



<b>Subject:</b>	Capital Programme Update
<b>Date:</b>	22 January 2016
<b>Reporting Officer:</b>	Ronan Cregan, Deputy Chief Executive
<b>Contact Officer:</b>	Sinead Grimes, Programme Manager

Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	<p>The Council's Capital Programme is a rolling programme of investment which either improves existing Council facilities or provides new facilities. The rolling programme was approved by the Shadow SP&amp;R Committee in January 2015. This report outlines -</p> <ul style="list-style-type: none"> <li>▪ highlights of current status of projects under the Programme</li> <li>▪ projects recommended to be moved/added on the capital programme – Anglers Cabin at the Waterworks to Stage 3 – Committed; Cathedral Gardens – Redevelopment and upgrade and IT Programme – Asset Management System from Stage 1 – Emerging to Stage 2 – Uncommitted and the Belfast Model Flying Club – Tommy Patton Park to be added as an Emerging Project</li> <li>▪ specific project updates –Innovation Centre, Fleet Replacement Programme 16/17 and City Cemetery – HLF project</li> </ul>
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>Members are asked to –</p> <p><b>General</b></p> <ul style="list-style-type: none"> <li>• note the update in relation to the Capital Programme as outlined in 3.1 and that the Property &amp; Projects Department is happy to <b>arrange site visits</b> for Members/ Party Groups to any capital project. Photos of projects are attached at Appendix 1.</li> </ul>

### **Proposed movements on the Capital Programme**

- agree that the **Anglers Cabin** at the **Waterworks** is moved to **Stage 3- Committed** and agree that the necessary procurement processes (including the invitation of tenders and/or the use of appropriate 'framework' arrangements) be initiated with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver. The Director of Finance and Resources has confirmed that this project is within the affordability limits of the Council and agreed that a maximum of £30,000 be allocated (see paragraph 3.2)
- agree that the **Cathedral Gardens – Redevelopment and Upgrade** and the **IT Programme – Asset Management System** are moved up a stage on the programme from **Stage 1 to Stage 2** and that OBCs are now worked up for these projects which will be brought back to Committee before any final investment decisions are taken (see Paragraphs 3.7 and 3.9)
- **Cathedral Gardens** – In addition Members are also asked to **endorse their commitment to the redevelopment of Cathedral Gardens as part of Phase 3 of the Streets Ahead project (BSA3) and agree in principle to ringfencing an allocation** (up to a maximum of £5m) **as part of this subject to final confirmation of the costs, a satisfactory tender return and confirmation by the Director of Finance & Resources that the project is within the affordability limits of the Council.** Members are asked to note that the Council's contribution as part of BSA3 will be ringfenced for use only within Cathedral Gardens and that the Gardens will continue to remain as asset of the Council (see Paragraphs 3.4-3.8)
- Agree that the **Belfast Model Flying Club in Tommy Patton Park** is added as a **Stage 1 – Emerging Project** on the Capital Programme to allow an SOC and the costs to be worked up (see 3.10)

### **Capital Programme Project Updates**

- **Forthriver Innovation Centre** – note that a competitive dialogue is currently underway for the operator of the building. As part of this it will be necessary for the Council to enter into a sub-lease with the appointed operator in order to allow them to enter into lease or licence agreements with the centre tenants. Members are asked to note that this and note that although a sub-lease is required the Council will continue to be the asset holder (see paragraphs 3.11 and 3.12)
- **Fleet Programme 16/17** - note the agreed Programme for 2016/2017 (Appendix 2) and

