

CASTLEREAGH BOROUGH COUNCIL

Minutes of the proceedings of the Leisure Park Board held, in committee, in the Board Room at Dundonald International Ice Bowl on Monday 21 November 2011 at 6.03 p.m.

PRESENT: Alderman M Henderson (In the Chair)

ALDERMAN: J Beattie (from 6.05 p.m.)
G Robinson

COUNCILLORS: D Drysdale
B Hanvey
T Jeffers
T Morrow
J Spratt (from 6.35 p.m.)
J White

IN ATTENDANCE: Director of Leisure Services, Director of Finance (Until 7.05 p.m.) General Manager Leisure & Marketing, Business Manager (until 7.24 p.m.), DIIB Project Manager (until 7.56 p.m.), Council's Planning Officer (until 7.19 p.m.) and Assistant Members' Services Officer (until 7.56 p.m.).

APOLOGIES: An apology was recorded on behalf of Councillor Hall.

LPB/2011/157: DECLARATIONS OF INTEREST (6.03 p.m.)

Members and officers were invited to declare any pecuniary and non-pecuniary interests (including gifts and hospitality) they should have in respect of items on this agenda. There were no declarations of interest.

Noted.

LPB/2011/158: MINUTES OF LEISURE PARK BOARD MEETINGS DATED 17 OCTOBER 2011 (6.03 p.m.)

It was proposed by Councillor Morrow, seconded by Councillor White and subsequently

RESOLVED: - That the minutes of the Leisure Park Board meeting held on 17 October 2011 be accepted as a true and accurate record of proceedings.

MATTERS ARISING

LPB/2011/159: TENDER SUBMISSIONS (Minute ref: LPB/2011/1555 refers) (6.04 p.m.)

The Director of Leisure Services advised that the closing date for the receipt of tenders was Monday 28 November 2011 and evaluations of these would commence immediately, she undertook to update Members further at the December meeting.

Noted.

LPB/2011/160: CORPORATE BOX AT THE ODYSSEY (6.04 p.m.)

The Director of Leisure Services confirmed the use of the corporate box on Saturday 21 January 2012 for the Belfast Giants v Nottingham Panthers game. She stated that as previously agreed, she would forward the details of this event to the Mayor's Office for them to invite individuals or organisations who had contributed to the charity fundraising.

Members requested that the Mayor consider inviting the Members of Parliament for South Belfast and East Belfast.

The General Manager confirmed that the second date would be 16 March 2012, this date would be made available for the staff and elected Members.

Noted.

At 6.05 Alderman Beattie entered the meeting.

REPORT FROM THE DIRECTOR OF LEISURE SERVICES

The Director of Leisure Services sought Members permission to bring forward to this point in the meeting two items which required input from the Director of Finance and also one item involving the Planning Officer.

Members agreed this would be appropriate.

LPB/2011/162: UPDATE REPORT ON OVER-DECLARED OUTPUT TAX ON LEISURE FACILITIES (7.03 p.m.)

The Director of Finance updated Members on the meeting he had recently attended in London with the consultants in relation to the Leisure Services VAT claim. The Director stated that he hoped to be in a position to provide further information in the near future.

Noted.

At this stage in proceedings the Director of Finance left the meeting (7.05 p.m.).

LPB/2011/163: REPORT FROM THE PLANNING OFFICER – UPDATE ON THE HOTEL SITE ADJACENT TO DIIB (7.05 p.m.)

The Council's Planning Officer provided Members with an update on the planning application for the hotel site adjacent to DIIB.

Alderman Beattie and Councillor Spratt left the meeting at 7.08 p.m.

She reminded Members that the site for the proposed hotel was located to the north of the David Lloyd Leisure Centre. It is bounded by the Old Dundonald Road to the north and the access road to the DIIB complex to the east. To the west is vacant land (the former Hanwood House) in private ownership which has planning permission for 45 apartments and a current planning application for 80 dwellings. She stated that many of the trees on the site are the subject of Tree Preservation Order (TPO), some of these are along the boundary with the proposed hotel site.

Alderman Beattie and Councillor Spratt re entered the meeting at 7.09 p.m.

