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1742

Strategic Policy and Resources Committee,
Friday, 19th February, 2010

Refurbishment of the City Hall

During the discussion in the previous item, the Chief Executive advised the Committee that the final stage of the Quantity Survey Process for Capital Projects required a post completion review to be undertaken in total or in any part, which had been learnt from a previous review. The contract for the refurbishment of the City Hall was at that stage current and a report would be submitted to the Committee in due course. That report will provide the Members with an opportunity to raise any issues regarding the contract.

Standing Order 5 – Employment of Relatives

I was advised that the Council, in accordance with Standing Order 5 and the authority delegated to it by the Director of Finance and Resources had authorised the appointment of a number of relatives who have relations to existing officers of the Council.

Asset Management

Capital Programme Update

The Committee considered the undernoted report:

“Relevant Background Information

This report has three purposes:

- (i) to seek approval to apply for loan sanctions which are required for a number of capital schemes which are currently underway;
- (ii) to seek approval to hold party group briefings on the development of a process for the future prioritisation of capital projects; and
- (iii) to seek approval to progress four new schemes which are dependent on time bound funding

Key Issues

(i) Loan Sanctions

Members will be aware that there are four main ways to pay for schemes in the capital programme – grants, loans, capital receipts and revenue contributions. In the case of loans, the Council must apply to the Department of Environment for a loan sanction.

At this point in time, 11 schemes totalling £5,925,750, which Members have previously agreed to progress, now need loan sanctions in order to ensure that the council's cash flow position is sustained at acceptable levels. A list of the schemes which require loan sanctions is provided at Appendix 1.

Members should note that the principal and interest payments on these loans have already been budgeted for as part of the rate setting process.

(ii) Prioritisation of the Future Capital Schemes

Members will be aware that there are a number of proposals for new capital schemes which have yet to be considered by the Strategic Policy and Resources Committee. The Director of Property and Projects has progressed these schemes through the 'starting gate' element of the 'gates process'. This means that the outline business case for each scheme is challenged in terms of business need and how it will contribute to meeting the priorities of the organisation.

The gates process, however, only prioritises individual schemes and does not take into account the issue of affordability. In essence, the Council will not be able to afford to do all these schemes which get through the first stages of gates process and therefore the Council needs to develop ways to prioritise schemes in the context of affordability. It is therefore recommended that, on the return of the Director of Property and Projects, party group briefings are held to discuss the development of a prioritisation framework for future capital schemes.

(iii) Time Bound Grant Funded Schemes

Within the list of new capital scheme proposals, there are four schemes which are dependent on grant funding which must be accessed before the end of March 2010 otherwise the funding opportunities will be lost. These Schemes have already passed the 'starting gate' part of the 'gates process' and permission is now sought to progress the schemes immediately to tender and implementation stage so that the grant funding can be accessed. The council contribution to these schemes for 2010/11 would be financed through the £1m (yields £10m of borrowing) which the Strategic Policy and Resources Committee agreed to hold in reserve for new capital schemes as part of the 2010/11 rate setting process.

These schemes are:

(a) Woodvale and Dunville Parks

In October 2009 the Parks and Leisure Committee agreed to commend proposals for Woodvale and Dunville Parks to advance to the 'committed' section of the capital programme. These two parks were selected for re-development as part of the parks improvement agenda in conjunction with the Belfast Regeneration Office neighbourhood renewal work. The re-development of both parks will cost £4m in total with the Belfast Regeneration Office and the council providing funding of £2m each. The availability of funding from the Belfast Regeneration Office is time bound with the work needing to be completed by March 2011.

(b) Alleygates

The Health and Environmental Services Committee agreed in June 2009 to request the Strategic Policy and Resources Committee to include a £500,000 proposal for phase II of the alleygating project and develop an economic appraisal for match funding from the Belfast Regeneration Office and the Northern Ireland Office.

(c) Duncrue Industrial Estate – Waste Heat Utilisation

This is an invest to save project which will be included in the council's efficiency programme. Currently, the heat created by the landfill gas generators is lost to the atmosphere. With some initial capital investment this heat can be captured, and then used to provide heat to nearby locations such as the Duncrue Complex. This scheme will save the council £50,000 a year in utility costs as well as reducing carbon emissions.

The initial cost of the scheme is £260,000 but grant funding amounting to £25,000 from the NIE SMART scheme has already been secured and additional sources of finance are also being investigated.

Resource Implications

The repayment of the loans detailed Appendix 1 of this report has already been accounted for the in capital financing requirements of the agreed 2010/11 budget.

The council contribution to the four schemes outlined in section (iii) of this report for 2010/11 will be financed through the £1m (yields £10m of borrowing) which the Strategic Policy and Resources Committee agreed to hold in reserve for new capital schemes as part of the 2010/11 rate setting process.

Recommendations

Members are requested to agree to the following:

- (1) Applications being made to the Department of Environment for the raising of loan sanctions for the schemes outlined in Appendix 1 of this report;
- (2) Party group briefings being held to discuss the development of a prioritisation framework for future capital schemes;
- (3) Advance the four capital schemes detailed in section (iii) of this report to tender and implementation, with award being made to the most economically advantageous tender received on the basis of cost and quality, subject to the budget limits stated and the relevant grant-aid and to make application to the Department of Environment for the raising of loan sanctions for these schemes.

Capital Schemes Requiring Loan Sanctions

Waterfront Hall Chilled Water Plant upgrade	£462,000
Recreation Grounds – Renovation of Pitches	£450,000
Palmerston Road – Household Recycling Centre	£575,000
Strangford Avenue PF – Changing Accommodation	£165,000
Mary Peters Track – 2012 Elite Sports Facility Funding Bid	£160,000
Ancillary Equipment & Software Support	£666,750
Recycling Centres – Development of Staff Toilets	£510,000
Gasworks Northern Fringe	£310,000
City Hall Telecom-IS Strategy	£567,000
IT Security – Virtualised Data	£560,000
City of Belfast – Mercury Abatement	£1,500,000”

The Committee adopted the recommendations.