	<p>agree that the necessary procurement processes are initiated with the delegation of subsequent evaluation and award processes to the Director of Property &amp; Projects (see paragraph 3.13)</p> <p>- <b>City Cemetery HLF project</b> – agree that a <b>site visit to Glasnevin Cemetery in Dublin</b> is undertaken in February order to inform the development of the project and the next phases– it is recommended that this includes the Chair/Deputy Chair of the SP&amp;R and People and Communities Committees and the Falls Park Masterplan Steering Group or their nominees. The costs for this trip will be covered by the development grant from the Heritage Lottery Fund (see paragraph 3.14)</p>
<b>3.0</b>	<p><b>Main report</b></p> <p><u>Key Issues</u></p>
3.1	<p>The Council's rolling Capital Programme is a significant programme with over <b>£150m of projects recently completed or currently underway</b>. Members are asked to note that there has been substantial progress under the Capital Programme since the last update report in October. <b>Significantly two of the major EU funded projects have been recently been completed or are practically completed – the Girdwood Community Hub and the Waterfront</b></p> <ul style="list-style-type: none"> <li>• The new <b>£11.7million Girdwood Hub</b> was officially opened on Friday 15<sup>th</sup> January following a week long programme of events. The building has already won a number of awards and officers are investigating other potential suitable awards – <ul style="list-style-type: none"> <li>• Community Benefit Project of the Year – Property Industry Excellence Awards</li> <li>• Best Public Participation - Brownfield Business Awards (Highly Commended)</li> </ul> </li> <li>• the <b>£29.5million extension to the Waterfront</b> to provide dedicated conference and exhibition facilities is due to be handed over to the Council w/c 25<sup>th</sup> January. Work on the parallel project is well underway and is due for completion at the end of April in time for the opening and the first major conference in May.</li> </ul> <p><b>It is recommended that all Members undertake a site visit to both major projects – officers will be happy to facilitate this as requested.</b></p> <p>Other key Capital Programme highlights include -</p> <p><b><i>Projects recently completed/in final stages of completion</i></b></p> <ul style="list-style-type: none"> <li>• <b><i>Pitches projects</i></b> - A range of pitch projects have recently been completed including the <b>new £1.7m 3G pitch at Cliftonville</b> as part of the overall £4million Bunscoil Bheann Mhadagáin development and the <b>new 3G pitch at Woodlands</b> under our £15m Pitches Strategy. In addition the <b>new £1.1million 3G pitch at Sally Gardens</b> is</li> </ul>

due for completion at the end of the month – a separate report on the management arrangements for this will be taken to a future meeting of the People and Communities Committee. Following the completion of the new pavilions in Dixon and Waterworks last year this represents a significant investment in the city's pitch infrastructure and Members are asked to consider how these events should be marked

- Phase 2 of the **£500,000 upgrade of Drumglass Park** which upgraded the lighting and the wall and the installation of new art. This project has been complemented by a refurbishment of the playground within the Park
- **Phase 1a of the Belfast Bike Share Scheme** which comprises 3 new stations, 48 extra docking points and 30 additional bikes at Queens University and Titanic Belfast
- **playground refurbishments at Drumglass and Roddens Crescent**

#### ***Projects currently on the ground***

- the £9.1m **Innovation Centre** at Forthriver which is due for completion in Quarter1 next year – a competitive dialogue process is currently underway in terms of the appointment of the operator
- the infrastructure at the **North Foreshore**
- **Phase 2 of the £40million Connswater Community Greenway**
- the new **£21.7m leisure facility at Olympia** which is due for completion in early 2017
- work commenced early January on the new **MUGA at Springfield Avenue**
- **playground refurbishments at Mount Eagles and Skipper Street** with Nubia Street and Belmont due to commence in the coming weeks
- work has commenced on the **£3.7million upgrade of the Tropical Ravine** – it is anticipated that works will be completed early in 2017
- new **Council accommodation** in Adelaide Street which will be complete in early 2017
- new pitches at **Ormeau** (due for completion February), **Musgrave** and **new pavilions at Victoria** and **Ballysillan** (due for completion in June)
- Phase 1 of the Whiterock Community Corridor (due to go on ground February)

#### ***Projects at tender preparation stage***

- Preparatory work is continuing on a wide range of projects including the remaining sites under the pitches strategy (Cherryvale and Falls), the statue of the boxer John Caldwell in Dunville Park which will be unveiled in May and the boxer sculpture in Woodvale Park which will be unveiled in the Autumn time

#### ***Proposed movements on/additions to the Capital Programme***

- 3.2 Members have previously agreed that **all** capital projects must go through a **3 Stage process** where decisions on which projects progress are taken by SP&R. Members are asked to agree to the following movements as summarised below on the Capital Programme.

