



<b>Subject:</b>	Physical Programme Update including Capital Programme 2024/25
<b>Date:</b>	22 March 2024
<b>Reporting Officer:</b>	Sinead Grimes, Director of Property & Projects Trevor Wallace, Director of Finance
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<b>Restricted Reports</b>	
<b>Is this report restricted?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.</b>	
Insert number <input type="checkbox"/>	
<ol style="list-style-type: none"><li>1. Information relating to any individual</li><li>2. Information likely to reveal the identity of an individual</li><li>3. Information relating to the financial or business affairs of any particular person (including the council holding that information)</li><li>4. Information in connection with any labour relations matter</li><li>5. Information in relation to which a claim to legal professional privilege could be maintained</li><li>6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction</li><li>7. Information on any action in relation to the prevention, investigation or prosecution of crime</li></ol>	
<b>If Yes, when will the report become unrestricted?</b>	
After Committee Decision	<input type="checkbox"/>
After Council Decision	
Sometime in the future	
Never	

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

1.0	<b>Purpose of Report or Summary of Main Issues</b>
1.1	<p>The Council's Physical Programme currently includes over 200 capital projects with investment of £150m+ 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 presents an update on the 2024/25 Capital Programme and associated capital financing, as well as requests for stage movement approvals under the Capital Programme.</p>
2.0	<b>Recommendations</b>
2.1	<p>The Committee is requested to –</p> <p><b>Capital Programme and Capital Financing 2024/25</b></p> <ul style="list-style-type: none"> <li>• note the update on Capital Financing as outlined in 3.3 below and the update on the Capital Programme for 2024/25 at 3.5 below and in Appendix 1</li> <li>• agree to hold Party Group Briefings to update Members on the status of projects along with the emerging implications for future capital investment decisions and in particular the potential impact on the future district rate in line with the development of the Medium Term Financial Plan to inform the future proposed workshop on capital priorities.</li> <li>• <b>Capital Programme Movements -</b> <ul style="list-style-type: none"> <li>○ <b>Dual Language Street Signs - Gaeltacht Quarter</b> project – agree to move the project to <i>Stage 2 – Uncommitted</i> to allow the options to be fully worked up, with further detail to be brought back to Committee in due course.</li> <li>○ <b>St George's Market – New Stalls</b> project – agree to move the project to <i>Stage 2 – Uncommitted</i> to allow the options to be fully worked up, with further detail to be brought back to Committee in due course.</li> <li>○ <b>Waste Plan – Expansion of Glass Collection Scheme</b> project – agree to move the project to <i>Stage 2 – Uncommitted</i> under the Waste Plan to allow the options to be fully worked up, with further detail to be brought back to Committee in due course.</li> <li>○ <b>Belfast Blitz Fire Service Permanent Acknowledgement</b> project – note that this project has been moved to <i>Stage 2 – Uncommitted</i> to allow the options to be fully worked up, with further detail to be brought back to Committee in due course.</li> </ul> </li> </ul>
3.0	<p><b>Main report</b></p> <p><u>Key Issues</u></p>

## Capital Programme

3.1 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. Members will recall that the detailed Physical Programme Half Year Update was presented last month and that the Property & Projects Department is happy to arrange a site visit to any projects that have been completed or are underway.

### Capital Programme and Capital Financing 2024/25

3.2 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 (see Appendix 1)
- **Capital Financing** is the method the council uses to fund the capital expenditure. The capital financing costs include loan repayments (principal and interest); revenue contributions (cash payments to repay or avoid taking out loans); capital receipts and external funding.

Members need to be aware that each decision they take in relation to progressing a capital project or agreeing additional money towards any one project has a consequential impact on the level of financing that is available for other capital projects and each individual decision therefore subsequently limits the capacity of the Council to progress other capital projects thereby potentially necessitating some difficult decisions for Members in terms of prioritisation.

3.3 The **SP&R Committee has approved a capital financing budget of £22,274,022 for 2024/25**. 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 a number of non-recurrent projects.

**Table 1- Existing Capital Financing Budget 2024/25**

Existing Capital Financing Budget		£22,274,022
Less: Physical Programme Commitments (capital programme and non-recurrent projects)	£17,998,911	
Existing BCC Loans	£1,484,802	
Lisburn/ Castlereagh Transferred Loans	£598,675	
<b>Balance Remaining</b>		<b>£2,191,634</b>

