



Belfast City Council

Report to:	Strategic Policy & Resources Committee
Subject:	Lagan Canal Restoration
Date:	17 June 2011
Reporting Officer:	John McGrillen, Director of Development, ext 3470 Gerry Millar, Director of Property & Projects ext 6217
Contact Officer:	Shirley McCay, Head of Economic Initiatives, ext 3459

1.	Relevant Background Information
1.1	<u>Lagan Gateway Project</u> In 2006 an offer of £1million funding was made available to Council by Ulster Garden Villages Limited (UGV) towards the reopening of the Lagan gateway Lock 1 at Stranmillis, on the basis that match funding would be available.
1.2	Ulster Garden Villages initially supported the Council by providing funding of £50,000 from the £1 million offer, to establish the Lagan Corridor Officer post within the Development Department.
1.3	A letter was received from UGV in late December 2010 to establish Belfast City Council's intention to proceed with its proposal to develop the Lagan Corridor. The letter highlighted a decision of the Board of UGV to reallocate the £1m funding to other projects in Northern Ireland unless the Council was in a position to confirm the scale of its contribution to the project by 31 March 2011.
1.4	At the February 2011 Development Committee meeting it was recommended that The Director of Development meet with Mr Tony Hopkins Chair of Ulster Garden Villages and Mr Erskine Holmes Board Director, to discuss the future of the £1million offer towards the development of the Lagan gateway Lock 1 at Stranmillis. The Director was seeking an extension to the time period granted by UGV, which would allow consideration of the prioritisation of the overall project. That meeting was held on 16 March 2011.

2.	Key Issues
2.1	<u>Lagan Gateway Project</u> The Director of Development met with UGV in March 2011 to discuss the future

	of the £1million offer towards the development of the Lagan Gateway Lock 1 at Stranmillis.
2.2	The Director updated the UGV on the uncertainties surrounding the project due to the upcoming Council election, the fact that the project was not included within the current Capital Programme and the projects to be funded from the City Investment Fund had yet to be finalised.
2.3	The Director highlighted the fact that there were numerous projects competing for these limited funds and that any bid for funding of the navigation of the Lagan would have to be considered within that context.
2.4	An economic appraisal presented to the Committee in September 2009 identified that the “preferred option” was the development of the Lagan Waterway from the Lagan Weir to Edenderry at a cost of £8.66m. The next best option was the development of a gateway at Stranmillis incorporating the re-opening of the lock with an estimated cost of £3.26m. The UGV offer of £1m is specifically towards the re-opening of the lock.
2.5	The Chair of UGV acknowledged the fact that other potential funders had confirmed that match funding was highly unlikely to be made available in the short to medium term and that the funding of these relatively ambitious projects from Council resources represented a significant challenge. He did however emphasize that his Board would still be keen to see some progress and suggested that if a more modest project was to be presented by Belfast City Council which would allow the lock to re-open the UGV board may consider 50% funding towards the project. It is estimated that such a project is likely to cost somewhere in the region of £500K.
2.6	The Chair of UGV stated that he would be prepared to go back to his board to seek an extension of the deadline for the allocation of monies subject to BCC indicating that it was prepared to consider options and that any decision would be taken within a reasonable timescale (e.g. 6 months) as there were many demands on the Trust funds. He further made the point that if the monies were to be re-allocated it was unlikely that it would transfer to another project in Belfast.
2.7	At its meeting on 13 April 2011 the Development Committee considered the potential of proceeding with a lesser scheme estimated to cost £500k, to reopen the Stranmillis Lock and agreed that a report be submitted to the Strategic Policy & Resources Committee to allow the project to be considered within either the Capital Programme or the City Investment Programme. A copy of the Development Committee minute of 13 April 2011 is enclosed at Appendix 1.
2.8	Members of the Committee also agreed to allocate £5k from the Development Department budget to re-scope and cost out the smaller project should the Strategic Policy & Resources Committee agree to consider this option.

3.	Resource Implications
3.1	As highlighted above the “preferred option” as set out in the September 2009 was a Lagan Navigation project from the Lagan Weir to Edenderry at a cost of £8,660,949. The ‘next best’ option was the development of the Lock 1 Stranmillis Gateway with an estimated cost of £3,261,860.

APPENDIX 1