



Belfast City Council

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| Report to: | Strategic Policy & Resources Committee |
| Subject: | Area Working Update – including update on BIF |
| Date: | 25 th October 2013 |
| Reporting Officer: | Ronan Cregan, Director of Finance and Resources, Ext: 6184 Gerry Millar, Director of Property & Projects, Ext: 6217 |
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| 1.0 | Relevant Background Information |
| | Role of the Area Working Groups |
| 1.1 | Members are aware that the Area Working Groups (AWGs) were established last year as a means of connecting Members to local areas in preparation for their role in community planning under the Reform of Local Government. In governance terms, the AWGs were established to have an advisory role, informing the implementation of the Investment Programme. It was agreed that the AWGs would have no delegated authority and no budget. |
| 1.2 | Since this time, the AWGs have played an integral role in recommending investment decisions for their areas in terms of the Local Investment Fund, the Feasibility Fund and Local Interventions Funds to the SP&R Committee. It was also previously agreed at SP&R last November that the AWGs would play a central part in the decisions related to the Belfast Investment Fund (BIF) given their knowledge of local areas and projects. |
| 2.0 | Key issues |
| | Belfast Investment Fund – Update |
| 2.1 | Members will be aware the Belfast Investment Fund (previously the City Investment Fund) was established to enable the Council to take a lead role and work in partnership to deliver key investment projects across the city. Whilst it is previously intended that Members final decisions on BIF priorities should be informed by factors such as SIF projects and city and area priorities, it was highlighted to Committee in August that some AWGs were keen to move certain BIF schemes to feasibility stage because of timescale constraints, the level of investment and the need to secure at least 50% funding from other sources. |
| 2.2 | Members will therefore recall that a detailed report on BIF was taken to Committee last month which reiterated the objectives of the BIF and its approval process. These are reattached at Appendix 1 and 2 respectively for Members' interest. This approval process reflects the Stage Approval process that SP& R has previously agreed that all Council capital projects must go through whereby decisions on which projects progress are taken by SP&R Committee in its role as the Council's investment decision maker. The first stage of this process is the development of a Strategic Outline Case (SOC) which will test the four abilities of the projects – i.e. feasibility, deliverability, affordability, sustainability. Members also then agreed last month to move a number of projects as recommended by the South and Shankill Area Working Groups (<i>Lagan, Gilpins and Markets Tunnels – South and St. Andrews Church – Shankill</i>) to Stage 1 (i.e. the development of a Strategic Outline Case). |

