

# Document Pack

**Committee and Members' Services Section  
Chief Executive's Department  
Belfast City Council  
City Hall  
Belfast  
BT1 5GS**



2<sup>nd</sup> June, 2010

## **MEETING OF STRATEGIC POLICY AND RESOURCES COMMITTEE**

Dear Councillor,

The above-named Committee will meet in the Lavery Room (Room G05), City Hall on Friday, 4th June, 2010 at 12.30 pm, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully

PETER McNANEY

Chief Executive

### **AGENDA:**

1. **Routine Matters**
  - (a) Apologies
  - (b) Minutes
2. **Transition Committee Business**
  - (a) Review of Public Administration Update (To Follow)
3. **Asset Management**
  - (a) Capital Programme Workshop (Pages 1 - 16)

**To: The Chairman and Members of the Strategic Policy and Resources Committee**

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**Belfast City Council**

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	Capital Programme Workshop
<b>Date:</b>	4 June 2010
<b>Reporting Officer:</b>	Mr Gerry Millar, Director of Property & Projects, Ext: 6217 Ms Julie Thompson, Director of Finance and Resources, Ext: 6083
<b>Contact Officer:</b>	Ronan Cregan, Head of Finance and Performance, Ext: 6184 Michael Stanley, Capital Programme Manager, Ext: 3483

**Relevant Background Information**

Members will be aware that the capital programme operated by BCC for many years was based on fairly regular beneficial rates settlements which allowed schemes to be financed largely from within existing budgets without the need to resort to debt financing. This also allowed Members to include a large number of schemes in the programme and prioritisation was mainly based on the availability of finances at a point in time.

The current economic climate and the decline in the growth in the rate base now mean that loans finance is the main way of paying for the council's capital expenditure. This also means that the financial commitment is made for a longer time period as loans are typically repaid over a 5 to 20 year time period. The more schemes added to the capital programme the greater impact annually on the rate.

In short, one of the key tasks of the Director of Finance and Resources and the Director of Property and Projects is to develop a capital financing strategy aligned with a capital programme of schemes that relate to Council priorities and overall objectives.

In addition besides the initial capital expenditure there is a growing maintenance backlog for existing assets and also a need to consider replacement funding for new fixed life assets such as (MUGAs) Multi Use Games Areas. We now need to think through a whole life capital funding package.

## Key Issues

### Current Position

#### Capital Programme – Built Assets

The capital programme as it stands consists of schemes already committed which are either in procurement, on site or in post completion final account phase. Paying for these schemes makes up one part of a capital financing strategy and allowance to cover this was included in the 2010/11 rate setting process. Table 1 sets out existing commitments in monetary terms together with financing arrangements. Scheme details are in appendix 1.

### SUMMARY OF EXISTING COMMITMENTS

	10/11	11/12	12/13	13/14	14/15
<b>TOTAL</b>	<b>15,545,000</b>	<b>10,750,000</b>	<b>2,800,000</b>	<b>2,800,000</b>	<b>2,800,000</b>

Estimated Increase in Rate	10/11	11/12	12/13	13/14	14/15
<b>TOTAL</b>		<b>562,230</b>	<b>280,930</b>	<b>639,130</b>	<b>-119,220</b>

### SUMMARY OF EXISTING UNCOMMITTED/EMERGING PROPOSALS

In addition to existing commitments there are a range of pending and or emerging commitments resulting in a list of schemes. Some of these are long standing, others are new or have yet to clear a committee but there is little in the way of coherence to a strategy, method of financing, nor in some cases available land or grant aid. Rather than continue with this unrealistic list and the unsustainable financing as outlined below Members are urged to revisit the future programmes.

