

LISBURN & CASTLEREAGH CITY COUNCIL

Minutes of the Meeting of the Capital Projects Committee held in the Island Civic Centre, The Island, Lisburn, on Tuesday, 14 November, 2017 at 5:35 pm

PRESENT:

Alderman D Drysdale (Chairman)

The Right Worshipful the Mayor
Councillor T Morrow

Deputy Mayor
Councillor H Legge

Aldermen W J Dillon MBE, A G Ewart MBE,
M Henderson MBE, S Martin, S P Porter and J Tinsley

Councillors R T Beckett, O Gawith, A Grehan, B Harvey,
U Mackin

OTHER MEMBERS:

Councillors N Anderson, A Givan and C Quinn

IN ATTENDANCE:

Chief Executive
Director of Leisure and Community Wellbeing
Director of Service Transformation
Head of Economic Development
Head of Sports Services
Member Services Officer

Commencement of the Meeting

At the commencement of the meeting, the Chairman, Alderman D Drysdale, welcomed those present to the meeting.

1. **Apologies**

It was agreed to accept an apology for non-attendance at the meeting on behalf of Councillor D J Craig.

It was noted that the Deputy Mayor, Councillor H Legge, would be arriving late to the meeting.

2. **Declarations of Interest**

There were no declaration of interests declared at the meeting.

3. **Minutes**

It was proposed by Alderman A G Ewart, seconded by Alderman M Henderson, and agreed that the minutes of the meeting of the Capital Projects Committee held on 12 September 2017, as adopted at the meeting of Council held on 26 September 2107, be confirmed and signed.

4. Report from Chief Executive

It was agreed that the report and recommendations of the Chief Executive be adopted, subject to any decisions recorded below.

Item for Decision

4.1 Dundonald International Ice Bowl

The Director of Leisure and Community Wellbeing and the Director of Service Transformation presented the above item.

Members had been provided with a copy of:

- a report on the findings from the site visits, which had been attended by both Elected Members and Officers, on 1 & 2 August 2017 and 28 & 29 September 2017, the purpose of which had been to assist the Council in informing the development of a Facilities Mix for the re-development of the Dundonald International Ice Bowl project.
- a report on the proposed internal project governance arrangements and an initial risk register that had been created in order to manage the project. The Director of Service Transformation advised that both key documents would inform and be part of the wider Investment Programme management proposals to be brought to the Members' workshop in January 2018.

As previously advised to the Committee, an Additional Report by the Chief Executive on the recommended Facility Mix for incorporating into the Outline Business Case for the above project had been furnished to Members under separate cover in advance of the meeting. The following papers had been appended to the Additional Report:

- report on the 'Facility Mix' workshop on Thursday 9 November 2017 which had been attended by Elected Members and Officers, the purpose of which had been to review the outcomes from the above-mentioned site visits and to consider a "Facilities Mix" for consideration by the Committee, and
- a copy of the presentation provided by the Director of Leisure & Community Wellbeing at the workshop held on 9 November.

The Director of Leisure and Community Wellbeing advised that the Facility Mix would be subject to further refinement post a 'soft market testing' exercise and the out workings of the outline business case and economic appraisal (EA). Members were requested to consider the vision outlined within the presentation for the facility in the context of a wider leisure and community offering on the Dundonald Leisure Park site.

Comments were noted from Alderman S P Porter in connection with the proposed Facilities Mix. Alderman Porter felt that the 'Children's Activity Area' would be better placed under the 'Opportunities Facilities' list rather than under the 'Core Facilities' list.

4.1 Dundonald International Ice Bowl (Cont'd)

In response to questions from Alderman M Henderson the Director provided clarification in relation to some of the terminology contained in the vision and proposals for project. The Director also confirmed that an adventure climbing facility would be included in the initial Facility Mix proposals.

The Deputy Mayor, Councillor H Legge, entered the meeting at 5.45 pm.

The Right Worshipful the Mayor, Councillor T Morrow, having indicated that he had been unable to attend either of the Study Trips, expressed thanks and appreciation to those Members who had taken the time to view the various facilities. The Right Worshipful the Mayor commended the proposals for the redevelopment of the Dundonald International Ice Bowl project and indicated his support thereon.

The Director of Service Transformation elaborated on a number of issues relating to planning matters associated with the project and in particular referred to a previous decision of the Council to maximise the existing Planning Approvals for the project proposals.

The Director of Service Transformation advised that it would be prudent to consider the appointment of an Employers Agent with a design team with appropriate contractual break clauses. Included within this would be an option to novate or transfer to a developer or within an integrated consultancy-led solution, depending on the solution chosen by the Members to deliver the asset.

In response to questions from Members the Director elaborated on the role of the Employers Agent and the advantages of taking the project forward with an incremental approach in respect of the economic appraisal.

It was proposed by Alderman S P Porter, seconded by Alderman M Henderson, and agreed to recommend that a report on any conflicts of interest between the Council's Standing Committees be brought to the next meeting of the Capital Projects Committee.

It was noted that should Members agree to the Facilities Mix, it was proposed that Officers now design and progress a Community Consultation Exercise around the initial options in line with the agreed community engagement framework for physical projects. It was proposed that the sign off for stakeholder's engagement be delegated to the Chairman and Vice-chairman of the Capital Projects Committee.

The Director of Service Transformation responded to questions from Councillor B Hanvey regarding the selection of stakeholders for the consultation exercise.

4.1 Dundonald International Ice Bowl (Cont'd)

The Director of Service Transformation reminded the Committee of the level of market interest that had been generated post their June 'in principle' investment decision and advised that it was proposed that Council invite all those who had expressed an interest, as well as publish through e-sourcing and within the press, an expression of interest study. This would be used to inform the procurement and contracting strategies to both the developer/construction and operator procurement exercises. The Director advised that in order to expedite the project it was proposed to parallel these processes within the original timeline.

