



## Belfast City Council

<b>Report to:</b>	Strategic Policy and Resources Committee
<b>Subject:</b>	<b>Advanced Procurement for European Funded Scheme: North Foreshore Infrastructure and Innovation Centre</b>
<b>Date:</b>	23 November 2012
<b>Reporting Officer:</b>	Gerry Millar, Director of Property and Projects, Ext: 6217
<b>Contact Officer:</b>	Donal Rogan, Head of Contracts, Ext: 2460

<b>1</b>	<b>Relevant Background Information</b>
1.1	As part of the Councils Investment Programme we are committed to pursuing European Regional Development Funding (ERDF) in support of the city's economic infrastructure. These include the development of a green business park on the Forth Foreshore and an Innovation Centre at Springvale.
1.2	The council has submitted an application for funding through the ERDF programme for infrastructure on the North Foreshore to Department of Enterprise. We anticipate having a reply on whether this was successful by April 2013.
1.3	An application for the development of an Innovation Centre planned to be submitted in 2013 in line for the deadline for submissions to DETNI and to allow sufficient planning and construction time.
1.4	Applications through the ERDF have to be contractually committed between the grant recipient, the council, and the grant funder, DETNI by 31 December 2013.
1.5	Projects approved for Funding have to be completed will all requites paperwork submitted by 31 December 2015. Failure to complete may require the grant recipient to repay some or all of the funding granted.
<b>2</b>	<b>Key Issues</b>
2.1	The projected costs for the delivery of these projects exceed the legislative procurement thresholds contained with the European Directive for Service Contracts. Consequently these contracts are required to be advertised in European Journal, OJEU. Typically it takes 3 months to process an OJEU contract from preparation of documentation through award.

2.2	Planning Service have indicated that these projects will be dealt with within the Belfast Office and it reasonable to programme for a six month turnaround time. However it is known that both sites have inherent contamination issue which will require detailed analysis and a requirement to satisfy the Northern Ireland Environmental Agency.
2.3	In addition to these delays because these projects are being funded through central government governance structure the Central Procurement Directorate rules will likely apply. This inevitably lengths the process by restricting the use of procurement frameworks which they have previously approved and dictating the forms of contract etc.
2.4	In order to expedite these projects and achieve the delivery date of December 2015 it would be advantageous to appoint an integrated design team through an appropriate OJEU qualifying competition method. It would be proposed that these appointments would be subject to relevant break clauses and would be restricted to achieving full Planning Permission for the proposals should insufficient funding not materialise.
2.5	Members may recall at the Committee meeting in September 2012 that it was initially anticipated that Innovation Centre would be released as a development brief. However subsequent legal advice now means that the council must lead on this project if it to avoid the 'State Aid' regulations.
2.6	In order that the Innovation Centre is delivered it first requires being successful in attracting ERDF funding. However there is a risk that even if it is successful that a combination of procurement, planning time scales and mitigating contamination measures restricts the opportunity for delivery.
2.7	The NFS infrastructure whilst also subject to a ERDF bid for funding has less risk attached to it. This is because it will always have to be developed in order to make the site viable and attract investors into the Green Business Park.
2.8	A reasonable budget for progressing these applications to full planning stage would be; <ul style="list-style-type: none"> <li>• Innovation Centre :- £250K</li> <li>• 2.5 Kilometres of Road, Lighting, utility and sewage Infra Structure : £150K</li> </ul>
2.9	The director of Finance and Resourcing has confirmed there is capacity with the Capital Expenditure Programme 2012/2013 to accommodate these appointments.

<b>3</b>	<b>Resource Implications</b>
3.1	<b>Financial</b> A total of £400K would be required to advance both these application to full planning permission.
3.2	<b>Human Resources</b> There are no additional human resources implications.

<b>4</b>	<b>Equality and Good Relations Considerations</b>
4.1	There are no Equality Implications for these projects.

<b>5</b>	<b>Recommendations</b>
5.1	<p>Committee is recommended to consider;</p> <ol style="list-style-type: none"> <li>1. Approving prior to confirmation of funding the appointment of an integrated design team for NFS road Infrastructure and this appointment is limited to a maximum expenditure of £250K until funding has been secured.</li> <li>2. Approving prior to confirmation of funding the appointment of an integrated design team for an Innovation Centre at Springvale and this appointment is limited to a maximum expenditure of £150K until funding has been secured.</li> </ol>

<b>6</b>	<b>Decision Tracking</b>
<p>The Director of Property and Projects will be responsible for the administration of this funding and the delivery of these projects.</p>	

<b>7</b>	<b>Key to Abbreviations</b>
<p>ERDF - European Regional Development Funding  DETI – Department of Trade and Investment  NIEA – Northern Ireland Environment Agency</p>	