	10/11	11/12	12/13	13/14	14/15
<b>TOTAL</b>	<b>4,165,000</b>	<b>19,015,000</b>	<b>32,578,000</b>	<b>25,450,000</b>	<b>7,600,000</b>

Potential Increase in Debt Charges	10/11	11/12	12/13	13/14	14/15
<b>TOTAL</b>	<b>416,500</b>	<b>1,901,500</b>	<b>3,257,800</b>	<b>2,545,000</b>	<b>760,000</b>

Increased borrowing would have to be funded from existing budgets or increased rates.

In regard to proposed schemes committee agreed to set aside 1% of the rate to finance these in 2010/11, pending agreement on scheme priorities.

To date four schemes have been prioritised ie:

- Dunville Park
- Woodvale Park
- Alley Gates
- Heat Recovery Pipe

Of these Dunville and Woodvale are unlikely to proceed until 2011/2012 due to hurdles connected with DSD's grant process whilst the Alley Gates and Heat Recovery Pipe will proceed in the current financial year. However financing will have to be made in future years for the Dunville/Woodvale commitments.

## Going Forward

### *Capital Programme*

In order to move the process forward the committee needs to review the capital programme, in the context of prioritising projects in line with the Council's medium term objectives and priorities. This will be limited by the available financing but will also allow the Director of Finance and Resources to align the future financing requirements by developing a medium term Capital Financing Strategy to meet the requirements of the capital programme agreed by Members.

Table 2 below sets out a more strategic approach to developing a realistic programme that can then be implemented in line with affordability.

It would be proposed that the new Capital Programme be developed to cover the period for the 2010/11 to 2014/15 financial years.

	<b>10/11</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>
New Cemetery/ Crematorium	?	?	?	?	?
Mary Peters Track	?	?	?	?	?
Parks (Playgrounds, MUGAs, Open Spaces)	?	?	?	?	?
Pitches Strategy	?	?	?	?	?
Leisure Strategy	?	?	?	?	?
Safety (Alley Gates)	?	?	?	?	?
Environment (Waste Management, PCs)	?	?	?	?	?
Economy (Gasworks/ NfS/ BVCB/ Conference Centre)	?	?	?	?	?
Accommodation	?	?	?	?	?
Low Cost/ High Impact Schemes	?	?	?	?	?

Projects will progress to the Capital Programme on a strict priority basis agreed by the Members which will ensure that these are consistent with the medium term priorities of the Council.

Projects will also be subject to 'Gates Reviews' which will provide assurance that only those projects which align with the strategic priorities of the Council and that are financially viable will be considered under a prioritisation process endorsed by Members.

### **Capital Programme - Vehicles**

Historically vehicles replacement has been funded from a budgeted Revenue Contribution and this has continued in the current financial year where £1.5m has been set aside for this purpose.

The Director of Finance and Resources will determine if this will continue as part of the Capital Financing Strategy going forward.

An assessment will also be carried out to determine whether it is more financially beneficial to the Council to lease or purchase vehicles in the future.

However to really address costs in regard to vehicle purchase and maintenance will require a review of operation involving vehicles to see where efficiencies can be gained.

## **Capital Programme - ICT Equipment**

There are a number of ICT related projects which are committed in the Capital Programme and these are currently earmarked to be funded via loan financing. These projects are currently forecast to be completed by the end of 2011/2012.

There are currently no ICT projects proposed to be added to the Capital Programme from the existing list of priorities.

### *Maintenance*

Capital assets need long term maintenance if they are to retain their usefulness and value. Although maintenance spend is revenue based it is important Members are reminded of this during capital programme considerations.

The maintenance of the Council's assets is now the responsibility of the Director of Property and Projects. It would be the intention of the Director of Property and Projects to review the provision of maintenance in the context of an overall asset strategy which will have a significant impact on the capital programme.

The maintenance programme will be broken down into three key components;

- **Planned Maintenance**

This will entail scheduling across years essential elements of maintenance such as painting and low level replacements and repairs which if not carried out on such a basis give rise, over the longer term, to major maintenance and replacement issues and the associated additional cost. The level of maintenance to be determined by an objective condition survey of the property not by the facility operator.