The Director advised that permission was being sought for Officers to explore through a soft market testing exercise for comparison with direct delivery under the proposed headings;

- a. Developer lead solution including financing
- b. Facility operator alternatives, or
- c. a combination of the above

In order to limit the risk of procurement challenge, it was recommended that legal support was retained to review the documents before publication and support the wider aspects of the construction and possible operator models.

At the request of the Chairman, Alderman D Drysdale, it was agreed that those Members who attended the study trips be invited to attend a risk workshop in January 2018.

Alderman S Martin and Councillor N Anderson entered the meeting at 6.05 pm.

At the conclusion of the discussion it was proposed by Councillor B Hanvey, seconded by Alderman M Henderson, and agreed to recommend that:

- a) the report on the findings emanating from site visits in the UK lead by the Director of Leisure and Community Wellbeing be noted
- b) the Facilities Mix, as circulated, be approved and incorporated within an outline business case and Economic Appraisal for the new centre and to be market tested
- c) an Employer Agent with a design team up to RIBA Stage 3, to support the refreshed business case and the planning permissions, be appointed
- d) the creation of an expenditure code to accommodate incurred expenditure, which would be capitalised against the project post final investment decision, be approved
- e) an "in principle decision" to the commercialisation of the naming rights of the facility as part of the market testing, subject to final agreement by Council, be approved

4.1 Dundonald International Ice Bowl (Cont'd)

- f) Officers be permitted to explore the following options through a soft market testing exercise for comparison with direct delivery:
 - a. developer lead solution including financing;
 - b. facility operator alternatives; or
 - c. a combination of the above
- g) procurement of a legal advisor to assist in the preparation of and review documents associated with the approach to the market
- h) the proposed internal governance arrangements for the project be approved
- i) a community consultation exercise be commenced in respect of the proposed initial Facilities Mix with delegated authority being granted to the Chairman and Vice Chairman of the Committee to agree the key Stakeholders and methodology.
- j) the initial risk assessment with mitigation measures carried out for the project be noted, with regular updates being brought back to the Committee as the project progressed

Additional Report by the Chief Executive

4.2 Dundonald International Ice Bowl Redevelopment: Facility Mix for a "Soft Marketing Engagement" Exercise and for Inclusion in the Preparation of the Outline Business Case

Dealt with under item 4.1 above.

5. Confidential Business

It was agreed that the report and recommendations of the Chief Executive be adopted, subject to any decisions recorded below.

The Chairman, Alderman D Drysdale, advised that the items contained in the confidential report would be dealt with "In Committee" due to the following reasons:

- i) Knockmore Link Road – confidential due to containing information
 - (a) relating to the financial or business affairs of any particular person (including the Council holding that information); and
 - (b) in relation to which a claim to legal professional privilege could be maintained in legal proceedings

- ii) Hotel Development – confidential due to containing information in relation to which a claim to legal professional privilege could be maintained in legal proceedings.

“In Committee”

It was proposed by The Right Worshipful the Mayor, Councillor T Morrow, seconded by Alderman A G Ewart, and agreed that the confidential business be considered “in committee”, in the absence of members of the press and public being present.

Items for Decision

The Director of Service Transformation presented the following items.

5.1 Knockmore Link Road

Alderman J Tinsley left the meeting at 6.20 pm and returned at 6.21 pm.

The Committee had been provided with:

- an update in respect of the Knockmore Link Road project, it being noted that through the Chief Executive’s Office further engagement was planned with all interested stakeholders, and
- a copy of an Activities Report outlining a number of actions by the key stakeholders in respect of the project.

5.1.2 Financial Investment

The Committee had been furnished with a summary of the outcome of an independent rates evaluation by the Institute of Revenue Rating and Valuation (IRRV) on behalf of the Council for the West Lisburn Development Framework.

The Director of Service Transformation highlighted a number of issues in respect investment implications for the Council in respect of the Knockmore Link Road project.

5.1.3 Next Steps

The Director of Service Transformation outlined a number of next steps which were required to be considered in order to maximise the successful possibility of the Knockmore Link Road project.

A discussion ensued during which the Director of Service Transformation responded to questions from Alderman S P Porter and Councillor N Anderson in connection with issues raised.

Alderman S P Porter welcomed the proposals for the Knockmore Link Road project.

Following discussion it was agreed that the recommendations in relation to the Knockmore Link Road project, as outlined in the Confidential Report, be adopted.

5.2 Hotel Development Update

5.2.1 Update

The Director of Service Transformation updated the Committee in respect of the Hotel Development project.

The Committee had been furnished with a copy of the initial Development Appraisal for the complete site and an Activities Update report in relation to the Hotel Development project.

5.2.2 Policy Change on Subvention

The Director updated the Committee in relation to meetings that had been led by the Chief Executive and the Chairman of the Development Committee, Alderman A G Ewart, in lobbying for the removal of the detrimental policy on hotel infrastructure subvention from several government agencies.

Following discussion it was agreed that the recommendation in relation to the Hotel Development project, as outlined in the Confidential Report, be adopted.

It was proposed by Alderman A G Ewart, seconded by Councillor O Gawith, and agreed to come out of committee and normal business was resumed.

Resumption of Normal Business

6. Any Other Business

6.1 Expression of Commendation
Alderman J Tinsley

Alderman J Tinsley commended the efforts of all the Officers concerned in progressing the capital projects to date.

There being no further business, the meeting was terminated at 6.40 pm.

Mayor/Chairman