The Planning Officer reported that the Draft Belfast Metropolitan Area Plan 2015 had zoned the area as an Urban Landscape Wedge and a Leisure Park. As a result, DOE Planning has concerns about the level and style of the development the Council has proposed in its application even though it is outline which could change at reserved matters stage. It was considered that the design should be more in keeping with the semi-rural location and more sympathetic to the general ethos of the Urban Wedge and Leisure Park designations. She suggested therefore that the Capital Projects Officer amend the design to reflect the comments of DOE Planning NI.

Regarding the Tree Preservation Order the Officer advised that DOE Planning have concerns over the viability and stability of the trees along the boundary with the Hanwood House site. The proposed hotel development would require an element of undercutting to create a level site for the building and associated car parking. DOE Planning need to be assured that the protected trees will not be jeopardy.

Several Members queried the health and quality of many of the trees and queried why they would actually be covered by a TPO given their condition.

The Planning Officer suggested that the Council provide a detailed arboriculture report on the trees, carried out by a qualified consultant. This would need to include a statement on the health of the trees, the crown spread, root protection and techniques for protection during construction.

The Officer also advised that DOE Planning had requested more detailed information on the visual images provided by the Council which illustrate the impact of the development on the street scene. It was suggested that the

Capital Project Officer would prepare a further visual based on a revised design.

In addition to these areas the Roads Service had concerns regarding the number of car parking spaces indicated on the drawings. These were assessed according to the number of bed spaces, as a result the scheme had already been reduced from an 80 bed hotel to a 60 bed hotel but the Roads Service still had concerns. She suggested that she prepare a Travel Plan to accompany the planning application to illustrate the multi-modal travel options for staff and visitors to the hotel to alleviate the concerns of the Roads Service.

The Director of Leisure Services advised that obviously to progress with these options would require additional expenditure, with the possibility of restrictive planning permission being granted which may reduce the overall value of the site. She continued that the lead design team would be tasked with progressing a wider Leisure Park master plan and stated that another option would be for them to try and identify a more suitable, less restrictive potential hotel site which may ultimately have a greater value.

Following consideration of the suggestions made it was proposed by Councillor White, seconded by Alderman Robinson and subsequently

RESOLVED: - Members of the Board

- (a) requested that the Capital Projects Officer amend the design of the proposed hotel at the initial location, for it to be more in keeping with a semi-rural location and sympathetic to the general ethos of the Urban Wedge and Leisure Park designations;
- (b) agreed for the Council's Planning Officer to appoint a qualified consultant to carry out an arboriculture report on the trees which would be estimated to cost in the region of £1000.00 + VAT
- (c) agreed that the Capital Projects Officer be asked to prepare further visual information based on the revised design.
- (d) agreed that the Council's Planning Officer would prepare a Travel Plan to accompany the planning application to illustrate the multi-modal travel options for staff and visitors to the hotel to address the concerns of the Roads Service.

At 7.19 p.m. the Planning Officer left the meeting.

REPORT FROM DIRECTOR OF LEISURE SERVICES

LPB/2011/164: FINANCIAL TRADING ACCOUNTS (7.20 p.m.)

The Business Manager referred Members to the trading figures to the end of period 7. She reported that overall the facility was still showing a favourable variance year to date in relation to Net Cost, although overall income was approximately 8% down.

She stated that she had run a report on the first three weeks of November and these figure were showing a slight decline on the figures for the same period the previous year.

In addition to this, the Business Manager stated that she had asked the procurement section to investigate the purchase of gas for the whole Council. She stated that the increase in the cost of gas was having a detrimental effect on the projected figures, she confirmed that it was the actual tariff that was taking over the budget and not consumption.

Noted.

At 7.24 p.m. the Business Manager left the meeting.

LPB/2011/165: REFRESHED BUSINESS CASE (7.24 p.m.)

The Director of Leisure Services reminded Members that at the March meeting of the Leisure Park Board, it had been resolved that the tender for the appointment of experts to refresh the business case was approved to be progressed (LPB/2011/68). Therefore, as agreed, this had been tendered in April 2011. She continued that due to the elections at that time there had been no meeting of the Leisure Park Board in April or May, therefore a report had been tabled and approved at a special meeting with the Mayor, and the then Chairman (Alderman J White) and Vice Chair (Alderman M Henderson) on 20 April 2011. At the meeting it had been agreed that KPMG would be appointed to refresh the business case. The scoring matrix, along with the MOI and PQQ tender documents for the redevelopment of DIIB had also been discussed and agreed at this meeting and both should have been recorded in the decision register.

