Park Playgroup Building – Lease Renewal (iv) Land at Orchardville Crescent Disposal (v) Licence Agreement 155-157 Newtownards Road, Belfast
Date:	22 August 2014
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1	Relevant Background Information
1.1	<p>(i) Beechvale Farm – Letting to the Agri-Food and Biosciences Institute</p> <p>At its meeting on 11 February 2010 the Parks and Leisure Committee agreed to provide the Agri-Food and Biosciences Institute with a 5 year Lease from 1 December 2009 for 45.81 acres of Council lands at Beechvale Farm, Gransha. The Lease is subject to an annual rent of £8,000 (Map attached at Appendix 1). AFBI use the land for growing various grass, cereal and potato varieties for research and trial purposes. The current Lease is due to expire on 30 November 2014 and AFBI have requested a further lease under the existing terms for a further 5 years.</p>
1.2	<p>(ii) Grampian Avenue Playground – Licence Renewals</p> <p>On 11 January 2000 the Client Services (Parks and Amenities) Sub-Committee agreed to acquire land at Grampian Avenue for the development of a small park with associated play facilities. Grampian Ground Force, a local group located in the Grampian Avenue area of East Belfast had identified the site and obtained funding from Making Belfast Work to develop the Play Area. The Sub-Committee agreed to accept responsibility for the maintenance and insurance of the play area.</p>
1.3	<p>DRD and Helm Housing Association own separate portions of the land, with unknown ownership of the remaining portion. Separate Licence Agreements were entered into with DRD and Helm Housing, both for 4 year terms from 1 May 2002 with provision to continue on a month to month basis thereafter. Following advice from Legal Services it was agreed the Council could include the area of unknown ownership within the scheme at minimal risk to the Council.</p>
1.4	<p>The initial term of these Licence Agreements expired on 30 April 2006 and the Council</p>

	<p>since then have continued to hold over on a month to month basis. A map highlighting Grampian Avenue Playground outlined red, the area licensed from DRD shaded blue and the area licensed from Helm Housing shaded green is attached at Appendix 2.</p>
1.5	<p>(iii) Ormeau Park Playgroup Building – Lease Renewal</p> <p>At its meeting on 10 December 2009 the Parks & Leisure Committee agreed to renew a previous Lease to Marion Hunter for the former elderly men’s building, situated at Park Road within Ormeau Park. The building is used for a playgroup facility know as Parkside Playgroup. The lease was for 5 years from 1 July 2009 subject to a rent of £2,940 per annum. This Lease has now expired and the tenant, Marion Hunter, has sought renewal of the Lease for a further 5 year term from 1 July 2014.</p>
1.6	<p>(iv) Land at Orchardville Crescent</p> <p>At its meeting on 14 January 1993 the former Parks Committee agreed to the disposal of land at the rear of houses at 8 to 54 Orchardville Crescent, to the adjoining householders. Disposals were to take place at a figure of £4000 per acre with each side bearing its own legal costs and subject to Agreements to be prepared by the Town Solicitor.</p>
1.7	<p>Subsequent to the Committee approval a number of disposals took place at the western end of the site; however the Council continue to hold title to the area of land (approximately 0.58 acres) to the rear of 20 to 56 Orchardville Crescent, as outlined red on the attached map (Appendix 2).</p>
1.8	<p>The subject land does not form part of any other land in Council ownership and is effectively inaccessible other than by the occupants of the houses on Orchardville Crescent. In addition the householders may seek to claim to have been in possession of the land for sufficient time to establish possessory title. Despite this the Council has received enquiries from two of the residents seeking to formally acquire portions from the Council.</p>
1.9	<p>In view of the recent enquiries it is considered appropriate to once again trawl all of the householders at 20 to 56 Orchardville Crescent to enquire if they would be prepared to purchase relevant portions of land which adjoin their houses. Formally acquiring the land from the Council has some advantages for householders when they come to sell their houses.</p>
1.10	<p>(v) Licence Agreement 155-157 Newtownards Road, Belfast</p> <p>At its meeting on 14 February 2013 the Parks and Leisure Committee approved the acquisition of a small area of land at 155/157 Newtownards Road by the Council from the Department for Social Development (DSD) for a period of five years. The Parks and Leisure Committee also agreed that a contribution should be sought from DSD regarding the maintenance and cleansing costs of the site following its development as a ‘pocket park’. At that time it was envisaged the development of the ‘pocket park’ would be carried out prior to the Council taking any responsibility for the site as a result of Local Government Reform.</p>
1.11	<p>Since February 2013 Council officers have been in discussions with DSD and East Belfast Partnership Board regarding the proposals for this site and have taken account of the proposed transfer of assets from DSD to the Council as part of Local Government Reform.</p>