| 2.3 | Since this meeting the West and East Area Working Groups have also shortlisted a number of emerging BIF proposals. These are outlined in the Table below for Members. | | | | | | | | | |
|-------|--|-----|----------------------------|------|---|------|--|-------|--|--|
| 2.4 | <table border="1"> <thead> <tr> <th data-bbox="188 197 304 253">AWG</th> <th data-bbox="312 197 1362 253">Current status in relation</th> </tr> </thead> <tbody> <tr> <td data-bbox="188 253 304 618">West</td> <td data-bbox="312 253 1362 618"> Have recommended that 6 projects be referred to SP&R to move to Stage 1 to test their feasibility <ul style="list-style-type: none"> - St. Comgall's - An Sportslann - Corpus Christi – sports pitches - St Mary's Christian Brothers – sports facilities - Conway Mill - Belfast Hills </td> </tr> <tr> <td data-bbox="188 618 304 712">East</td> <td data-bbox="312 618 1362 712">Have recommended that the Strand Cinema Community Arts project be referred to SP&R to move to Stage 1 to test its feasibility</td> </tr> <tr> <td data-bbox="188 712 304 763">North</td> <td data-bbox="312 712 1362 763">Currently considering their emerging BIF projects.</td> </tr> </tbody> </table> | AWG | Current status in relation | West | Have recommended that 6 projects be referred to SP&R to move to Stage 1 to test their feasibility <ul style="list-style-type: none"> - St. Comgall's - An Sportslann - Corpus Christi – sports pitches - St Mary's Christian Brothers – sports facilities - Conway Mill - Belfast Hills | East | Have recommended that the Strand Cinema Community Arts project be referred to SP&R to move to Stage 1 to test its feasibility | North | Currently considering their emerging BIF projects. | |
| AWG | Current status in relation | | | | | | | | | |
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| East | Have recommended that the Strand Cinema Community Arts project be referred to SP&R to move to Stage 1 to test its feasibility | | | | | | | | | |
| North | Currently considering their emerging BIF projects. | | | | | | | | | |
| 2.5 | <p>Members are therefore asked to consider if they wish to progress the projects as recommended by the West and East Area Working Groups to be moved to Stage 1 (i.e. the development of a Strategic Outline Case) which will test their feasibility in the first instance. Members are asked to note that this does not constitute a final decision to invest in any project.</p> | | | | | | | | | |
| 3.0 | Scope of work at Stage 1 – Feasibility | | | | | | | | | |
| 3.1 | <p>Members will acknowledge that there is increasing demand on the Council to deliver projects within increasingly scarce financial resources. There is a limited amount of money available under BIF and there will be opportunity costs of approving one BIF project over another BIF project. With the finite amount of resources available it will not be possible for all the proposed BIF projects to be delivered. BIF is a citywide fund and individual allocations of money are <u>not</u> being made against particular areas. The final decision on which BIF projects the Council will invest in will be determined by the SP&R Committee in its role as the Council's investment decision maker. SP&R Members will therefore be required to use their civic leadership role and focus on agreeing those projects which can have maximum benefits and investment return on both city-level and area level outcomes in line with the investment principles that were agreed by Members that underpin the Council's Investment Programme.</p> | | | | | | | | | |
| 3.2 | <p>It should be noted that the emerging proposals above, and those already agreed by Committee last month for South and Shankill, are all at different stages of concept, design, planning and readiness. Some of them already have feasibilities or economic appraisals which have been carried (albeit that some of these are older) whilst others are still at concept stage and will require more support.</p> | | | | | | | | | |
| 3.3 | <p>Given the above, it is important that Members can take informed decisions about which projects to invest in. However in order to take an informed decision, it will be necessary for the SP&R Committee to have a city-wide context with the same level of information on each project. It is therefore proposed that consultants are appointed to look at developing the SOCs around the emerging BIF proposals to ensure that these are independent and robust and to ensure that the same level of information is produced. A high level overview of the information that will be assessed through the SOC is attached at Appendix 3. Members are also asked to note that even if a feasibility study and/or economic appraisal has been carried out on a project that this will be reassessed in order that the Council has comfort in the outcomes of the study. The costs</p> | | | | | | | | | |

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| | associated with the development of SOCs will come from the Feasibility Fund. |
| 3.4 | As previously outlined to Members last month, the outcome of these SOCs will be reported back to the SP&R Committee which can then take a decision on whether projects are progressed to the next stage or are stopped. As highlighted the emerging proposals are all at different stages and this will have an impact on when these are brought back to Committee. |
| 4.0 | Resourcing |
| 4.1 | Members will be aware that there are associated resource implications with bringing forward Stage 1 – Feasibility studies on the emerging BIF proposals. If Members approve the proposals as recommended by AWGs today there will be 11 emerging proposals and Members are asked to note that the North AWG has not yet recommended any decisions. |
| 4.2 | Although the work will be in part carried out by independent consultants, this work will require substantial input and be co-ordinated through the Property & Projects Department through the team of project sponsors. Given the scale of the projects this may also involve input from the Council’s Project Management Unit, Estates Team, Legal Services or other departments as necessary depending on the scope and scale of the proposed projects and its links with other Council initiatives. This type of co-ordination work is resource intensive and is also in the context of other competing priorities including the ongoing implementation of projects under the Council’s Capital Programme and the Local Investment Fund. Workload and resource allocations are currently being confirmed and a project sponsor (or two depending on the size of the emerging project) will be assigned to the shortlisted proposals in the coming weeks. Once these are assigned the project sponsors will be in contact with the proposing groups in order to take the projects forward and agree next steps. |
| 4.3 | Members are reminded with the Leisure Transformation budget added to the Investment Programme the Council is now leading on one of the largest programmes of work in the regions with a bewildering level of complexity given the range of a scale of projects, agencies and groups involved and resident affected. The scale of the workload needs to be considered in the light of managing community expectations in terms of delivery of projects. |

