



Subject:	Physical Programme Update
Date:	24 January 2025
Reporting Officer:	Sinead Grimes, Director of Property & Projects
Contact Officer:	Shauna Murtagh, Portfolio Manager

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.	
Insert number <input type="checkbox"/>	
<ol style="list-style-type: none">1. Information relating to any individual2. Information likely to reveal the identity of an individual3. Information relating to the financial or business affairs of any particular person (including the council holding that information)4. Information in connection with any labour relations matter5. Information in relation to which a claim to legal professional privilege could be maintained6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction7. Information on any action in relation to the prevention, investigation or prosecution of crime	
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 or Summary of Main Issues
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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 requests for approvals under the Capital Programme, approval to procure as required for the Physical Programme along with updates on UKSPF, Belfast Bikes, capital letters of offer and contracts awarded.</p>
2.0	<p>Recommendations</p>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> • Capital Programme: <ul style="list-style-type: none"> ○ IT Programme – Folder Inserter Equipment – Note that a satisfactory tender return has been received and that the Director of Finance has confirmed that this project is within the affordability limits of the Council and agree that a maximum of up to £69,000 be allocated. ○ City Hall Stained Glass Windows - Agree that 'City Hall Stained Glass Windows – Health Service and LGBT Community' is moved to <i>Stage 3 – Committed</i>; note that a satisfactory tender return has been received for the LGBT window, that the Director of Finance has confirmed that this project is within the affordability limits of the Council and agree that a maximum of up to £35,000 be allocated to each of the windows, a total allocation of up to £70,000. ○ Belfast Bikes - Note that a satisfactory tender return has been received for a new Belfast Bikes operator, that the Director of Finance has confirmed that this is within the affordability limits of the Council; and note that capital costs can be met via an existing reserve along with either external funding or a growth proposal as part of the Revenue Estimates 2025/26 & Medium-Term Financial Planning report. ○ EV Charging Network - Agree that 'EV Charging Network' is added to the Capital Programme at <i>Stage 1 – Emerging</i>, arising from the agreed LEV Strategy, to allow a business case to be developed. ○ Fleet Replacement Programme 2025/26 – Note the agreed fleet programme for 2025/26 at Appendix 1 including the replacement of the Lord Mayor's official car. ○ North Foreshore Development Site - Infrastructure Works – Note the cost increase for this project since the original budget was allocated in 2016, that the Director of Finance has confirmed that this is within the affordability limits of the Council and can be met via capital receipts from the North Foreshore site as previously agreed by Members; and agree to a budget increase of £1.8m.

	<ul style="list-style-type: none"> ○ IT Programme – Corporate HR/Payroll System - Note the cost increase for this project since the original budget was allocated in 2016 and that the Director of Finance has confirmed that this is within the affordability limits of the Council and agree to a budget increase of £93,000 up to a maximum total allocation of £486,000. ● Procurement process for 2025/26 Non-Recurrent Programme, Fleet Programme and Externally Funded Projects - agree that any necessary procurement processes (including the invitation of tenders and/or the use of appropriate ‘framework’ arrangements) be initiated for any Physical Programme projects in 2025/26 including Fleet Replacement Programme, non-recurrent programme and externally funded projects as required with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver. ● UK Shared Prosperity Fund – to note the update provided and the proposed additional local capital schemes as a consequence of the UKSPF funding and that a further update will be brought to the AWGs for consideration. ● Capital Letters of Offer – to note the update in relation to capital letters of offer in Q3 2024/25. ● Contracts awarded – to note the update in relation to contracts awarded in Q3 2024/25.
<p>3.0</p>	<p>Main report</p> <p><u>Key Issues</u></p>
<p>3.1</p>	<p><u>Physical Programme</u></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 Belfast Investment Fund (BIF), Local Investment Fund (LIF), Social Outcomes Fund (SOF) and Neighbourhood Regeneration Fund (NRF), as well as numerous physical programmes and standalone projects that we deliver for central government. Our funding partners include National Lottery Heritage Fund, SEUPB PeacePLUS, the Executive Office, DfC, DfI including the Living with Water Programme, DAERA, Ulster Garden Villages, Levelling Up Fund (LUF), UK Shared Prosperity Fund (UKSPF) and others. When appropriate, the Property & Projects Department is happy to arrange site visits to any projects that have been completed.</p>
<p>3.2</p>	<p><u>Capital Programme - Proposed Movements</u></p> <p>Members are aware of the scale of the Council’s Physical Programme via a range of internal and external funding streams. 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</p>

