



Subject:	Physical Programme Update
Date:	17 August 2018
Reporting Officer:	Ronan Cregan, Deputy Chief Executive Gerry Millar, Director of Finance and Resources
Contact Officer:	Sinead Grimes, Programme Office Manager

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

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

1.0	Purpose of Report or Summary of main Issues
1.1	The Council's Physical Programme covers projects under a range of funding streams including the Capital Programme, the Leisure Transformation Programme, LIF, BIF, the Social Outcomes Fund and the projects which the Council is delivering on behalf of other agencies. This paper provides an update for Members on the Physical Programme
2.0	Recommendations
2.1	The Committee is asked to; General

- note that a tour of a number of physical projects (both completed or underway) is being scheduled for a Saturday morning in September and all Members are encouraged to take up this opportunity (see 3.2)

Capital Programme

- **Proposed movements** - agree that the **Belfast Story/Destination Hub project** and the **Reservoir Safety Programme** are moved to **Stage 2 – Uncommitted**
- **Project Updates – HLF City Cemetery** – to note that the Council has been successfully been awarded £1.687m from HLF towards the re-development of the City Cemetery

Leisure Transformation Programme

- note the update in respect of Templemore and that agreement has been reached with the Templemore Users Trust (TUT) in regard to a formal usage agreement for the new facility
- agree the recommendation, which has been endorsed by the East AWG at its meeting on 2 August, that the £70,000 annual grant which is currently paid to TUT is continued for the two year closure period on the basis that this is only used for the purposes of supporting business continuity necessitated by the closure of the centre for redevelopment (see 3.7 - 3.9)

Social Outcomes Fund (SOF)

- note that all SOF projects are required to go through the Council's rigorous due-diligence process in keeping with the processes in place for BIF and LIF projects (see 3.9)
- note that three SOF projects (*SOF01- James Connolly Museum; SOF03 – Assembly Buildings Conference Centre and SOF09 – Belfast Orange Hall Museum*) which previously been approved in principle have been scored and have met the necessary threshold. Members re therefore asked to agree that these are progressed to due-diligence (Section 3.12 and Appendix 1)

3.0 Main report

Key Issues

- 3.1 Members will be aware that the Council runs a substantial physical programme covering over 200 projects under a range of funding streams including the capital programme, BIF and LIF together with the projects that it is delivering on behalf of other agencies including the Executive Office and the Department for Communities. **There are currently approx. 200 'live' projects on the physical programme worth in excess of £300m which makes it not only a significant programme from a Council perspective but also one of the biggest regeneration programmes in the city.**

3.2 Members previously agreed that given **both the current scale of the programme and the number of new Members, that a tour of a number of physical projects** (both completed and underway) **across the city is scheduled for all Members**. Members are asked to note that this is being scheduled for a Saturday morning in September and that all Members are encouraged to take up this opportunity.

Proposed movements on/additions to the Capital Programme

3.3 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 on the Capital Programme -

Project	Overview	Stage
Destination Hub/ Belfast Story	The development of a new world class visitor attraction within the city centre	Move to Stage 2- Uncommitted
Reservoir Safety Programme	To examine the options to ensure the safety of Council owned reservoirs	Move to Stage 2- Uncommitted

Move to Stage 2 – Uncommitted

3.4 **Destination Hub** – Members will be aware that the Belfast Agenda sets out the ambition to deliver a second world class visitor attraction to generate additional tourist spend and footfall in the city centre. This was also set out in the City Centre Regeneration and Investment Strategy 2015. In addition, a number of agencies (Arts Council NI, Tourism NI, NI Screen, National Museums NI) have identified the need for additional facilities to support the growth of the cultural and tourism offer in Belfast and NI as a whole. The proposed new Destination Hub proposal is for a single site in the city centre incorporating a range of facilities including the ‘Belfast Story’ visitor destination, a Northern Ireland film centre, gallery and exhibition space and a digital media/skills training facility.

An SOC has been completed with work underway on the Outline Business Case (OBC) and in line with this, it is recommended that the Destination Hub is moved to Stage 2 – Uncommitted on the Capital programme. Work is continuing including looking at the identification of potential capital funding sources as well as possible commercial operating models and Members will be aware that the Destination Hub has been identified as a project under the Tourism strand of the Belfast Region City Deal. Further detail on the OBC will be brought back to Members in due course.

