



Subject:	Update on Physical Programme
Date:	18th June, 2021
Reporting Officer:	Sinead Grimes, Director of Physical Programmes
Contact Officer:	Shauna Murtagh, Programme 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"/>
Sometime 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/Summary of Main Issues
1.1	<p>The Council's Physical Programme currently includes 140 capital projects with investment of £100m+ via a range of internal and external funding streams, together with projects which the Council delivers on behalf of external agencies. The Council's Capital Programme forms part of the Physical Programme and is a rolling programme of investment which either improves existing Council facilities or provides new facilities. This report provides:</p> <ul style="list-style-type: none">- An overview of recently completed capital projects- Movements recommended under the Capital Programme- An update on construction industry supply shortages, implications and actions

2.0	Recommendations
2.1	<p>The Members of the Committee are asked to recommend that, in accordance with the Council decision of 4th May, the Chief Executive exercise her delegated authority to:</p> <ul style="list-style-type: none"> ▪ Physical Programme overview - Note the update on projects that have been completed recently and projects currently in construction ▪ Move 'IT Programme - Server and storage technology refresh' to <i>Stage 3 – Committed</i> on the Capital Programme ▪ Move 'IT Programme – Replacement Hardware for NIHE System' to <i>Stage 3 – Committed</i> on the Capital Programme ▪ Issues affecting the construction industry – Note the update and mitigating actions being undertaken ▪ Neighbourhood Regeneration Fund – Note that a report will be brought forward in August ▪ Community Renewal Funding – note that an application for feasibility funding is being submitted under Communities and Place theme
3.0	Main Report
3.1	<p><i>Physical Programmes Update: June 2020 to June 2021</i></p> <p>Members will be aware that the Council runs a substantial Physical Programme. This includes the rolling Capital Programme - a multimillion regeneration programme of investment across the city which improves existing Council assets or provides new council facilities. The Council also delivers externally focused funding streams such as BIF, LIF and SOF, as well as numerous capital programmes that we deliver for central government. Our funding partners include NHLF, SEUPB Peace IV, the Executive Office via Social Investment Fund and Urban Villages, DfC, DfI, DAERA, Ulster Garden Villages and others. Over the past year, despite the pandemic, a large number of capital projects have been delivered successfully with a significant number started.</p>
3.2	<p><u>Recently completed projects include:</u></p> <ul style="list-style-type: none"> • Community projects: Launch of Grace Family Centre, a new facility for childcare and counselling support, Cancer Lifeline – new headquarters for Cancer Lifeline in North Belfast, upgrades to Knockbreda Parish Church Hall, improvements to Greenway Women's Centre and North Belfast Women's Initiative and Support Project, Alleygates Phase 4 – over 180 alleygates across the city, St James' Community Farm and allotment works at Ballysillan

	<ul style="list-style-type: none"> • Open spaces, tourism and heritage schemes: Springfield Dam Park, Entries projects in the city centre, environmental improvements at Eastside Greenway Ballymacarrett, a new Changing Places facility and range of upgrade works at Belfast Zoo • Leisure, sports and play facilities: Renovations at Tullycarnett and Shore Road pavilions, new MUGA at John Paul II Youth Club, new changing facilities at Willowbank, improvements to the running track at Paisley Park and to pitches at Cregagh, Shaftesbury and Grosvenor centres, playground refurbishments at Clonduff, Grosvenor Recreation Centre, Blackmountain, McClure Street, Sandy Row, Short Strand, Glenbryn and Reverend Robert Bradford Memorial Park.
3.3	<p><u>Projects underway or commencing shortly:</u></p> <ul style="list-style-type: none"> • Colin Glen Trust – new tourism and recreation facilities totalling £4m at the forest park including Ireland’s first Alpine Toboggan and the longest zipline in Ireland at nearly 700m – due for completion summer 2021. • Lagan Gateway Greenway – major investment of £5m in a new navigation lock, iconic foot and cycle bridge and new path connections – due for completion Summer 2021. Work underway to develop Phase 2. • LTP Avoniel - £8m new facility at Avoniel focused on outdoor leisure provision – due for completion Autumn 2021. • City Cemetery Heritage Project - £2.3m scheme to protect, enhance and promote the cemetery’s rich heritage. • St Comgall’s – £7m restoration of former school to create a multi-use community hub. • LTP Templemore Baths – £17m restoration of Templemore Baths with a focus on heritage and spa provision. • Forth Meadow Community Greenway – an ambitious and transformational £5m scheme which will see the development of a new 12km urban greenway in West Belfast. • Boodles Dam – works to the Dam and environmental improvements. • Sports, leisure and tourism projects at H&W Welders FC/Blanchflower Playing Fields, TAGIT Boxing Club, Berlin Swifts FC changing pavilion, Roddy McCorley Heritage Centre. • Community projects at Belfast Orange Hall – refurbishment and upgrades, Belfast Islamic Centre, VOYPIC (Voice of Young People in Care) – refurbishment and upgrade,

