



<b>Subject:</b>	Physical Programme Update including Capital Programme 2018/2019		
<b>Date:</b>	16 <sup>th</sup> February 2018		
<b>Reporting Officer:</b>	Ronan Cregan, Deputy Chief Executive Gerry Millar, Director of Property & Projects		
<b>Contact Officer:</b>	Sinead Grimes, Programme Office Manager		
<b>Restricted Reports</b>			
<b>Is this report restricted?</b>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>
<b>If Yes, when will the report become unrestricted?</b>			
<b>After Committee Decision</b>		<input type="checkbox"/>	
<b>After Council Decision</b>		<input type="checkbox"/>	
<b>Some time in the future</b>		<input type="checkbox"/>	
<b>Never</b>		<input type="checkbox"/>	
<b>Call-in</b>			
<b>Is the decision eligible for Call-in?</b>	<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b> <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	<p>The Council's Physical Programme covers 205 live regeneration projects across a range of funding streams including the Capital Programme, Leisure Transformation Programme, LIF, BIF, SOF (Social Outcomes Fund) and the projects which the Council is delivering on behalf of other agencies. This report outlines</p> <ul style="list-style-type: none"> <li>- an update on the Capital Programme for 2017/2018</li> <li>- project updates – King George V Playing Fields: New 3G pitch – proposed replacement of project with new 3G pitch at Blanchflower Playing Fields and movement of Blanchflower and Ulidia schemes to Stage 3 – Committed</li> <li>- the Capital Programme and capital financing for 2018/2019</li> <li>- Physical Programme 2018/2019 and beyond</li> </ul>

2.0	<b>Recommendations</b>
2.1	<p>Members are asked to;</p> <ul style="list-style-type: none"> <li>• note the update on the Capital Programme as at 3.1-3.2 below and that the Property &amp; Projects Department is happy to arrange a site visit to any projects that have been completed and/or are underway</li> </ul>
2.2	<p><b>Project Updates and Movements</b></p> <ul style="list-style-type: none"> <li>• note the update in respect of the King George V (KGV) Playing Fields proposed 3G pitch project at 3.3-3.7 and agree that given the requirements of the Living with Water Programme and that it is likely to be at least 2022 before this project can be taken forward that this is <b>replaced on the Capital Programme by a 3G pitch at Blanchflower Playing Fields given its state of readiness</b>. Members are asked to note that the scope of this project will remain as per the KGV proposal for a 3G pitch and floodlights only - similar to the scope of Ulidia which is also on the Capital Programme</li> <li>• if agreed, it is further recommended that both the <b>Ulidia and Blanchflower 3G pitch projects</b> are moved to <b>Stage 3- Committed</b> on the Capital Programme <b>with a maximum budget of £1.1m to be allocated per scheme</b>– the Director of Finance &amp; Resources has confirmed that this is within the affordability limits of the Council. It is recommended that these are held at Tier 0 – Schemes at Risk pending the final tender return prices (see 3.8-3.9)</li> </ul>
2.3	<p><b>Capital Programme and Capital Financing 2018/2019</b></p> <ul style="list-style-type: none"> <li>▪ agree the Capital Programme for 2018/2019 as outlined in Appendix 1-3 (see 3.10-3.13)</li> </ul> <p><b>Procurement</b></p> <ul style="list-style-type: none"> <li>▪ agree that <b>necessary procurement processes</b> (including the invitation of tenders and/or the use of appropriate ‘framework’ arrangements) be initiated for the Ulida/Blanchflower 3G pitch projects; and any non-recurrent projects for 2018/2019 and the Social Outcomes Fund projects, as required, with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver</li> </ul>

3.0	<p><b>Main report</b></p> <p><u>Key Issues</u></p>
3.1	<p>The Council's rolling Capital Programme is a significant regeneration programme and Members agreed the Capital programme for 2017/18 in March last year. An update on the Programme is outlined below</p> <p><b>Completed Projects</b></p> <ul style="list-style-type: none"> <li>- <b>Connswater Community Greenway</b> - the completion of the major CCG project which consists of 16km of new foot and cycle paths, improved green spaces, 23 new or improved bridges, 5km of flood walls and embankments, 6 new tourism and heritage trails as well as the C.S. Lewis Square.</li> <li>- <b>City Hall Works</b> –the new dedicated exhibition space on the ground floor of the City Hall which opened last year and which has already seen over 50,000 visitors which has surpassed expectations</li> <li>- <b>Tropical Ravine</b> – the £4.1m recently completed upgrade of the Tropical Ravine which was redeveloped in conjunction with the HLF</li> <li>- <b>Upgrades to parks, open spaces and playgrounds and pitches</b> - including new playgrounds at Hanwood, Botanic, Blacks Road and Colin Valley and a new changing pavilion at Sally Gardens</li> <li>- <b>Corporate Projects</b> - including Fleet Replacement Programme for 2017/2018 and a range of ICT projects</li> </ul> <p><b>Projects currently underway</b></p> <ul style="list-style-type: none"> <li>- <b>LTP –Olympia Leisure Centre</b> – the new leisure facility as part of the £21.75m Olympia regeneration was opened last January. Work is continuing on the next phase of the project which includes a new pitch and play park, re-provision of Midgley Park, a new tree lined boulevard leading from the Boucher Road and the marketing of 2 commercial sites. This is due for completion in the Spring with an opening event planned for May</li> <li>- <b>LTP – Andersonstown, Robinson and Brook</b> – work is already well underway at the £25m Andersonstown and £20m Robinson with both projects on track for opening in late 2019. A 'Cutting the Sod' ceremony for Brook took place on Wednesday 14<sup>th</sup> with works again scheduled for completion in 2019</li> <li>- <b>Alleygating Phase IV</b> –the installation of over 180 gates across the city</li> <li>- <b>Pitches</b> – new 3G pitch and pavilions at Cherryvale and Falls Park which are both due for completion in the Springtime</li> <li>- <b>Upgrades to parks, open spaces and playgrounds</b> - including environmental</li> </ul>