3.4	<p>Members are asked to note that although the above shows that there is a financing budget balance remaining of approx. £2m it is recommended that no significant decisions are taken pending work on the new Capital Programme.</p>
3.5	<p><b>The current Capital Programme</b></p> <p><b><i>Capital three-stage approval process</i></b></p> <p>The Council has agreed a three-stage approval process which all Council Capital Programme and larger projects funded externally must go through. Each stage movement is subject to Council ratification before the project formally progresses to the next stage. Projects move through <i>Stage 1 – Emerging</i> where they are required to complete a Strategic Outline Case and then progress to <i>Stage 2 – Uncommitted</i>. Following production of an Outline Business Case, a project can move to <i>Stage 3 – Committed</i>. Following a procurement exercise, projects must then demonstrate that the project is within the affordability limits of the Council before proceeding. At each of these stages, the project is reviewed internally before coming to SP&amp;R Committee for a decision and a committed budget. Associated revenue costs are considered at each stage. A number of years ago it was further agreed that <b>a final investment decision and final budget would only be allocated to a project once the tender process is concluded and it was confirmed to be within the affordability limits of the Council</b>. This process has proved to be extremely robust and central to ensuring that projects are delivered within the agreed budget envelope. A small number of schemes have historical budgets where a budget had been previously agreed/ring-fenced by Committee early in the development cycle. This is not the agreed process now under the three-stage approach where Committee is only asked to agree a budget following return of tender. This means that those pre-emptive budgets are not reflective of the current market or requirements. This does not affect many schemes and Members will be updated on a case-by-case basis as tenders are returned so these schemes are gradually being brought into line with the process.</p> <p><b><i>Schemes at Stage 3 – Committed</i></b></p> <p>The Capital Programme already comprises 30+ projects at Stage 3 – Committed, where procurement is underway or projects are already in contract, see Appendix 1. Stage 3 projects also include capital projects on Council assets which are fully funded by external bodies or developer contributions. Members are updated on these schemes via regular reports to Area Working Groups and SP&amp;R Committee. Most of these schemes have confirmed budgets and associated financing, and a number are coming to a close over the next financial year.</p>
	<p><b><i>Schemes at Stage 2 – Uncommitted or Stage 1 – Emerging</i></b></p>

	<p>Members are asked to note that there are a range of physical projects which the Council must undertake from a <b>health and safety, legislative and/or operational</b> perspective in order to ensure that the Council fulfils its statutory duties and continues to run 'fit for purpose' services. These will all require capital financing. A number of these are already on the Capital Programme and include: Waste Plan – New citywide kerbside collection system and Waste Transfer Station projects, Relocation of Dunbar Link Cleansing Depot, New Cemetery and Roselawn Extensions, Cremated Remains Burial Plots, Playground Improvement Programme, Waterfront Hall Chiller Units and Smoke Curtains, HWRCs and Civic Amenity Sites Containers (Skips and Compactors), Fleet Programme and IT programme. Projects at these early stages do not have final budgets agreed however estimates have been used in order to calculate the impact of these on the capital financing budget and the availability of capital financing in the future.</p> <p>In addition, there are several other major enhancement projects on the Capital Programme (Stage 1 or Stage 2) with developmental work underway including: LTP – Girdwood Indoor Sports Facility, Belfast Stories via Belfast Region City Deal, five greenway schemes and others, see Appendix 1. Many of these schemes will be attractive to external funders and schemes are developed with this in mind.</p>
<p>3.6</p>	<p><b>Next steps</b></p> <p>Members will appreciate that the Council's capital and wider physical programme is one of the most important programmes delivered by the Council and due to the <b>nature of capital projects it is also one of the most visible and easily recognisable signs of the Council's civic leadership role in the city.</b> Moving forward the Council will face a number of key challenges in respect of the capital programme. These are:</p> <ul style="list-style-type: none"> <li>• The available capital financing budget will come under significant pressure if all current and emerging proposed projects are to be delivered.</li> <li>• The need to ensure that Investment decisions are taken within the context of strategic alignment with the Belfast Agenda, Corporate Plan, Medium Term Financial Plan and in full consideration of what assets already exist in an area and how these are being used</li> </ul>
<p>3.7</p>	<p>Typically the Capital Programme has an expenditure horizon of around three years. CIPFA capital planning guidance recommends that local authorities take a longer-term view (8-10 years). This is intrinsically linked to the development of the Council's Medium Term Financial Plan. To facilitate this it has been agreed to hold a series of workshops for Members regarding future capital priorities linked to the medium-term financial planning process. To prepare for this it is recommended that a series of Party Group Briefings are held in the first instance to update</p>

Members on the existing Capital Programme, ascertain future priorities to determine the level of financing required, as well as exploring the implications of any future investment decisions and the potential impact on the district rate.

The outcome of this work will likely mean a wave of new proposals being added simultaneously to the Capital Programme at *Stage 1 – Emerging* so that a suite of schemes can be brought forward for consideration, ensuring a flow that is manageable from a financing perspective. All projects will continue to follow the three-stage capital approvals process outlined above. This will require additional investment in early stage project development in 2024/25 onwards.