2	Key Issues
2.1	<p>(i) Beechvale Farm – Letting to the Agri-Food and Biosciences Institute</p> <p>The proposed new lease will be held on similar terms to the existing agreement and at the passing rent of £8,000 per annum. This rent equates to a price per acre which is above the average agreed for similar land in the area held under conacre agreements. This reflects the increased security of tenure offered to the AFBI by way of a 5 year lease. The Council will protect its interests by reserving the right to terminate the agreement at any time by giving 6 months written notice.</p>
2.2	<p>The AFBI will continue to be responsible for maintaining all existing hedges, ditches, fencing and gates. They will also be responsible for indemnifying the Council against damages, costs, claims and proceedings arising from their operations on the land and maintaining public liability insurance.</p>
2.3	<p>(ii) Grampian Avenue Playground – Licence Renewals</p> <p>To place the Council's tenure on a more secure footing it has recently been agreed to enter into further 5 year licence agreements from 1 May 2012 with DRD and Helm Housing under the same terms as the initial agreement. Under the existing agreements there is no premium or annual fee payable and the Council are responsible for maintaining the site and indemnifying the Licensors. It is intended that this situation would continue under the new agreements.</p>
2.4	<p>The playground does not require any significant planned upgrades or refurbishment and will only require ongoing minor repair and maintenance and litter picking over the new term of the new licences.</p>
2.5	<p>(iii) Ormeau Park Playgroup Building – Lease Renewal</p> <p>Negotiations with the Tenant have resulted in agreement to a new 5 year lease commencing on 1 July 2014 at an increased rent of £3,880 per annum. Under this agreement the Council would be responsible for internal and external repairs although would not be obligated to put the Premises in any better standard of repair than at lease commencement. The Tenant would remain responsible for insurance and other outgoings such as rates, utility bills etc.</p>
2.6	<p>The extent of the premises to be leased remains the same as in the previous lease and is shown outlined red on the map, with access to the Premises over the path shown shaded blue and the right to place a storage container at the location shaded green (see Appendix 3).</p>
2.7	<p>(iv) Land at Orchardville Crescent</p> <p>The Council no longer have any practical means of gaining access to the land at the rear of 20 to 56 Orchardville Crescent. The disposal price agreed by Committee at the time of the previous trawl was £4000/acre. Given the issues involved it is considered that disposal at this same figure of £4000 per acre (approx. £1 per square metre) represents the best price the Council could hope to achieve for the land.</p>
2.8	<p>(v) Licence Agreement 155-157 Newtownards Road, Belfast</p> <p>A proposed landscaping scheme for this site has been developed through the Council's Development Department as part of the Renewing the Routes project in consultation with the East Belfast Partnership and Parks and Leisure Department. Rather than the scheme being funded by East Belfast Partnership Board it is envisaged it will be 100% funded via the Council's Renewing the Routes project. This project was approved as part of the Integrated Regeneration Plan for the 2012/2013 Renewing the Routes</p>

	programme for Newtownards Road that was presented to the Development Committee 21 August 2012 and agreed by Council on 3 September 2012.
2.9	Because the site will transfer from DSD to the Council as part of Local Government Reform, it is proposed the arrangement up to the end of March 2015 should be in the form of a Licence Agreement at a nominal fee. The Licence would provide the Council with permission to develop the site in accordance with an agreed scheme drawing and place responsibility for public liability insurance, management and maintenance of the developed facility upon the Council. DSD will provide funding for the management and maintenance for the period up to the transfer of the DSD Regeneration function (and associated transfer of assets) under LGR.
2.10	It is envisaged the proposed scheme would commence upon completion of the Licence Agreement with a construction period of approximately six weeks.