	improvements at Skegoneil and Falls Park which are currently underway
3.2	Members are asked to note that the Property & Projects Department is happy to arrange site visits for Members/ Party Groups to any capital programme project.
	<b>Project Updates and proposed movements</b>
3.3	<b>King George V Playing Fields: Proposed new 3G pitch – Replacement with a new 3G pitch at Blanchflower Playing Fields</b> – Members will recall that the redevelopment of both the Ulidia Playing fields and KGV Playing Fields were moved to Stage 2-Uncommitted on the Capital Programme in May last year. At this stage, discussions between Glentoran and the Council in respect of KGV had been to develop the facility in conjunction with the redevelopment of the Oval which was due to receive funding under the Sub-Regional Stadia Programme. However, it was highlighted to Members that the ongoing impasse at Stormont meant there had been no movements on this funding which made it extremely unlikely that the Oval would be redeveloped in the short to medium term. Members therefore agreed that given the huge demand and lack of 3G pitch facilities in East Belfast that KGV was de-coupled from the Oval proposal and was taken forward in its own right.
3.4	Members will be aware that there is a significant project underway across the city in respect of upgrading the city’s strategic drainage infrastructure under the Living with Water (LWW) Programme. Subsequent discussions with LWW have indicated that significant enhancement is required at the KGV site including a £25m replacement of the Sydenham Waste Water Pumping Station. While the land for the new pumping station is not substantial and is located on an under-used area close to the Sydenham Bypass the building works will require a substantial portion of KGV for the construction period and the site access roads etc. A new maintenance access road will also need constructed as the plant will require regular inspection. These works are scheduled to take at least 15 months and are not programmed to start until 2021. Council officers have had discussions with the LWW officials about the possibility of bringing these works forward to facilitate the infrastructure works first and then development of the new pitch. However due to the LWW programme it is not possible to do this. <b>In light of this the earliest works could commence on the proposed new 3G pitch at KGV would therefore be 2022.</b> Council officers have also investigated the possibility of developing the pitch now but the works required under LWW mean that the pitch will need to be taken up and therefore it would not represent value for money to progress the proposed 3G pitch now.
3.5	<b>Recognising the deficit in 3G provision in East and that KGV cannot happen until at least 2022 officers have therefore been considering what other options are available in respect of 3G provision which could replace KGV as a project on the Capital Programme</b>

	<p><b>and updated the East AWG of these at its meeting on 8<sup>th</sup> February.</b> Members are asked to note that there was a previous proposal to upgrade the Blanchflower Playing Fields. Phase 1 of this scheme, which consists of a 3G pitch, changing pavilion and stand for H&amp;W Welders has been agreed by the East AWG as one of their BIF proposals with £2.37m allocated. H&amp;W are also seeking funding under the Sub-Regional Stadia Programme which is currently at an impasse. Given this H&amp;W Welders have been trying to identify other sources of funding and have had positive discussions with Urban Villages. The project has been identified as one of the potential projects for the next phase of UV capital investment and is currently going through business case. Members are asked to note that the H&amp;W BIF proposal is ready to tender.</p>
3.6	<p>The 2nd phase of the proposed scheme at Blanchflower was for additional 3G pitches however these were not progressed due to a lack of commitment and funding. Planning permission was however granted for the wider scheme including the pitches. Given this state of readiness it is therefore proposed that the Council's proposed capital programme project is switched from the KGV Playing Fields to Blanchflower. <b>Members are asked to note that similar to the Ulidia proposal and in keeping with what was proposed for KGV the new proposal at Blanchflower to be funded under the Capital Programme is for a 3G pitch only.</b> The elements which are being funded under the H&amp;W Welders BIF proposal (the new 3G pitch, stand and changing pavilion) will be for H&amp;W although in keeping with any BIF proposal the Club will need to ensure secured community access to the facilities as a requirement of BIF. <b>As outlined the BIF proposal is ready to go out to tender and so this provides the opportunity to include the new 3G pitch as part of the contract which should allow for value for money and efficiencies.</b></p>
3.7	<p>Members are asked to note that the East AWG have endorsed this proposal and it is therefore <b>recommended that a new 3G pitch at Blanchflower is taken forward in the place of the proposed KGV project given the significant delays that this is facing due to the requirements of the LWW Programme.</b> Members are further asked to note that discussions with LWW will continue and that the potential of a pitch at KGV will be examined in the longer term following the completion of the LWW works and further discussions with them in respect of potential compensation for works being carried out across Council land.</p> <p><b>Project Movements – Ulidia and Blanchflower</b></p>
3.8	<p>If Members agree the above change, it is further <b>recommended that the Ulidia and Blanchflower projects are moved to Stage 3 – Committed on the Capital Programme with a maximum budget of £1.1million per scheme.</b> It is proposed that these are held at Tier 0 – Schemes at Risk pending the final tender return figures. The Director of Finance and Resources has confirmed that this is within the affordability limits of the Council.</p>
	<p><b>Capital Programme and Capital Financing – Impact of Members decisions</b></p>