3.8 **Capital Programme - Proposed Movements**  
 As outlined above Members have 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 note the following activity on the Capital Programme:

Project	Overview	Stage movement
Dual Language Street Signs - Gaeltacht Quarter	The erection of dual language street signs en bloc within the Gaeltacht Quarter.	Move to Stage 2 – Uncommitted
St George’s Market – New Stalls	Replacement of market stalls in St George’s Market.	Move to Stage 2 – Uncommitted
Waste Plan – Expansion of Glass Collection Scheme	Part of the Waste Plan. The project involves the phased expansion of the kerbside glass collection scheme to households in the outer city/ blue bin area.	Move to Stage 2 – Uncommitted
Belfast Blitz Fire Service Permanent Acknowledgement	A permanent memorial to all of the Fire Services efforts during the Belfast Blitz	Moved to Stage 2 – Uncommitted

3.9 **Dual Language Street Signs - Gaeltacht Quarter**  
 In October 2023, SP&R Committee agreed that Dual Language Street signs in the Gaeltacht Quarter would be taken forward en bloc and that the project would be delivered as a capital project. As per the three stage approvals process, a Strategic Outline Case has been completed and the team can now progress to Outline Business Case stage.  
**Members are asked to agree that ‘Dual Language Street Signs – Gaeltacht Quarter’ be moved to *Stage 2 – Uncommitted* on the Capital Programme to allow the options to be fully worked up, with further detail to be brought back to Committee in due course.**

3.10 **St George’s Market – New Stalls**  
 In November 2023, SP&R Committee agreed that St George’s Market – New Stalls project would be taken forward. The project is for the replacement of the 180 market stalls in St Georges Market. The current stalls are more than 18 years old and many are in a poor state of repair,

	<p>presenting a health and safety risk both for staff and for traders. As per the three stage approvals process, a Strategic Outline Case has been completed and the team can now progress to Outline Business Case stage.</p> <p><b>Members are asked to agree that ‘St George’s Market – New Stalls’ be moved to <i>Stage 2 – Uncommitted</i> on the Capital Programme to allow the options to be fully worked up, with further detail to be brought back to Committee in due course.</b></p>
3.11	<p><b><u>Waste Plan – Expansion of Glass Collection Scheme</u></b></p> <p>The Expansion of Glass Collection is brought forward under the existing Waste Plan Programme at <i>Stage 1 – Emerging</i> on the Capital Programme. The project involves the phased expansion of the kerbside glass collection scheme to households in the outer city/ blue bin area. An application has been lodged with DAERA for 50% match funding and a decision is awaited. As per the three stage approvals process, a Strategic Outline Case has been completed and the team can now progress to Outline Business Case stage.</p> <p><b>Members are asked to agree that ‘Waste Plan – Expansion of Glass Recycling Scheme’ be moved to <i>Stage 2 – Uncommitted</i> on the Capital Programme as part of the Waste Plan to allow the options to be fully worked up, with further detail to be brought back to Committee in due course.</b></p>
3.12	<p><b><u>Fire Service Belfast Blitz</u></b></p> <p>In March 2023, SP&amp;R Committee agreed that the ‘Fire Service Belfast Blitz’ project be added to the Capital Programme as a <i>Stage 1 – Emerging</i> project. The project involves the installation of a permanent memorial to all of the Fire Services efforts during the Belfast Blitz. It was agreed by SP&amp;R via the City Hall Working Group in October 2023 to move it to <i>Stage 2 - Uncommitted</i> on the Capital Programme. This will allow a more detailed brief to be worked up and to determine financial requirements for the scheme.</p> <p>Discussions have previously taken place with representatives from Fire Brigade Unions, both Belfast and Dublin, and it has been suggested that a permanent piece in the form of a resin cast of a fire brigade helmet be procured and installed. It has been agreed that such acknowledgement include the Auxiliary Fire Services for their efforts during the Belfast Blitz. It has been agreed that the piece be located initially in the Rotunda of City Hall for a defined period of time and subsequently relocated to the City Hall exhibition. Officers will identify a suitable location on the Rotunda and suggest a number of options for relocation within the City Hall exhibition. There have been early conversations with NIWM (Northern Ireland War Memorials) in relation to advice and guidance. The City Hall Working Group will continue to receive updates on this project.</p>

	<p><b>Members are asked to note that ‘Fire Service Belfast Blitz’ project has been moved to the Capital Programme <i>Stage 2 – Uncommitted</i> project to allow the options to be fully worked up, with further detail to be brought back to Committee in due course.</b></p>
3.13	<p><b><u>Financial &amp; Resource Implications</u></b></p> <p><i>Financial</i> – None</p> <p><i>Resources</i> – Officer time to deliver as required</p>
3.14	<p><b><u>Equality or Good Relations Implications/ Rural Needs Assessment</u></b></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 – Capital Programme 2024/25