The process ensures that that maintenance of assets is properly budgeted for by aligning the budgets to reflect the works that will be identified in advance.

- **Response Maintenance**

Response maintenance covers the unavoidable areas of maintenance with regard to breakdowns and faults which may arise in all classes of asset.

Best Practice and Value for Money initiatives emphasise the role that planned maintenance plays in reducing the need for both response maintenance and major items of disrepair and consequently the reduction in the overall cost of any maintenance programme.

- **Compliance Maintenance**

Compliance maintenance will cover areas where the Council has a statutory obligation or where external standards have been set, such as electrical testing or legionella.

Maintenance budgets are held departmentally and to move to a more cost effective planned regime will require centralisation of at least 75% of that budget in the first year with 25% remaining with departments for wear and tear response and balances will be required to insure property. Departments will also have been reassured of a competent customer focused maintenance response.

*Replacement & Renewal of Assets*

The council has a growing number of assets which have a defined short useful life such as 3G pitches. Replacement of this type of asset is both inevitable and unavoidable and can therefore be planned for well in advance. It therefore also makes sense that the council starts to explore ways to plan for how the replacement of these assets can be financed.

Another looming issue is the large number of public art pieces the Council has commissioned over the years for which little or no maintenance/replacement allowance have been made.

Committee has already approved consideration of council sites for advertising as a source of income for a replacement sinking fund but other options include ring fencing from MUGA income which at the moment is treated as general income.

*Whole Life Costing*

The Property and Projects Department now assess all capital projects on the basis of their Whole Life costs. This process assesses not only the initial capital outlay for any new projects but also their likely ongoing cost to the Council. This allows us to reduce future maintenance costs of assets by ensuring that they are designed to include features which will reduce maintenance requirements and provide better value for money in use.

The process will also facilitate the Council's longer term budgeting process by providing not only the impact of the capital financing cost of an asset but also the future revenue running costs that will be borne by the rate.

This will also better inform members in making decisions to proceed with capital schemes by allowing them to assess the full implication of any decisions on the rate.

**Resource Implications**

**Recommendations**

**Members are asked to consider:**

- a an agreed prioritisation matrix and reprioritising of the future capital programme via Party Groups or NSEW Briefings in the context of the new corporate plan
- b to agree a capital financing strategy via the agreed briefings
- c to agree officers explore new arrangement for financing maintenance and replacement

<b>Decision Tracking</b>

<b>Key to Abbreviations</b>
None

<b>Documents Attached</b>
Appendix 1 – Scheme Details



## H&amp;ES

Ref	Project	Status	Dept
9	Palmerston Road HRC : Demolition and Extension	Project closed	HE
48	Development of staff Toilets and Changing Facilities at Recycling Centres	Project closed	HE
10	Park Road HRC (linked to Ormeau Park Bothy)	Project closed	HE
11	Transfer Station at Dargan Road and Associated Infrastructure Development	Complete	HE
90	Alleygates Phase 2	Underway	HE
51	Replacement of Fuel Station - Duncrue Complex	Committed; procurement commenced	HE
30	Dargan Road Closure Plan	Statutory requirement; various elements ongoing	HE
70	Development of New Recycling Centre (Springfield Road)	Pending	HE
<del>64</del>	<del>Clara Street HRC - Upgrade - Phase 2</del>	<del>Deleted</del>	<del>HE</del>
71	Public Toilet Facilities - Shaws Bridge	Pending	HE
53	Alexandra Park Depot Development/Upgrade Refurbishment (including Parks Depot)	Complete	HE/PK
X	City Hall: Changing Places PC	Pending	HE
91	Automatic Public Toilet Facility Boucher Crescent	Pending	HE
81	Tommy Patton Memorial Park - Public Toilets (Parks scheme)	Pending	HE