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| 5.0 | Resource Implications |
| Financial: Any costs associated with the development of Strategic Outline Cases for emerging BIF proposals will be met from the Feasibility Fund. | |
| Human: Officer time in working with groups on developing their project proposals | |
| Assets: none at present | |

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| 6.0 | Equality Implications |
| As part of the Stage approval process, a screening will be carried out on each project to indicate potential equality and good relations impacts and any mitigating actions needed. | |

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| 7.0 | Recommendations |
| Committee is asked to note the contents of this report and - | |
| - | agree the request from the West and East AWGs that their shortlisted BIF projects (St. Comgall’s, An Sportslann, Corpus Christi, St. Mary’s Christian Brothers, Conway Mill and the Belfast Hills – West and Strand Cinema Community Arts project – East) are progressed to Stage 1 and the development of SOCs to test their feasibility, affordability, sustainability and deliverability. |

Members are asked to note that this does not constitute a final decision to invest in any project.

- note the high level overview of what assessed as a part of the Stage 1 feasibility study as attached at Appendix 3
- note the associated resourcing implications and that a project sponsor (or two depending on project scale) from the Property & Projects Department will be assigned to each emerging proposal in the coming weeks. Once these are assigned the project sponsor (s) will be in contact with groups to kick-off the SOC process and agree next steps.

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| 9.0 | Appendix |
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Appendix 1 – Belfast Investment Fund objectives

Appendix 2 - Belfast Investment Fund (BIF): Approval process

Appendix 3 – High Level Overview of what will be assessed as part of Stage 1

Appendix 1 – Belfast Investment Fund Objectives

The City Investment Fund (now BIF) was designed to enable the Council to take a lead role and work in partnership to deliver key investment projects which:

- Promote the image of Belfast as a place to visit
- Enable and/or promote the city as a place in which to do business
- Bring financial or other economic returns to the city which help to build the city's rate base
- Promote Belfast as a city in which its citizens have pride and belief in a brighter future.
- Enhance the city's strategic, social, cultural and environmental infrastructure.
- Provide a lasting legacy for future generations.

The objectives for the City Investment Fund were agreed in December 2007:

- create a focal point for the Council to play a leading role in the development of the city;
- create a 'can do' attitude amongst its citizens and create a sense of place and pride;
- encourage investment from and engagement of public, private and voluntary sectors, in the achievement of that aim; and
- to contribute to the Council's priorities and vision for the city.

These objectives were reconfirmed by the SP&R committee in March 2012.

Appendix 2

**Belfast Investment Fund (BIF)
Approval process**



The Business Case – Stage 1

Initial Scoping

To establish the case for the project examining 5 key areas:

- **Strategic Alignment** – identifying key project objectives and their alignment with BCC and funding partner’s strategic objectives. Where funding partners have not been identified this work will help in identifying suitable partners.
- **Economic** – identifying high level costs and the benefits of the project
- **Financial** – identifying high level information in respect of funding and any funding conditions.
- **Commercial** – early examination of the market and interest/ability to tender to deliver the project
- **Management** – Deliverability and sustainability of the project; skilled resources to deliver the project and early identification of the resources needed to manage the facility post project.

NB: All of the above will be at a high level and will allow for informed decisions and prioritisation of identified projects which will move to Stage 2.

Belfast Investment Fund – Stage 1