KPMG were subsequently appointed and reported their findings to the LPB on 27th June (LPB/2011/75).

The Director of Leisure Services advised that unfortunately, the Decisions Register recorded the approval of the scoring matrix but had omitted the detail pertaining to the approval for KPMG appointment.

Alderman Henderson concurred with the previous outcome and stated that a minute now needed to be recorded to correctly reflect the decisions taken at the time.

It was therefore proposed by Councillor White and seconded by Councillor Spratt that retrospective approval be granted for the appointment of KPMG.

RESOLVED: - Members granted retrospective approval for the appointment of KPMG to conduct the refreshed Outline Business Case for the DIIB Redevelopment at cost of £9735 + VAT.

LPB/2011/166: DIIB REDEVELOPMENT –PROJECT ROLES AND RESPONSIBILITIES (7.28 p.m.)

The Director of Leisure Services advised that it would be vitally important that the roles and responsibilities for the entire DIIB redevelopment were clearly defined from the outset. She stated that it was necessary for there to be short and effective lines of communication to senior management to ensure proactive management of the project at all times. Therefore, it was essential that there would be agreed lines of delegated authority, particularly in respect of financial decisions.

The Director stated that the proposed format and procedures were in accordance with the recommendations of the Office of Government Commerce (OGC) “Achieving Excellence in Construction Procurement Guide” and endorsed by the National Audit Office, Central Procurement Directorate and the Department of Finance and Personnel.

She then outlined to Members the OGC Essential Roles and Responsibilities together with the proposed group or individual for the role as follows:

Investment Decision Maker (IDM)

IDM Proposal: Leisure Park Board with the Chief Executive

– takes the investment decision for the use of the resources based on the business need, affordability and cost-effectiveness and whole-life value for money. The IDM should be responsible for the approval of the project and maintain the visible and sustained commitment of the management to its delivery. When considering a change in the scope or direction of a project, the IDM must take account of the impact in terms of risks, quality, cost and time before reaching a decision. All changes must be clear, transparent, properly reasoned and recorded. Changes during the detailed design and construction phases of the project are likely to have a significant impact on quality, cost and time; they should be avoided unless absolutely essential.

Senior Responsible Owner (SRO)

SRO Proposal: Director of Leisure Services – Heather Moore

– accountable for the success of the project and defines the scope of the project to deliver the business benefits. The SRO is accountable to the IDM for the project and its budget and should have the authority to provide the necessary leadership with clear responsibility for delivering the project in accordance with the approvals given. The SRO’s responsibilities include: to establish a progress and reporting procedure; to resolve any issues with members of the client team and stakeholders; to approve any essential changes to the scope and report to the IDM; to ensure that a post occupancy evaluation is carried out; to ensure that the finished asset still supports and satisfies the business objectives; to ensure that the business accepts the benefits from the finished asset.

Project Sponsor (PS)

PS Proposal: DIIB Project Officer – Jeremy Knox

– the Project Sponsor is the client's representative and acts as a single focal point for day-to-day management of the client's interest in a project and providing the interface between the development and delivery. The PS will carry out decisions on behalf of the SRO to ensure that the desired project objectives are delivered. They are advised by various members of the project supply team and client team as required. They should report directly to the SRO and be empowered to make decisions and take clearly defined delegations with the resources provided to ensure that they can direct the project effectively. The PS should understand risk and how it is managed. The principal tasks of the PS are to manage the client's interests and to represent those to the supply members of the integrated project team. The PS is responsible directly to the SRO for the whole project, continuity in the role is essential. Tasks include supporting the SRO by updating investment appraisals, ensuring that Gateway reviews are undertaken, managing the resources allocated by the SRO, working within delegated authorities; other tasks include coordinating and directing various inputs, appraising options and submitting them to the SRO for approval, preparing briefs for any additional consultants, controlling changes and ensuring that the change control procedures are adhered to, ensuring appropriate risk management on the project, managing the project budget including risk allowance; appointing the supply team; coordinating and fostering teamwork; ensuring effective delivery of the project; ensuring the project is managed in accordance with the project execution plan; establishing formal reporting arrangements on progress; providing a focal point for all client contact with the supply team; carry out the post project review with the project team; ensuring effective feedback and assisting the SRO.