	<p>Sailortown/St Joseph’s upgrades, Star Neighbourhood Centre refurbishments, Holylands environmental improvements, Mornington Community Centre upgrades, upgrades and refurbishments at Woodvale Cricket Club, St. Matthew’s Parish Hall and West Belfast Orange Hall, Lisnasharragh Community Schools project.</p> <ul style="list-style-type: none">• Corporate projects – range of IT projects to ensure business continuity and ongoing Fleet replacement programme.									
3.4	<p>This overview does not include a number of additional projects either in early stages of development, Planning or procurement, neither does it include all of the activity on maintenance projects or all the legacy projects which still require resource. Photos of the projects recently completed or underway are attached in Appendix 1. When appropriate, as per Covid 19 public health guidance, the Physical Programmes Department is happy to arrange site visits to any projects that have been completed.</p> <p>Proposed Movements - Capital Programme</p>									
3.5	<p>Members agreed that all capital projects must go through a three-stage process where decisions on which capital projects progress are taken by the Committee. This provides assurance as to the level of financial control and will allow Members to properly consider the opportunity costs of approving one capital project over another capital project. Members are asked to agree to the following movements on the Capital Programme for two projects under the IT Programme:</p> <table><tr><th>Project</th><th>Overview</th><th>Stage</th></tr><tr><td>IT Programme: Server and Storage Technology Refresh</td><td>Procurement and commissioning of new servers and storage in the Council’s two data centres at 9 Adelaide and Duncrue.</td><td>Move to <i>Stage 3 – Committed</i> (Hold at Tier 0 – Scheme at risk pending tender return)</td></tr><tr><td>IT Programme: Replacement Hardware for NIHE System</td><td>The Council has a major contract to support systems on behalf of the Northern Ireland Housing Executive. This project is to update IT hardware for that system.</td><td>Move to <i>Stage 3 – Committed</i> (Hold at Tier 0 – Scheme at risk pending tender return)</td></tr></table>	Project	Overview	Stage	IT Programme: Server and Storage Technology Refresh	Procurement and commissioning of new servers and storage in the Council’s two data centres at 9 Adelaide and Duncrue.	Move to <i>Stage 3 – Committed</i> (Hold at Tier 0 – Scheme at risk pending tender return)	IT Programme: Replacement Hardware for NIHE System	The Council has a major contract to support systems on behalf of the Northern Ireland Housing Executive. This project is to update IT hardware for that system.	Move to <i>Stage 3 – Committed</i> (Hold at Tier 0 – Scheme at risk pending tender return)
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3.6	<p>IT Programme – Server and Storage Technology Refresh</p> <p>Under the Council’s IT Programme, this project has been identified as being business critical and required to ensure continuity of service provision. Many of the Council’s ICT systems and information reside on Council owned servers and data storage units in two datacentres. The hardware is now five years old and must be replaced in order to ensure continuity of service and support, reduce risk of failure, and to avoid escalating support costs. Members are asked to agree that necessary procurement processes (including the invitation of tenders and/or the use of appropriate ‘framework’ arrangements) be initiated with contract to be awarded on the</p>									

	<p>basis of most economically advantageous tenders received and full commitment to deliver. It is however recommended that this project is moved to Stage 3 – Committed but held at Tier 0 – Scheme at risk pending a satisfactory tender return. An update will be brought back to Committee at this stage along with the final budget allocation and confirmation that this is within the affordability limits of the Council.</p>
3.7	<p><i>IT Programme – Replacement Hardware for NIHE System</i></p> <p>Under the Council's IT Programme, this project has been identified as being business critical and required to ensure continuity of service provision. The Council is contracted to provide ICT services to the Northern Ireland Housing Executive (NIHE). The system itself is large, and delivery of the service is extremely complex. In addition, new legislation means that new functions are moving to the NIHE in April 2022. As with the Council's own servers, this hardware is also now five years old and needs to be replaced because the age of the hardware means that is more susceptible to failure, the increase in workload means that the hardware needs to be futureproofed, and to avoid escalating support costs. Members are asked to agree that necessary procurement processes (including the invitation of tenders and/or the use of appropriate 'framework' arrangements) be initiated with contract to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver. It is however recommended that this project is moved to Stage 3 – Committed but held at Tier 0 – Scheme at risk pending a satisfactory tender return. An update will be brought back to Committee at this stage along with the final budget allocation and confirmation that this is within the affordability limits of the Council.</p> <p>Issues impacting the construction sector – Cost increases and supply shortages</p>
3.8	<p>Members may be aware that there has been a significant increase in costs throughout all sectors of the construction industry in recent months. Significant challenges with Covid and Brexit have resulted in unprecedented supply and demand issues and significant price increases. Projections indicate that product availability is worsening, and that strong demand will continue for at least the next six months. This pattern is emerging worldwide as countries all experience a surge after lockdowns. Many items have increased exponentially in recent months in cost terms (for example steelwork prices have risen by 30+%, plastics by 15-30% with similar price increases for timber and other costs increases across all areas). It is currently unknown whether these increases will be short term or more permanent. Availability and lead in times are also a key issue particularly around timber, steel, pitched roofing, plastics and paints/coatings, electronic components and cement. The surge in demand across the</p>