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
IT Programme – Folder Inserter Equipment	Folder inserter equipment is hardware used for automated mailing processes within Digital Services. It is required for large volume communications processing for NIHE and the Council.	Stage 3 – Committed with a maximum budget of up to £69,000
City Hall Stained Glass Windows – Health Service and LGBT community	The creation of two new stained glass windows at City Hall, in recognition of the Health Service in Belfast and the acknowledgement of the positive role of the LGBT community in Belfast	Move to Stage 3 – Committed with a maximum budget of up to £70,000
EV Charging Network	The development of a publicly accessible electric vehicle charging point network on Council owned assets	Add at Stage 1 - Emerging

3.3 **IT Programme – Folder Inserter**

A new folder inserter is required to continue to provide a high volume enveloping service for NIHE mandated via a Service Level Agreement, and internally for council departments. Members will recall that in August 2024 this project was moved to *Stage 3 – Committed and held at Tier 0 – Scheme at Risk* pending further development of the project and a satisfactory tender return. An update was to be brought back to Committee along with the final budget allocation and confirmation that this is within the affordability limits of the Council. **Members are asked to note that a satisfactory tender return has been received and that the Director of Finance has confirmed that this project is within the affordability limits of the Council and agree that a maximum of £69,000 be allocated.**

3.4 **City Hall Stained Glass Windows – Health Service and LGBT Community**

Members will recall that in September 2022 this project was moved to *Stage 2 – Uncommitted*. Due to the bespoke nature of this project, a procurement exercise for the LGBT Community window has been carried out to inform the business case process. The design for the LGBT window has been agreed by Members and work on the Health Service window will be progressed this year. **Members are asked to agree that ‘City Hall Stained Glass Windows – Health Service and LGBT Community’ is moved to Stage 3 – Committed; note that a satisfactory tender return has been received for the LGBT window, that the Director of Finance has confirmed that this project is within the affordability limits of the Council and agree that a maximum of up to £35,000 be allocated to each of the windows - a total allocation of up to £70,000.**

3.5 **Belfast Bikes**

The Belfast Bikes scheme was launched in April 2015 with a network of 30 docking stations and 300 bikes. NSL Limited has operated the scheme (under contract) on behalf of the Council since its inception, and it uses bikes and supporting infrastructure provided by ‘Next bike by