**Development**

<b>Ref</b>	<b>Project</b>	<b>Status</b>	<b>Dept</b>
1	Ardoyne Community Centre - New Build/Equipment	Project closed	Dev
2	Woodvale Community Centre - New Build/Equipment	Project closed	Dev
25	St George's Market - Heating and Ventilation System (including solar control film)	Project closed	Dev
101	Acquisition of Land at Stranmillis Embankment	Project closed	Dev
7	Denmark Street CC - Extension and Refurbishment	Project closed	Dev
5	Waterfront Hall - Main Auditorium Stage Elevators & Suspensions	Complete	Dev
54	Grosvenor Community Centre: Provision of Synthetic Pitches	Complete	Dev
23	Dargan Road Landfill Gas Utilisation - Electric Cable Installation	Complete	Dev
50	Broadway Roundabout Sculpture	Underway	Dev
X	Welcome Centre relocation	Pending	Dev
3	Waterfront Hall - Front of House Carpet	Project closed	WFH
4	Waterfront Hall - Chilled Water Plant Upgrade	Project closed	WFH
24	Ulster Hall Major Works	Complete	WFH
26	WFH-Computerised Box Office System	Complete	WFH
55	WFH Fire Alarm System	Complete	WFH
X	Conference Centre	Pending	WFH
X	St George's Market: rewiring and emergency lighting	Pending	Dev
X	Titanic Memorial Garden	Pending	Dev
129	BVCB/BWC Relocation	Pending	Dev

## P&amp;P

Ref	Project	Status	Dept
45	Accommodation: Adelaide Exchange Fit Out	Project closed	PP
43	City Hall Major Works	Complete	PP
113	City Hall: Telecoms/IS System	Underway	PP
46	Vehicle Rolling Replacement Programme - 2007/08	Complete	PP
57a	Vehicles - 2008/09 Rolling Replacement Programme	Complete	PP
57b	Vehicle - 2008/09 Additional Vehicles	Underway	PP
89	Vehicle Rolling Replacement Programme - 2009/10	Complete	PP
	Vehicle Rolling Replacement Programme - 2010/11	Underway	PP
X	Duncrue Industrial Estate – Waste Heat Utilisation	Committed	PP
47	Duncrue Industrial Estate In Ground Gas Extraction System	Underway	PP
49	Maysfield Demolition and Clearance	Committed; programme to be agreed	PP
X	Grove Demolition and Clearance	Pending	PP
X	Titanic Memorial Exhibition (see also Development's Titanic Memorial Garden proposal)	Pending	PP
69a	Gasworks Northern Fringe: Planning and Ground Investigations	Underway	PP
69b	Gasworks Northern Fringe: Site Development	Pending	PP
62	North Foreshore Development - Infrastructure	Pending	PP

CX

Ref	Project	Status	Dept
86	New Chief Executive's Department Stand-by Car	Pending	CX

**FINANCE & RESOURCES**

<b>Ref</b>	<b>Project</b>	<b>Status</b>	<b>Dept</b>
X	NI Connect Infrastructure	Committed	ISB
38	Financial Systems Development	Underway	ISB
44	Time Attendance and Management System	Underway	ISB
40	Ancillary Equipment - Computer Services for I.S. Strategy	Underway	ISB
41	Ancillary Equipment - Telecommunications Enhancement	Underway	ISB
42	Ancillary Equipment - Other Software Support	Underway	ISB
113	City Hall: Telecoms/IS System	Underway	ISB
118	IT Security - DLP Encryption / Device Control	Underway	ISB
119	IT Security - Security Log Analysers	Underway	ISB
120	IT Security - Single Sign On	Underway	ISB
121	IT Security - Virtualised Data	Underway	ISB