Project	Overview	Stage
Anglers Cabin – Waterworks	Provision of electrical supply and upgrade Maximum of £30,000 to be allocated	Move to Stage 3- Committed
Cathedral Gardens	Redevelopment – linked to Phase 3 of the Belfast Streets Ahead project	Move to Stage 2
Asset Management System	Part of the IT programme – development of a fit for purpose corporate asset management system	Move to Stage 2
Belfast Model Flying Club	To examine the potential for provision of an electrical and water supply to existing cabin  Recommended following a site visit by the People and Communities Committee	Add as an Emerging Project

#### **Projects proposed to move to Stage 3- Committed**

- 3.3 **Anglers Cabin – Waterworks** – Members will recall that they agreed in June 2015 that the proposed upgrades to the Anglers Cabin at the Waterworks was added to the Capital Programme. The project proposed the provision of an electrical supply together with examining the requirement for toilet facilities. Members are asked to note that Council officers have now investigated this proposal and looked at costings. Given the small scale of the project it is recommended **that it is now moved to Stage 3 – Committed and progressed**. The Director of Finance & Resources has **confirmed that this project is within the affordability limits of the Council and agreed that a maximum of £30,000 to be allocated**. It is further recommended that the necessary procurement processes (including the invitation of tenders and/or the use of appropriate ‘framework’ arrangements) be initiated with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver.

#### **Projects proposed to move to ‘Stage 2 – Uncommitted’**

- 3.4 **Cathedral Gardens (Buoy’s Park)** - Members will be aware that Cathedral Gardens is a strategic location within the city centre and represents one of the few open spaces within the city centre apart from the City Hall. It has long been **an aspiration of Members to upgrade Cathedral Gardens however plans for this were held for many years as this asset was linked to both the regeneration of the University of Ulster and the ongoing development of Phase 3 of DSD’s Belfast Streets Ahead (BSA3) project**.

The upgrade of Cathedral Gardens and the surrounding area is identified as a key opportunity in the Council's 'City Centre Regeneration and Investment Strategy' which outlines (Belfast city) *"centre is lacking in green space, in treelined streets, in the softness that can provide relief in the most densely developed part of a great city. There is a great opportunity to provide a sizeable new open space in the north end by considering option for the parking area around St. Anne's Cathedral for green space and linking it to Buoy's Park and Writer's Square and the Streets Ahead Phase 3 proposals"*.

3.5 DSD have been progressing work on the plans for BSA3 over the past number of years and they have now completed the design work for this phase which they have paid for—the Council have been involved in the process and sit on the BSA3 Project Board. An integral part of the Phase 3 is the redevelopment of Cathedral Gardens and the plans include environmental upgrades to maximise the open space and its attractiveness including greening of the area, the installation of benches, open space for performances etc. and the development of a pavilion facility which can be used for a range of purposes including community usage, events etc. The overall estimated budget for Phase 3 is £35m with the high level estimates for the works at Cathedral Gardens being approx. £5million.

3.6 DSD are in the process of submitting a business case for the BSA3 and due to the levels of expenditure the business case has to be signed off by the DSD and DFP economists together with the DSD and DFP Ministers. **DSD have requested that to help facilitate the business case approval process that the Council endorse their commitment to the redevelopment of the Cathedral Gardens as part of the Streets Ahead project and commit to a financial contribution towards the project** (up to £5m). Members are asked to note that it has been emphasised that this is an in-principle commitment at this stage. The final costs for the redevelopment will be worked up over the coming months and costs will be brought back to Committee before a final investment decision is taken. Members are asked to note that although **Cathedral Gardens will be an integral part of the Streets Ahead Phase 3 project the Gardens will continue to be the Council's asset and any contribution by the Council will ringfenced only for upgrades within Cathedral Gardens**. The Council has also emphasised that the financial contribution by the Council will also be dependent on the scheme using high quality materials.

3.7 **Members are recommended to agree that this project is now progressed which will allow the costs to be further assessed. Members are also asked to endorse their commitment to the redevelopment of Cathedral Gardens as part BSA3 and agree in principle to ringfencing a financial allocation (up to £5m) as part of this subject to final confirmation of the costs, a satisfactory tender return and confirmation by the Director of Finance & Resources that the project is within the affordability limits of**