	<p>construction industry may also exacerbate other existing issues such as shortages of labour and drivers.</p>
3.9	<p>For the Council, this is already beginning to affect existing measured term contracts and is likely to impact on current and future capital and maintenance projects in terms of costs and potentially timescales for delivery. Contingency planning and communication are critical to enable existing and pipeline projects to continue. Officers from Physical Programmes Department will continue to work with contractors and suppliers to understand upcoming issues and reduce the risks to the Council. At this stage this is being highlighted for Members as an emerging issue with updates on any consequential impact on projects to be brought back for Member's consideration as required.</p> <p>Neighbourhood Regeneration Fund</p>
3.10	<p>Members will be aware that the new £8m Neighbourhood Regeneration Fund is a fund for capital development in, and with, communities. Members will also recall that earlier this year they agreed the principles, allocation model and thematic areas for the fund. The Fund forms an integral part of the Council's Recovery Framework with themes that reflect the city's recovery priorities:</p> <ul style="list-style-type: none"> - Neighbourhood tourism – aligned to the emerging ten year tourism plan - Social enterprise – aligned to the Social Enterprise Action Plan 2019-2024 - Environmental and sustainable projects – aligned to the Resilience Strategy <p>There is a minimum threshold of £250,000 to target substantial and transformational proposals. A report will be brought to Members in August on proposed engagement and roll out, application process, clinics, assessment and outcomes, with an open call process to follow in Autumn.</p> <p>UK Community Renewal Fund – Bid</p>
3.11	<p>Members will recall that at Committee last month they agreed a number of submissions under the Community Renewal Fund and noted that the closing date for applications for this Fund was 18th June. At this time Members further agreed '<i>to recommend that, in accordance with the Council decision of 4th May, the Chief Executive exercise her delegated authority to adopt the recommendations and to approve any eligible projects which might come forward in relation to the investment in communities and place category, in advance of the submission date</i>'.</p>

3.12	<p>Members are asked to note that officers have reviewed further the opportunities under the Communities and Place category and will be submitting an application for revenue funding to commission a feasibility study that would examine the potential to connect up the city using existing and new greenways, urban greenways and existing and enhanced green spaces allowing the ability to connect the North, South, East West of the city using the existing and new greenways and via the city centre and capitalising on one of the city's best assets in terms of access into the Hills. This could provide an opportunity for Belfast to be a unique exemplar in terms of accessibility and connectivity with the ability to access all areas of the city in an active and sustainable way. This links with the aspirations which have already been put forward by Members including access to the hills, active travel and biodiversity gain and links with other initiatives underway including Belfast Urban Greenway (BUG), BOSS (Belfast Open Spaces Strategy). It will provide an opportunity to further enhance existing projects (CCG, Forth Meadow Community Greenway etc.) and to further develop partnerships with DFI, National Trust etc. The feasibility output would help prepare for, and inform future funding opportunities to support delivery, and identify potential priority interventions for other partners as part of an overall partnership approach to enhanced city and community connectivity and alignment with other partner programmes of work and will help to identify short and medium 'quick wins' as well as longer term projects.</p>
3.13	<p>It is understood that successful applications under this stream will be advised from the end of July and if successful the feasibility will be completed within this financial year. Members will be advised on the outcome of the application.</p>
3.14	<p><u>Financial and Resource Implications</u></p> <p>Financial –</p> <ul style="list-style-type: none"> - The final budgets for the <i>IT Programme: Server and Storage Technology Refresh project and Replacement Hardware for NIHE System project</i> will be brought back to Committee for sign-off and confirmation that they are within the affordability limits of the Council upon receipt of the tender returns. - The financial implications of the issues affecting the construction sector in terms of costs are not yet quantifiable but will be kept under review <p>Resource – Ongoing support costs for the IT projects to be confirmed on return of tenders</p>
3.15	<p><u>Equality or Good Relations Implications/ Rural Needs Assessment</u></p> <p>All capital projects are screened as part of the stage approval process.</p>
4.0	<p>Document Attached - Photos of recently completed projects and projects under construction</p>