



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Capital Programme 2008/09
Date:	20 February 2009
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1. RELEVANT BACKGROUND INFORMATION

- 1.1 In June 2008 the 2008/09 Capital Programme of committed schemes was signed off by SP&R Committee.
- 1.2 In November 2008 the SP&R Committee considered and approved a number of additional schemes as committed projects.
- 1.3 The Committee was also critical of the processes surrounding prioritisation and financing of the Capital Programme and asked that these be addressed.

2. KEY ISSUES

- 2.1 A substantial amount of work has been done on processes, prioritisation and in terms of capital financing and it is intended to go through this fully with Committee in March particularly in regard to the 2009/10 and future Capital Programmes.
- 2.2 In the meantime however there are three outstanding decisions required on projects in the 2008/09 programme on which Committee direction is now sought.

Landfill Gas Collection Drainage

- 2.3 Approval of tender for Landfill Gas Collection and Drainage – Phase 6 at the former Dargan Road Landfill Site is sought.
- 2.4 Approval to a budget of £875,000 and the invitation of tenders was previously granted by the H&ES Committee for this work, which is required to fulfil the Council's statutory duty in connection with the closure of the former landfill site and will increase the quantity of landfill gas collected for generation of electricity to be sold to the NIE grid.
- 2.5 Tenders were subsequently invited and, following evaluation in accordance with Council procurement procedures, the most economically advantageous tender was identified as that submitted by TAL Civil Engineering Contractors in the sum of £947,708.25 which is £72,708.23 (8.3%) above the approved budget.

- 2.6 Approval to proceed to tender was previously granted at the time the budget was set and the scheme of delegation would therefore normally be applied; however, Financial Regulation D9 requires that any increase in capital expenditure in excess of 10% or £50,000 requires the approval of the SP&R Committee.
- 2.7 Subsequent to the approval of the £875,000 budget the estimates for capital expenditure during 2009/10 were increased for anticipated tender price inflation and the amount included in the overall Closure Plan for this work is now £945,000.
- 2.8 It is recommended that the Committee authorise the acceptance of the tender of TAL Civil Engineering Contractors in the sum of £947,708.25 as the work is statutory, the original estimate was prepared in early 2008 and had been revised to £945,000 in November 2008 and the costs for the works is provided for in the Dargan Road closure fund.

Ballysillan LC Replacement Synthetic Pitch

- 2.9 The procurement of the tender for the resurfacing of Ballysillan football pitch was deferred for several months in 2008 due to difficulties in obtaining agreement for necessary access from adjacent lease holders. However, the contract is now ready to go on site.
- 2.10 During the intervening period Council Officers were approached by developers suggesting a residential and retail development at Ballysillan (which already has some retail space) that could be maximised by using the land currently occupied for the football pitch due to be resurfaced.
- 2.11 The developers have been lobbying a number of Politicians and Officers thought it prudent to check the Committee's view on whether or not to proceed with the pitch resurfacing in light of this potential development.
- 2.12 The Ballysillan pitch has been out of operation for a number of years and approval was granted in 2008 to proceed with the resurfacing. The proposed development could go ahead at a lesser scale even if the pitch was reinstated.
- 2.13 Any development is of course speculative at this point and would be subject to community consultation, planning, land disposal negotiations etc.
- 2.14 Committee is asked to note the development option and give a decision on whether to proceed with the pitch resurfacing contract.

Replacement Fuel Facility at Duncrue Complex

- 2.15 At their meeting on 22 February 2008 the Committee deferred consideration of the replacement of the Duncrue Complex fuel storage facilities and associated infrastructure works to enable a report on the possibility of the Capital costs for the scheme being met by a private sector operator under a franchise agreement for the purchase of fuel to be submitted to a future meeting.
- 2.16 Following a public advertisement only one expression of interest in providing and operating a facility was received; however, the submission was incomplete and there was no response to requests for further information.
- 2.17 A detailed appraisal of various options was then undertaken and the recommendation is that the Council proceeds with the provision and operation of the replacement fuel facility on an

"in-house" basis. (Executive Summary is included at Appendix 1)

2.18 Approval to invite tender as necessary and award contracts to the most economically advantageous tenderers based on cost and quality criteria is requested.

2.19 Approval to the application to the relevant Government Depart for sanction to raise a loan for the expenditure on this project is requested.

RESOURCE IMPLICATIONS

Financial

An additional £72,708.23 is required from the Dargan Road closure fund to undertake the gas collection and drainage works.

There are no additional costs for the Ballysillan Pitch refurbishment beyond that agreed in the Capital Programme. The proposed development is at too early a stage to identify any resource implications.

The budget for the Replacement Fuel Storage facility is £630,000 which it is intended to fund by means of a loan.

RECOMMENDATIONS

The Committee is requested:

- (i) To approve the acceptance of the tender of TAL Ltd for the installation of gas collection and drainage works, phase 6, in the sum of £941,708.25 subject to completion of formal contract documents.
- (ii) To provide a decision on whether to go ahead with the Ballysillan pitch refurbishment or to pursue the development option.
- (iii) To approve the invitation of tender for the provision of a replacement fuel facility at the Duncrue Complex.
- (iv) The application to the relevant Government Department for Loan Sanction if required.

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