	<p><b>the Council.</b> Members are asked to note that if the costs of the redevelopment are less than £5m then this will be what is allocated to the project</p>
3.8	<p>Members will be aware that a statue of Rinty Monaghan was installed in Cathedral Gardens in the Autumn as part of the Council's boxer statues programme. This statue will remain in any upgraded project however the installation has been designed with the refurbishment and upgrade of the Gardens in mind if it is necessary for it be moved.</p>
3.9	<p><b>IT Programme – Asset Management System</b> – Members will be aware that prior to local government reorganisation last year the Council already owned and managed a substantial estate. This was significantly enhanced under LGR with the addition of over 70 assets which transferred from Lisburn and Castlereagh. Due to the growing estate there is now a requirement for the Council to have a fit for purpose corporate asset management system to support the strategic objectives of better financial management, information management, planning and performance and asset management. <b>Members are recommended to agree that this project is now progressed to Stage 2 – Uncommitted which will allow the costs to be further assessed.</b></p> <p><b>Projects recommended to be added as 'Stage 1- Emerging'</b></p>
3.10	<p>Members are asked to agree that the following project is added to the Capital Programme as a <b>Stage 1- Emerging Project – Belfast Model Flying Club in Tommy Patton Park</b> following a site visit undertaken by the People and Communities Committee. This will allow an SOC to be worked up and the costs examined for the installation of a water and electrical supply to the existing cabin.</p> <p><b>Project Updates</b></p> <p><b>Forthriver Innovation Centre</b></p>
3.11	<p>As outlined in 3.1 above the procurement process for the appointment of an operator for the Forthriver Innovation Centre is currently being completed using the European procurement route of Competitive Dialogue with a forecast contract award date of late April/early May 2016. As per the EU procurement rules the award date is subject to a mandatory 10 day alcatel standstill period. The SP&amp;R Committee in September 2014 agreed that delegated authority be granted to the Director of Development to approve the most economically advantageous tender for the contract, subject to a form of contract being drawn up by Legal Services.</p>
3.12	<p>A draft contract has been drawn up which is predicated on the basis that the <b>operator will occupy the Centre under a Sub-lease (to be granted to the operator by the Council) for the purpose of allowing the operator to provide the services required under the contract.</b> This sub lease will enable the operator to enter into lease or licence agreements</p>

with the centre tenants. The Council (via the Council's building contractor) presently occupies the site at Forthriver under an Agreement for Sale and Purchase entered into between the Council and Invest NI for the purpose of allowing the Council (and its contractor) access to the site to complete construction of the innovation centre. Upon practical completion of the works Invest NI will grant the Council a lease of the site. The Council will then be in a position to enter into a sub lease with the operator. **Members are therefore asked to note that the sub-lease process will be completed following grant of the Council's lease from Invest NI**, approval of the most economically advantageous tender by the Director of Development, practical completion of the building and signature of the contract with the operator. Members are also asked to note that

3.13 **Fleet Programme 2016/17** – Members will know that the Council needs to run and maintain a substantial fleet in order to deliver its services. In March 2013 SP&R agreed to allocate £2.1m towards the Fleet Programme for 2016-2017. Members are asked to note that the Fleet Programme has been developed in conjunction with Council departments and reflects the service needs of the organisation. The Fleet Programme for 2016-2017 is attached at Appendix 2. **Members are asked to note the agreed Fleet Programme and agree that the necessary procurement processes are initiated with the delegation of subsequent evaluation and award processes to the Director of Property & Projects**

3.14 **City Cemetery – HLF project** – Members will recall that they were updated in October that the Council had been awarded a development grant from the Heritage Lottery Fund to work up a Stage 2 application for the proposed restoration and redevelopment of the City Cemetery within the overall context of the Falls Park Masterplan. In order to inform the development of the next phase Members are asked to agree that a **site visit to Glasnevin Cemetery in Dublin** is undertaken in February. It is recommended that this includes the Chair/Deputy Chair of the SP&R and People and Communities committees and the Falls Park Masterplan Steering Group or their nominees. The costs for this trip will be covered by the development grant from the Heritage Lottery Fund.

3.15 Financial & Resource Implications

*Financial* – **Anglers Cabin** – Up to £30,000 maximum allocation

**Cathedral Gardens and IT Programme – Asset Management System** – Costs to be tested and challenged as part of the OBC stage

Members are asked to note that progressing the above projects does not constitute a final decision to invest in a project and final investment decisions remain subject to confirmation by the Director of Finance & Resources that projects are within the affordability limits of the Council.



	<p><i>Resources</i> – Resources from Property &amp; Projects and appropriate departments in working up proposals in conjunction with groups. Members are asked to note that the council is currently in the process of delivering a major physical programme not only under the capital programme but also under the Local Investment Fund (1 &amp;2), Belfast Investment Fund and other projects including LGR transferring areas and ongoing maintenance projects. In addition the council is going to be acting as delivery agent for a range of projects under externally funded initiatives including SIF, Urban Villages and BSC – therefore Members are asked to appreciate that resources are stretched to capacity.</p> <p><u>Equality or Good Relations Implications</u></p> <p>All capital projects are screened as part of the stage approval process</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
4.1	<p>Appendix 1 – Photos of projects</p> <p>Appendix 2 - Fleet Programme 16/17</p>