3	Resource Implications
	<u>Finance and Assets</u>
3.1	<p>(i) Beechvale Farm – Letting to the Agri-Food and Biosciences Institute</p> <ul style="list-style-type: none"> • A yearly rent of £8,000 from 1 December 2014 would become payable on completion of the new lease between the Council and the AFBI. • The Council's medium term interests will be protected by reserving the right to terminate this agreement at any time subject to giving six months written notice.
3.2	<p>(ii) Grampian Avenue Playground – Licence Renewals</p> <ul style="list-style-type: none"> • The Council will remain responsible for maintenance and insurance of the play area. However, there will be no rent payable under the licence agreements to DRD and Helm Housing. • The Council will hold the site for a further 5 years from 1 May 2012.
3.3	<p>(iii) Ormeau Park Playgroup Building – Lease Renewal</p> <ul style="list-style-type: none"> • A yearly rent of £3,880 from 1 July 2014 would become payable on completion of the new lease between the Council and Marion Hunter. • Tenant will continue to be responsible for buildings and contents insurance along with appropriate insurance cover in respect of the use of the premises. • The Council will be responsible for internal and external repairs; however will not be obligated to put the Premises in any better standard of repair than at lease commencement. The Council will also be responsible for maintenance of the grassed area outside the playgroup building • The tenant is likely to have protection under the Business Tenancies (NI) Order 1996. However this would not diminish the Council's ability to recover possession for Council purposes or redevelopment should such be required at the end of the lease term.
3.4	<p>(iv) Land at Orchardville Crescent</p> <ul style="list-style-type: none"> • If the formal disposal of the entirety of the land was achieved this would provide the Council with a capital receipt of approximately £2320. However it is not expected all householders will take up the offer of the land and the total capital receipts from the land are likely to be somewhat less than this. As part of the arrangement with householders it would be expected they would bear their own legal costs. .
3.5	(v) Licence Agreement 155-157 Newtownards Road, Belfast

3.6	<ul style="list-style-type: none"> • Council funding for the proposed ‘pocket park’ development is being provided as part of the Council’s Renewing the Routes. The cost for the scheme will be covered within the agreed budget of up to £14,000 allocated for boundary improvements to vacant sites along Newtownards Road. • Annual management and maintenance costs associated with the completed scheme have been estimated by Parks and Leisure Department at £1,360 and DSD have agreed to provide pro rata funding based on this cost for the duration of the Licence Agreement. • This small plot (approximately 116 square metres) will be transferred to the new Belfast City Council on 1 April 2015. Development of the proposed ‘pocket park’ in advance of this will make a contribution to the local visual amenity of the site and contribute to wider improvements resulting from Renewing the Routes in this area. <p>Human Resources Staff resources from the Estate Management Unit, Parks and Leisure Department and Legal Services will be required to complete all agreements.</p>
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4	Recommendations
	<p>It is recommended that Members agree:</p> <p>4.1 (i) Beechvale Farm To renew the current Lease between the Council and AFBI for a further 5 year term from 1 December 2014 at a rent of £8,000 per annum.</p> <p>4.2 (ii) Grampian Avenue Playground To approve entering into licences with both DRD and Helm Housing for the portions of ground making up the playground for a further 5 years from 1 May 2012.</p> <p>4.3 (iii) Ormeau Park Playgroup Building To approve renewal of the lease between the Council and Marion Hunter from 1 July 2014 for a further 5 year term at a rent of £3,880 per annum.</p> <p>4.4 (iv) Land at Orchardville Crescent To provide authority to officers to contact householders at 20 to 56 Orchardville Crescent with a view to agreeing disposal terms based on the previously approved figure of £4000 per acre, with each party bearing their own legal costs and to proceed with disposal of as much of the site as possible to the adjoining householders.</p> <p>4.5 (v) 155-157 Newtownards Road To enter into a Licence Agreement with DSD which would run up until 31 March 2015 to allow the Council to develop a ‘pocket park’ subject to the terms as outlined above.</p>
5	Key to Abbreviations
5.1	<p>AFBI – Agri-Food and Biosciences Institute DRD – The Department for Regional Development DSD – Department for Social Development</p>

6	Documents Attached
6.1	Appendix 1 – Beechvale Farm: Map showing the land to be leased outlined red and the

access route shaded yellow.

Appendix 2 – Grampian avenue: Map showing Grampian Avenue Play Area outlined red along with the portions licensed from DRD shaded blue and Helm Housing shaded green.

Appendix 3 – Ormeau Park Playgroup: Map showing outlined red lands to be included in the proposed new lease. Land shaded blue is the path which the Tenant will be granted access over to enter the Premises. The Tenant will also have the right to place a storage container on the area shaded green.

Appendix 5 – Map outlining (in red) the extent of the land to the rear of 20 – 56 Orchardville Crescent.

Appendix 6 – Newtownards Road: Map showing (outlined red) the extent of land to be taken by way of Licence Agreement.