



Subject:	Capital Programme Update
Date:	21 October 2016
Reporting Officer:	Gerry Millar, Director of Property & Projects Ronan Cregan, Deputy Chief Executive
Contact Officer:	Sinead Grimes, Programme Manager

Is this report restricted?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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
1.1	The Council's Capital Programme is a rolling programme of investment which either improves existing Council facilities or provides new Council facilities. This report outlines highlights of current status of projects under the Programme and projects recommended to be moved on the Capital Programme
2.0	Recommendations
2.1	Members are asked to – General <ul style="list-style-type: none">Note the update in relation to the Capital Programme as outlined in 3.1 and that the Property & Projects Department is happy to arrange site visits for Members/ Party Groups to any capital programme project. Proposed movements on the Capital Programme <ul style="list-style-type: none">agree that the <i>Secure Web Architecture Firewall Technology Refresh IT project</i> is moved to 'Stage 3 – Committed Projects – Schemes at Tender Preparation Stage' on the Capital Programme and agree that the necessary procurement processes (including the invitation of tenders and/or the use of appropriate 'framework' arrangements) be initiated with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver. The

Director of Finance & Resources has confirmed that this is within the affordability limits of the Council. Members are asked to note that the project is required to ensure business continuity and service provision. (*Section 3.3*)

- *Fleet Programme* – note that in 2014 it was agreed to lease 10 temporary additional assets (2 RCVs and 8 medium mechanical sweepers) to ensure service continuity for Cleansing Services. The assets were leased from Riverside Ltd on a three year basis with the costs being funded from the standard capital replacement budget. Cleansing Services have confirmed that they will continue to require these assets and there is an opportunity to purchase these at a reduced cost at the end of the lease period. Members are asked to agree that discussions are undertaken with Riverside Ltd to agree a reduced purchase price on the basis of the 3 years of depreciation which have occurred and that subject to a satisfactory price being agreed that the assets are purchased. Members are asked to note that the costs will be funded from the 2017/2018 Fleet Replacement Budget which has already been ringfenced (£2.1m) and the Director of Finance & Resources has agreed that this is within the affordability limits of the Council. Members are asked to note that this proposal will not increase the current size of the BCC fleet

Leisure Programme

- Templemore - note that the Council has been successful in its Round 1 application for the restoration and extension of Templemore Baths under the Heritage Lottery Fund's Enterprise scheme and will now receive a development grant of £380,000 to work up detailed proposal for the project
- Church Lane - agree to the grant of a sublease between the Council and GLL, who will operate the new gym at Church Lane
- Note that a detailed report on the leisure programme, including the outcomes from the current consultation exercise, will be brought to Committee next month

3.0 Main report

Key Issues

- 3.1 The Council's rolling Capital Programme is a significant programme with over **£185m of projects recently completed or currently underway**. Members are asked to note the updates under the Capital Programme. Members will be aware that when projects are completed they transfer from the Property & Projects Department to the relevant client Department (City & Neighbourhoods or Development) under the stewardship of the People and Communities and City & Growth Committees as appropriate. It is the role of the client department and the relevant standing Committee to manage the assets

Projects recently completed/in final stages of completion

- a new **MUGA at Springfield Avenue** - due to be handed over to the City & Neighbourhoods Department w/c 17th October
- the new **Boxer sculpture in Woodvale Park** which is being unveiled on Saturday 22nd October – the Boxer sculpture will be handed over to the City & Neighbourhoods Department w/c 17th October
- **Connswater Community Greenway** - the section from Beersbridge Rd to Grand Parade which is being opened on Saturday 22nd October and will be handed over to the City & Neighbourhoods Department
- **Phase 1 - Whiterock Community Corridor** which is due to be handed over to the city & Neighbourhoods Department w/c 24th October - a launch event is currently being planned for the end of October

Projects currently on the ground

- new pitch and pavilion **at Musgrave** (due for completion end of the year) **and new pavilion at Victoria** under the Pitches Strategy
- the new **£21.7m leisure facility at Olympia** which is due to open in January 2017
- new **Council accommodation** which will be complete in early 2017
- the **£3.7million upgrade of the Tropical Ravine**

Projects at tender preparation stage

- Preparatory work is continuing on a wide range of projects including the remaining sites under the pitches strategy (Cherryvale and Falls),

Proposed movements on the Capital Programme

3.2 Members are asked to agree the following movements on the Capital Programme.

Project	Project overview	Proposed Stage	Cost
Secure Web Architecture Firewall Technology Refresh	The procurement and commissioning of modern cyber security firewall devices to replace current aging estate. Required to ensure business continuity and ensure ongoing IT service provision.	Move to Stage 3 – Committed	Up to a maximum of £90k