3.5 **Reservoir Safety Programme** - The Council owns a number of reservoirs across the city including Half Moon Lake, Boodles Dam, Waterworks Upper and Lower and Alexandra Park. As a reservoir owner the Council has a number of obligations under the Reservoirs Act (Northern Ireland) 2015 and the Drainage (Northern Ireland) Order 1973 which includes ensuring the safety

of reservoirs. The Council has received correspondence from the Rivers Agency reminding us of our obligations in this regard. Given these requirements, it is recommended that the Reservoirs Safety Programme is moved to Stage 2 – Uncommitted on the Capital Programme to allow the programme to be fully worked up and costed and an OBC to be completed.

Project Updates

- 3.6 **HLF – City Cemetery** - Members will recall that the City Cemetery was moved to Stage 3 'Committed' on the capital programme in November 2017 and held at Tier 0 'Schemes at risk' pending the confirmation of funding from the Heritage Lottery Fund. The project is designed to protect and enhance the rich heritage within the cemetery, and incorporates a number of elements such as the development of a new visitor centre, restoration of key heritage assets and enhanced interpretation.

Members are asked to note that funding of up to £1.687m has now been secured from HLF and a letter of offer was received in July. This will be match funded with up to £620,000 of Council funding. There has already been extremely positive media and public reaction to this news demonstrating the level of interest in the project.

Leisure Transformation Programme

- 3.7 **Templemore** - In April the SP&R Committee agreed that "*Option 4 – the Council enter into a contractual relationship with the TUT for the original building only, that being the interpretative area and the existing pool, with the new build being outsourced for management by the Council's strategic partner*" be adopted as the preferred future management option for the new Templemore Baths. The Committee, however, further agreed that due to the tight timescales for this work given the HLF timescales and the potential impact of the loss of HLF monies on the overall East leisure provision, that '*Option 6 – Outsource the management of the building in its entirety to a strategic partner / the Council's existing strategic leisure partner*' would be the fall back option in the event that consensus on Option 4 could not be satisfactorily reached". Unfortunately, between April-May insufficient progress was made in terms of Option 4 and Committee, on the direction of the East AWG, therefore agreed in May that the Council had no option but to progress Option 6 as above in order to ensure that the HLF application could be successfully submitted. Recognising the important role of TUT to date, Members also authorised officers to enter into discussions with TUT's Board on the opportunity for them to become an 'anchor user' for the existing pool, which would be on a rental basis falling under Option 6.
- 3.8 Committee is asked to note that we have reached agreement with TUT on the principles of this anchor user arrangement which will now be incorporated within a formal usage agreement lasting a period of 8 years. This period is contemporaneous with existing term on GLL's current contract.
- 3.9 In relation to mobilisation, and to ensure business continuity for TUT necessitated by the closing of the centre during the redevelopment of the Baths, it is recommended that the current annual

grant which is paid to TUT (£70,000) continue for this closure period on the basis that the grant is used solely for the purposes of supporting business continuity (e.g. to cover pool costs/ rental for office premises). The final mechanism for the drawdown of this money to be agreed with TUT. Members are asked to note that this recommendation was endorsed by the East AWG at its meeting on 2nd August.

Social Outcomes Fund

3.10 Members will be aware that the Council, at its meeting on 1st February 2018 adopted and approved the minute of the meeting of the SP&Rs Committee of 20th October 2017, under the heading “*City Centre Social Outcomes Fund Update – Proposed Recasting to Support the City’s Growing Tourism Infrastructure*”. As per this decision, officers have been working on the 9 projects which were allocated in principle funding. The in principle allocations for these projects vary between £80,000 to over £1m.

3.11 Members will be aware that the Council has rigorous due-diligence processes in place for projects under both the Local Investment Fund (funding up to a maximum of £250,000) and the Belfast Investment Fund (funding over a minimum of £250,000). It is recommended that the SOF projects follow this same process with projects of less than £250,000 investment following the LIF DD process and projects over £250,000 following the BIF process.

3.12 Both processes require projects to be scored initially and met a minimum threshold (Appendix 1). Members are asked to note that three SOF projects (SOF01- James Connolly Museum; SOF03 – Assembly Buildings Conference Centre and SOF09 – Belfast Orange Hall Museum) which previously been approved in principle have been scored and have met the necessary threshold. Members re therefore asked to agree that these are progressed to due-diligence.

Financial & Resource Implications

3.13. *Financial* – No arising implications

Resources – Resources from Property & Projects and appropriate departments in working up proposals in conjunction with groups.

Equality or Good Relations Implications/Rural Needs Assessment

3.14 All capital projects are screened as part of the stage approval process

4.0 Appendices – Documents Attached

4.1 Appendix 1 - SOF scoring