	<p>TIER'. Currently, the network comprises of 60 docking stations and 560 bikes. The contract with NSL Limited expired in March 2024. It was extended initially to December 2024 and then on a rolling extension up to maximum period to 9 months.</p> <p>Members will recall that in October 2024, the Council approved a new operating model and revenue structure for the Belfast Bikes Scheme. It was agreed that after conclusion of the procurement exercise, Members would be updated about the outcome and clarity around any costs associated with the transition. The procurement exercise has now concluded and a preferred operator has been identified. Operational costs will be managed as part of annual revenue budgets. Members are advised that a bid has been submitted to DfI Active Travel for capital funding to support this phase of Belfast Bikes and a decision is awaited. If the Council is unsuccessful in securing external funding, then it is proposed that the remaining potential capital costs related to this project will be met via a growth proposal. Members will be aware that this proposal, if required, is part of the Revenue Estimates exercise. Members are asked to note that a satisfactory tender return has been received for a new Belfast Bikes operator, that the Director of Finance has confirmed that it is within the affordability limits of the Council; and note that capital costs can be met via an existing reserve along with either external funding or a growth proposal as part of the Revenue Estimates 2025/26 & Medium-Term Financial Planning report.</p>
3.6	<p>EV Charging Network</p> <p>Members will be aware that the Low Emission Vehicle (LEV) Strategy was approved by Council in September 2024. This project arises from the strategy and will see the development of a publicly accessible electric vehicle charging point network on Council owned assets, working with a commercial partner. The switch to LEVs, and particularly to Electric Vehicles, alongside a significant shift away from private car use, will be critical to Council's success in meeting its net zero targets. Action will also demonstrate leadership and provide a service to residents, visitors, and businesses. Members are asked to agree that 'EV Charging Network' is added to the Capital Programme at Stage 1 – Emerging, arising from the agreed LEV Strategy, to allow a business case to be developed.</p>
3.7	<p>Capital Programme - Fleet Programme 2025/26 - including replacement of the Lord Mayor's car</p> <p>Members will know that the Council needs to run and maintain a substantial fleet in order to deliver its services. There is a rolling allocation of £2.2m towards the Fleet Programme for 2025/26. The Fleet Programme has been developed in conjunction with Council departments and reflects the service needs of the organisation, and there are ongoing issues caused by the high age profile and condition of the fleet operating well beyond its recommended operational life cycle. The agreed Fleet Programme for 2025/26 is attached at Appendix 1. Members are</p>

	<p>advised that this includes the replacement of the Lord Mayor’s official car, last considered by this Committee in February 2020, the lease contract for which ends in October 2025. As previously, the Fleet Unit have engaged with the Lord Mayor’s Unit to ensure that the requirements, duties and obligations of the Office of the Lord Mayor are considered along with mileage requirements and capability. In keeping with the Council’s previous decision the replacement car will be fully electric. The replacement car will be a four door executive saloon type vehicle with higher range than the existing vehicle, considered to be more in keeping with the operational requirements of the role. Due to delivery lead times it is anticipated to take a minimum of six months to acquire the new replacement lease/hire vehicle once ordered.</p> <p>Members are asked to note the agreed Fleet Programme for 2025/26.</p>
	<p><u>Project Updates</u></p>
<p>3.8</p>	<p>North Foreshore – Development Site Infrastructure Works</p> <p>This project was moved to <i>Stage 3 – Committed</i> on the Capital Programme in March 2016 and a total budget of £6.9m was allocated in September 2016 to be met by capital receipts from the site as well as the Landfill Closure provision. The project involves the development of a gas ring main and edging gas membranes, storms drains, access ramps and associated landscaping as a pre-requisite to the development of individual sites and to ensure that the economic, regenerative and social impacts of the North Foreshore site are maximised. Substantial works on this project have already been completed. One of the most significant elements to deliver is an NIE substation and overall NIE upgrade connection to meet greater capacity power needs on the site. This is required now given the significant developments on the North Foreshore including the completion of Phase 2A of the Film Studios and the commencement of the works on the commercial led development sites. Engagement with NIE to move this element forward has been ongoing for a number of years, and NIE have now confirmed that the specification required and the passage of time since the initial agreements means that costs have increased. Legal Services have advised that the terms and conditions set out initially mean that any further challenge on this matter from the Council would be difficult given the pandemic and other mitigating factors. Members are asked to note the cost increase related to the NIE substation since the original budget was allocated in 2016, that the Director of Finance has confirmed that this is within the affordability limits of the Council and can be met via capital receipts from the North Foreshore site as previously agreed by Members; and agree to a budget increase of £1.8m.</p>
<p>3.9</p>	<p>IT Programme – HR/Payroll Replacement HR/Payroll/Time and Attendance System</p> <p>Members are reminded that in August 2016 it was agreed to move the Replacement HR/Payroll/Time and Attendance system to <i>Stage 3 - Committed</i> on the Capital Programme with a maximum budget of £328,910 allocated, with a further allocation of £64,000 in April 2020. This project is nearing completion and due to additional system requirements an</p>