## P&amp;L

Ref	Project	Status	Dept
15	Recreation Grounds - Renovation of Pitches	Project closed	PK
16	Ormeau Park - Depot Office/Bothy (Linked to Park Road HRC)	Project closed	PK
35	Belfast Castle Playground - Public Toilets/Office	Project closed	PK
59a	Roselawn Extension/Development: Land Acquisition	Project closed	PK
102	Mary Peters Track - 2012 Elite Sports Facility	Project closed	PK
103	Blanchflower Playing Fields - 2012 Elite Sports Facility	Project closed	PK
20	Provision of Synthetic Pitch - Willowbank	Project closed	PK
56	Blythefield Playing Fields - New Sports Pitch	Project closed	PK
99	Falls Park Refurbishment	Project closed	PK
100	McCrorry Park Playground	Project closed	PK
<del>(22)</del>	<del>Digitisation of Parks Records</del>	<del>Deleted</del>	<del>PK</del>
17	Strangford Avenue PF - Changing Accommodation - Phase 1	Complete	PK
18	Belfast Castle - Garden Wall	Complete	PK
21	Cavehill Path Restoration - Phase 1	Complete	PK
34	Strangford Avenue PF - Changing Accommodation - Phase 2	Complete	PK
36	Cremators at Roselawn - Upgrade for LPG	Complete	PK
37	The Zoo Souvenir Shop	Complete	PK
63a & b	New Cemetery: Legal /Recognition Fees / Ground Investigations	Underway	PK
66	Outdoor Skate Park Facility	Underway	PK
104	Eversleigh Street PG	Complete	PK
92	Springfield Avenue Site A Childrens' Playpark	Underway	PK
59b	Roselawn Extension/Development; Site Development	Committed; procurement commenced	PK
58	City of Belfast Crematorium - Mercury Abatement System	Committed; procurement commenced	PK
60	Loop River - New Facilities	Committed; procurement commenced	PK
63c	New Cemetery: Acquisition and Site Development	Committed; programme to be determined	PK
83	Dunville Park - Refurbishment	Committed; programme to be determined	PK
116	Woodvale Park Refurb	Committed; programme to be determined	PK
73	Loughside Recreation Centre	Committed; programme to be determined	PK
124	Belfast Zoo – Mountain Tea House Reinstatement	Insurance replacement	PK
105	Sliabh Dubh PG	Deferred	PK
106	Woodlands Park Pitch	Pending	PK
115	Waterworks / Westland - Multi User Games Area	Pending	PK
82	Cavehill Path Restoration - Phase 2	Pending	PK