3.3 **IT projects** - *Secure Web Architecture Firewall Technology Refresh* – The Council's server and storage ICT infrastructure is connected to the Internet and like all ICT infrastructures is subject to a wide range of cyber security threats. A key part of the controls put in place to manage the associated risks is the creation of secure parts of the BCC infrastructure that interface with the corporate network and the interne (Demilitarized

Zones or DMZs). The boundaries of DMZs are enforced by devices called firewalls. Members will be aware that the Council is moving to more cloud based IT services and Digital Services are currently carrying out the necessary infrastructure preparation works which will improve internet throughput. This has involved replacing some of the Council's core network switches. This has had a knock on effect on one layer of the Council's firewall protection (which was due for replacement in January) which is now having difficulty in working in a resilient configuration. This is putting the Council at significant additional risk and the firewalls need to be replaced in order to provide the required resiliency and to ensure ongoing continuity of service.

The Director of Finance & Resources has recommended that a **maximum of £90,000 be allocated to the Firewall Technology Refresh project** and has confirmed that this is within the affordability limits of the Council. Committee is asked to **agree that the necessary procurement processes** (including the invitation of tenders and/or the use of appropriate 'framework' arrangements) be initiated with contracts to be awarded on the basis of most economically advantageous tenders received and full commitment to deliver

3.4 **Fleet Update** – In 2014 the Cleansing Services Section was experiencing a difficult period in terms of service delivery caused by an ageing fleet asset base and increased responsibilities via LGR etc and it was agreed to lease a number of temporary additional assets. Following a competitive procurement exercise, 2 x 26-tonne RCVs and 8 medium mechanical sweepers were leased from Riverside Ltd with the costs being funded from the standard capital replacement budget. The assets are in good condition and have been well-maintained throughout their use. The lease period for these assets is due to end on 30th September 2017. Discussions with Cleansing Services have highlighted that they will still require these (or similar) assets to provide their current levels of service. Two options are therefore available –

- seek to agree a reduced purchase price for these assets from Riverside on the basis of the 3 years of depreciation which have occurred, or
- return the assets at the end of the lease period and instead purchase brand new assets of the same type.

3.5 Following an analysis of the options and on the basis that the assets are required to ensure service continuity going forward it is recommended that the Council seeks to agree a reduced purchase price for the assets with the monies to be secured from the 2017/2018 Fleet Replacement Budget which has already been ringfenced (£2.1m). Members are asked to note that this proposal will not increase the current size of the BCC fleet - the proposal set out above would allow procure used instead of brand-new assets when replacing existing vehicles and will therefore free up some of the agreed capital funding

for additional purchases in 2017/18. This represents better value for money as it maximises the use of the 2017/2018 Fleet budget. The Director of Finance & Resources has confirmed that this is within the affordability limits of the Council. Committee is also asked to agree that the necessary negotiations' be initiated with Riverside Ltd to secure a reduced purchase price

Leisure Programme – Update

Templemore – HLF Update

3.6 Members will be aware that in June 2016, the Council submitted a round 1 application through the Heritage Lottery Fund's (HLF) Enterprise scheme for the restoration and extension of Templemore Baths. The Council was notified last week that it had successfully passed through this assessment stage and as part of this will now receive a development grant of £380,000 to help work up detailed proposals for the project, which is estimated to cost £16.8m (£5m to come from HLF).

3.7 A large number of organisations from across all sectors had been competing for funding within this UK wide competition and the fact that the Templemore Baths proposal emerged successful is a testament to its significance and the real opportunities that this investment presents to restore the baths to their former glory and meet the aspirations of the Leisure Transformation Programme. The proposed project will not only restore the original features of the Baths but will also provide a new 25m pool and state-of-the-art gym. A press release was issued by HLF last week that was well picked up by the local press and the news of the investment has been very positively received.

Church Lane

3.8 At its meeting on 23 October 2015, Committee agreed to authorise officers to negotiate the lease terms for the acquisition of the City Centre gym. Planning permission for change of use to a gym was obtained in August this year for a property on Church Lane and the lease between the landlord and the Council is due to be executed shortly. Committee is now asked to agree to the grant of a sublease between the Council and GLL, who will operate the facility.

3.9 Members are asked to note that a detailed update on the Leisure Programme, which will include the outcomes of the current consultation on the concept designs for Robinson, Andersonstown and Brook, will be brought to committee next month.

3.10 Financial & Resource Implications

IT projects – up to a maximum of £90,000 for the Firewall Technology Refresh

Resources – Ongoing resources in terms of project operation

3.11 Equality or Good Relations Implications

	All capital projects are screened as part of the stage approval process
4.0	Appendices – Documents Attached
4.1	None