	<p>additional £93,000 is requested. Members are asked to note the cost increase for this project since the original budget was allocated in 2016, that the Director of Finance has confirmed that this is within the affordability limits of the Council and agree to a budget increase of £93,000 up to a maximum total allocation of £486,000.</p>
3.10	<p>Approval to Procure 2025/26</p> <p>Members are asked to agree that any necessary procurement processes (including the invitation of tenders and/or the use of appropriate 'framework' arrangements) be initiated for any Physical Programme projects in 2025/26 including Fleet Replacement Programme, non-recurrent programme and externally funded projects as required with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver.</p>
3.11	<p>UK Shared Prosperity Fund update and additional schemes</p> <p>Members will recall that the Council secured £1,787,615 from the UK Government's Shared Prosperity Fund (UKSPF) for 2024-25, covering both revenue and capital projects. The capital funding is targeted at pitch and playground improvements and delivery of these now externally funded projects is well underway with several already completed on site. As previously highlighted, a total of £1.1m of capital budget has therefore been recouped and can be directed towards a range of additional small scale local capital schemes.</p> <p>The proposals for the additional schemes as a consequence of the successful bid to UKSPF are now brought forward as follows: upgrades to basketball provision – west, east, south; a modular changing and flexible space facility at Loughside, and a series of inclusive and accessibility projects including a mobile Changing Places facility, Makaton communications boards in playgrounds and sensory garden schemes. An update will be brought to the next series of Area Working Groups with more details on the list of projects for consideration.</p> <p>Members are asked to note the update provided on the proposed additional local capital schemes as a consequence of the UKSPF funding and that a further update will be brought to the AWGs for consideration.</p>
3.12	<p>Capital Letters of Offer</p> <p>Members are asked to note the update in relation to capital letters of offer accepted in Q3 2024/25 at Appendix 2.</p>
3.13	<p>Contracts Awarded</p> <p>Members are asked to note the award of tenders for capital works including services related to works in Q3 2024/25 at Appendix 3.</p>
3.14	<p>Financial & Resource Implications</p> <p><i>Financial Implications –</i></p>

	<p>IT Programme – Folder Inserter Equipment - a maximum of £69,000 is now allocated to this project. The Director of Finance has confirmed that this is within the affordability limits of the Council.</p> <p>City Hall Stained Glass Windows – a maximum of £70,000 is now allocated to this project. The Director of Finance has confirmed that this is within the affordability limits of the Council.</p> <p>Belfast Bikes - The Director of Finance has confirmed that the new operator contract is within the affordability limits of the Council - capital costs can be met via an existing reserve along with either external funding or a growth proposal.</p> <p>Fleet Replacement Programme 2025/26 – this is an existing rolling allocation of £2.2m on the Capital Programme.</p> <p>North Foreshore Development Sites – Infrastructure Works – a maximum of £8.7m is now allocated to this project. The Director of Finance has confirmed that this is within the affordability limits of the Council and can be met by capital receipts from the site.</p> <p>IT Programme – Corporate HR/Payroll System - a maximum of £486,000 is now allocated to this project. The Director of Finance has confirmed that this is within the affordability limits of the Council.</p> <p><i>Resource Implications</i> – Officer time to deliver.</p>
3.15	<p>Equality or Good Relations Implications/ Rural Needs Assessment</p> <p>All capital projects are screened as part of the stage approval process</p>
4.0	<p>Appendices – Documents Attached</p>
	<p>Appendix 1 - Fleet Replacement Programme 2025-2026</p> <p>Appendix 2 – Capital Letters of Offer in Q3 2024/25 – October to December 2024</p> <p>Appendix 3 – Contracts Awarded in Q3 2024/25 – October to December 2024</p>