



Belfast City Council

Report to:	Development Committee.
Subject:	Glen Community Complex
Date:	10th June 2009
Reporting Officer:	Marie Thérèse McGivern, Director of Development ext. 3470
Contact Officer:	Siobhan Watson, SNAP Manager ext. 3579

Relevant Background Information

The Glen Community Complex (known as the Bacon Factory) is a community facility located on the Suffolk Road in the Lenadoon area of the City. The existing complex is currently within the ownership of North & West Housing Limited and is in need of a substantial upgrade. The aim of the re-development is to provide a 'fit for purpose' community facility that will create a shared space at the Lenadoon/Suffolk community interface and will support the delivery of various priorities within the Neighbourhood Renewal area. Upon completion of this project it is proposed that the ownership of the project will be transferred to a management board that will consist of representatives from Lenadoon Community Forum and Suffolk Community Forum.

DSD's BRO West team had agreed to undertake this project on behalf of the Lenadoon/Suffolk community and an application was made to SEUPB for Peace III monies to secure the project. This application was successful with an offer of £4,595,693 from SEUPB and £500,000 secured from Atlantic Philanthropies. A full detail of the project is contained within Appendix 1.

Key Issues

In December 2008, DSD approached the Council to advise that due to a legal issue they do not have statutory authority to act as a project promoter for the Bacon Factory site in so far as that term refers to an organisation taking receipt of EU funding (to itself) acquire land and to build and own community/commercial facility.

To this end, given that DSD were no longer in a position to deliver the project they requested that BCC considers taking on project promotion of the Bacon Factory development. SEUPB has indicated that this would be their preferred option in order to ensure that the project is completed within funding timescales and the project isn't jeopardised.

Following liaison with BCC officers it was agreed that the Council would undertake a due diligence exercise to ensure that all risks, costs and long term commitments to the project have been considered to enable Members to take a fully informed decision on how to move forward.

The assessment identified a number of key risks concerning scheme delivery, site ownership, site acquisition, scheme design, planning permission, procurement, construction period, long term sustainability and whole life cycle costs for the Council which are detailed in Appendix 1.

Given the risks identified, a number of options have been identified as a means of bringing the project forward.

Option 1: BCC acts as project promoter – preferred DSD and SEUPB position

The Council would be responsible for all EU funding management and ensuring delivery within the agreed timetable, site acquisition, planning, construction, ownership and management of the building upon completion. Given that this is EU funding the Council would need to be in a position to front load funding the programme and to claim back retrospectively.

Based on the issues raised in Appendix 1 this is considered as a high risk for BCC to consider.

Option 2: North & West Housing Ltd act as project promoter

North & West Housing Ltd currently owns the site and has confirmed their willingness to act as project promoter. They would be responsible for all of the activities highlighted above however they are in an advantageous position as they already own the site and are willing to undertake development activity which will assist with funding timescale specifications. North & West Housing would continue to own the building and provide a long term lease to community groups at a peppercorn rent. SEUPB will have to determine the eligibility of North & West Housing to be project promoter and a recipient of EU monies.

This is the preferred option for North & West Housing as they want to retain ownership and are anxious to move forward with development. This option provides the least risk to the Council.

Option 3: North & West Housing act as project promoter with DSD and BCC providing an oversight management role.

North & West Housing would assume the role of project promoter and retain ownership of the building. The offer from SEUPB would include a condition that DSD and BCC would have legitimate oversight and management responsibility for the project which would include addressing issues such as compliance with Shared Future requirements as detailed in Peace III funding requirements, corporate governance, and project completion and spend profile. This is to ensure sufficient rigour to allow completion of the project and to achieve spend targets set by SEUPB.

This option is feasible as a way to move the project forward with all parties involved and further detail would be required regarding the role of BCC within such a corporate governance framework.

Based on the three options identified and the supporting information within Appendix 1, Members are asked to give consideration to the most suitable option for moving the Bacon Factory project forward.

Resource ImplicationsHuman Resources

Co-ordinated by the SNAP Manager

Recommendations

Members are asked to:

1. Note the contents of the report
2. Agree to the most appropriate option for delivery of the Bacon Factory project

Decision Tracking

Recommendation 2:

Following approval by Committee, the development of a project plan for the preferred option selected will be actioned by Siobhan Watson, SNAP Manager.

Time line: November 2009

Reporting Officer: Marie Thérèse McGivern

Key to Abbreviations

DSD Department for Social Development
BRO Belfast Regeneration Office
SEUPB Special EU Programmes Body

Documents Attached

Appendix 1 Bacon Factory information

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