117	10 New 3G Pitches - Various Locations (to be informed by emerging pitches strategy)	Pending	PK
X	Clement Wilson Bridge - Replacement	Pending	PK
<del>67</del>	<del>City Comotory - Staffing Facilities</del>	<del>Deferred</del>	<del>PK</del>
76	Cliftonville Playing Fields Redevelopment	Pending	PK
77	Slievegallion Playing Fields Redevelopment	Pending	PK
81	Tommy Patton Memorial Park - Public Toilets (see also H&ES list)	Pending	PK
84	Northlink Playing Fields Refurbishment	Pending	PK
85	Zoo - Floral Hall Refurbishment	Pending	PK
74	Andersonstown LC - Handball Courts and Spectator Accommodation (arising from disposal of Beechmount)	Pending	PK
<del>95</del>	<del>City Comotory Tombs, Fountain &amp; Steps</del>	<del>Pending</del>	<del>PK</del>
96	Rev Robert Bradford Park	Pending	PK
<del>97</del>	<del>Tropical Ravine</del>	See revised proposal	<del>PK</del>
X	Refurbishment of Botanic Gardens with focus on Tropical ravine	Emerging (revised proposal)	PK
98	Navarra Place	Pending	PK
107	Andersonstown LC: Indoor Sport Surface	Pending	PK
108	Ormeau Park: Sport Surface	Pending	PK
X	Cherryvale; possible funding from GAA for pitch replacement; possible coffee shop	Emerging	PK
X	Musgrave Park; Possible changing facility and MUGA	Emerging	PK
X	ST&LDP; Refurbishment of Wilmont house and refurbishment of Nature Study Centre	Emerging (development brief)	PK
X	Stewart Street: MUGA and request for a lease	Emerging	PK
X	Suffolk PF; School site	Emerging	PK
X	Falls Park; Camogie Pitch	Emerging	PK
X	Springhill Park; Refurbishment of park to include playground and MUGA refurbishment and fencing to deal with ASB.	Emerging	PK
X	Lenadoon PF; Relocation of playground and MUGA	Emerging	PK
X	Willowbank; Playground	Emerging	PK
X	Moyard; MUGA refurbishment	Emerging	PK
X	Newhill; Pitch, MUGA and changing facility	Emerging	PK
X	Whiterock; Possible allotment and land transfer	Emerging	PK
19	Olympia Pitch Replacement	Complete	L
33	Grove Leisure Centre - New Well-Being Centre/Equipment	Complete	L
114	Falls Swim Centre	Complete	L
52	Ballysillan Leisure Centre Refurbishment of Synthetic Pitch	Complete	L
68	Replacement Floor for Shankill Leisure Centre	Complete	L
31	Computerised Leisure Management System	Underway	L
32	Fitness Equipment/Lockers	Complete	L
78	New Leisure Centre - North Belfast	Pending	L
79	New Leisure Centre - East Belfast	Pending	L
80	New Leisure Centre - South Belfast	Pending	L
75	Whiterock LC - Car Park Ext	Pending	L
94	Andersonstown LC: Pitch and allotments	Pending	L
128	Mary Peters Track - 8 Lane track & spectator stand	Pending	PK

**Further Emerging Parks Proposals not included above****East Belfast**

<b>Park</b>	<b>Proposal</b>	<b>Committee approval</b>	<b>Funding</b>	<b>Comment</b>
Alderman Tommy Patton	Pitch replacement School proposal	No	BCC / SNI	
Orangefield	Pitch replacement	No	BCC / SNI	
Victoria Park	Refurbishment	No	DRD Compensation Package??	Arising from Sydenham ByPass widening and CCG
King George V	Refurbishment	No	Compensation Package	Arising from Sydenham ByPass widening and CCG
Dixon Park	Changing facilities Cycle Track Pitch refurbishment	No	BCC / SNI	



## North Belfast

Park	Proposal	Committee approval	Funding	Comment
Waterworks	Possible changing facility at lower Waterworks Proposal for MUGA at Upper Waterworks.	Committee approval re MUGA subject to external funding	Changing facility would be via BCC.	
Old Park PF (Marrowbone)	Pitch refurbishment and changing facilities	No	BCC / SNI	Possible inclusion in Pitches Bid
Shore Road Playing Fields	New permanent changing facility	In principle approval	BCC	
Hammer Complex	Will need refurbished	No	BCC	
City of Belfast Golf Course	New Club House	No		Future of site to be decided – report to August Committee
Grove Playing Fields	None			Suggestion of need to refurbish the park.

**West Belfast**

<b>Park</b>	<b>Proposal</b>	<b>Committee approval</b>	<b>Funding</b>	<b>Comment</b>
Lenadoon PF	Refurbishment of Lenadoon Park	No	BCC	Could advance in stages. Awaiting approval from SNI re changing facility / fitness room
Willowbank	Small Playground	No	BCC	Toddler area to be constructed
Moyard	MUGA refurbishment	No	BCC	HE looking at land swap
Andersontown LC	Possible allotment	No	BCC / SNI?	Contamination survey in progress
Bog Meadows	Restoration project	No	??	BCC involved in steering group
Finley Site (Ballygomartin Road)	Working group set up to look at refurbishment / development options	No	??	Slow moving and early stages
Boucher Rd PF	Sporting development and potential partnership arrangement	No	BCC / SNI	
Musgrave	Therapy Garden and MUGA	No	??	