3.9 Members are asked to note that the Council incurs both capital expenditure and capital financing costs in the delivery of its Capital Programme.

- **Capital Expenditure** is the expenditure incurred in the actual delivery of contracts e.g. the actual payments to the contractor for a construction contract
- **Capital Financing** is the method the council uses to fund the capital expenditure. The capital financing costs include loan repayments (principle and interest); revenue contributions (cash payments to repay or avoid taking out loans); capital receipts and external funding.

#### **Capital Financing 2018/2019**

3.10 At its meeting on 19 January 2018, **the SP&R Committee approved a capital financing budget of £20,706,901**. This includes increases to the capital financing budget as a result of efficiencies generated by the Waterfront (£200k) and Accommodation Strategy (£755k) along with the inclusion of £1m increase to the capital financing budget as agreed at the meeting of the SP&R Committee on 5 January 2018.

3.11 Members will be aware however that the Council has already committed financing to a range of physical projects under the Capital Programme as outlined in Appendix 1 and 2 and a number of non-recurrent projects which accounts for £17.1m of this. Loan repayments are an additional £2,445,517. **Members are asked to approve the Capital Programme Stage 3 – Committed projects and Stage 2 – Uncommitted projects as per Appendix 1 and 2.**

**Table 1 – Existing Capital Financing Budget 2018/2019**

Existing Capital Financing Budget		£20,706,901
Less: Physical Programme Commitments (capital programme and non-recurrent projects)	£17,114,335	
Existing BCC Loans	£1,768,198	
Lisburn/Castlereagh Transferred Loans	£677,319	
		£(19,559,852)
<b>Balance Remaining</b>		<b>£1,147,049</b>

3.12 Members will however be aware that the Capital Programme also includes a number of Stage 1- Emerging Projects. A small number of the emerging proposals are historic proposals which have been on the Programme for some time and which have now been superseded by other projects/programmes which have been agreed and/or will no longer happen as they were originally proposed and it is timely now to update the Emerging list to reflect these changes. **Members are asked to agree the Stage 1 – Emerging Projects as outlined in Appendix 3.** Members are asked to note that none of the Emerging projects currently have financing associated with them.

3.13	<p><b>As per Table 1 above there is £1.15m of unallocated capital financing to support any emerging proposals already on the Capital Programme and any future additional proposals.</b> Members are asked to note that while this is unallocated currently it will be required to support emerging projects during the course of the year.</p> <p><b>Social Outcomes Fund</b></p>
3.14	<p>Members will be aware the Council, at its meeting on 1<sup>st</sup> February 2018 adopted and approved the minute of the meeting of the SP&amp;Rs Committee of 20<sup>th</sup> October 2017, under the heading “<i>City Centre Social Outcomes Fund Update – Proposed Recasting to Support the City’s Growing Tourism Infrastructure</i>”. As per this decision Members are asked to note that officers will now commence work with the projects agreed for funding. As highlighted at the meeting on 20<sup>th</sup> October these projects have been added as Stage 1 – Emerging projects and will be subject to the Council’s three stage approval process for all physical projects.</p> <p><b>Approval to Procure</b></p>
3.15	<p>Members are asked to agree that necessary procurement processes (including the invitation of tenders and/or the use of appropriate ‘framework’ arrangements) be initiated for the Ulidia/Blanchflower 3G pitch projects; any non-recurrent projects for 2018/2019 and the Social Outcomes Fund projects as required with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver</p>
3.16	<p><u>Financial &amp; Resource Implications</u></p> <p>Ulidia and Blanchflower - The Director of Finance and Resources has confirmed that the Ulidia and Blanchflower projects which are recommended to move to Stage 3 (as outlined in 3.8) are within the affordability limits of the Council – these will be held at Tier 0 pending the final tender returns</p> <p><i>Resources</i> – Resources from Property &amp; Projects and appropriate departments in working up proposals in conjunction with groups.</p>
3.17	<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>
	Appendix 1-3 – Capital Programme 2018-2019