Project Manager (PM)

PM Proposal: NEC Construction Project Manager (external appointment) to be appointed for the construction phases (not required at present)

– leading, managing and co-ordinating the integrated project team on a daily basis. This role provides the interface between the Project Sponsor and the construction supply team as defined in the NEC.

Supply Team – delivers the required outputs. The team may include the design team, cost manager, other consultants, contractors and specialist suppliers. They should be an integrated team with collective responsibility for the delivery of the project and managing the risks. (Interface with the client via the project manager).

Facility Managers – the management of the completed facility on behalf of the client. They should be involved in the early design stages and during the commissioning stages.

Stakeholder Involvement – a project board acting as an advisory panel can be formed to communicate with stakeholders including user representatives

which will provide input in developing their specific objectives. For example: DETI / Invest NI (subject to grant assistance); tenants and business partners; clubs and leagues; vending operations etc.

A **Client Project Team** of additional Council employees who may input guidance and advice at various stages of the project are proposed as follows:

General Manager of Leisure & Marketing – Ross Gillanders
Technical Manager – Andrew Cross
Planning Officer – Catharine McWhirter
Marketing Manager - Paula Arrell
Economic Development Manager – Colin McCabrey
Business Manager – Diane Irvine
Procurement Officer – tbc
DIIB Operations Manager – Mark Kane

Key Decision Points for the IDM

- Appointment of the Integrated Design Team and Cost Manager.
- Approval of the developed design brief.
- Approval of the outline design (no further client changes).
- Planning Application approval.
- Approval to proceed with construction contractor tendering process.
- Approval of the detailed design and affordability.
- Approval of the most economically advantageous tender for construction to proceed.

Proposed Reporting Format to the IDM

The Director of Leisure Services advised that a monthly update would be tabled at the LPB meeting including programme progress, design matters, cost information and stakeholder matters.

Special meetings would be called when key decisions were required

Delegated Authority to SRO (Director of Leisure Services)

The Director of Leisure Services reminded Members that at the presentation from Steve Brown of Cleaver Fulton Rankin Solicitors he had explained that in the course of a project of this scale and complexity, there would most likely be many causes for a compensation event to occur. A compensation event would not always be an increase in cost, it could be a reduction where a saving was made or it could have no financial effect and relate specifically to time and programme.

The Director stressed that the main point that Members were being asked to consider was that when a compensation event was raised, it would be necessary for it to be actioned as a matter of urgency given that there could

be significant financial implications incurred with any delay in decision. She advised that the OGC recommends that the SRO would have delegated authority to make decisions which have a financial impact but to a certain approval level.

Members considered this and agreed that the SRO should have delegated authority to approve up to an agreed limit which would receive retrospective approval of the LPB approval or require a verbal approval from the Chairman. All compensation events would be reported at the monthly LPB update meetings for retrospective approval.

RESOLVED: - Members of the Board

(a) approved the roles of the project team members as follows:

- Investment Decision Maker – Leisure Park Board/Chief Executive
- Senior Responsible Owner – Director of Leisure Services
- Project Sponsor – Project Officer

At an appropriate time, upon the appointment of the lead design team, to consider granting the SRO delegated authority to make financial decisions up to an agreed amount and obtain retrospective approval at the subsequent LPB meeting.

LPB/2011/167: NAMING OF THE REDEVELOPED CENTRE (LPB/2011/156 refers) (7.33 p.m.)

The Director of Leisure Services reminded Members that at the October meeting Members had been asked to give some thought to potential names for the redeveloped centre.

Members discussed the possibility of running a competition for local schoolchildren, as had been done with the naming of Forestside Shopping Centre. Members considered the various options available and it was agreed that before any decision would be taken as to how to proceed, Members would discuss the options with their Political Parties and report back to the Board with suggestions.

RESOLVED: - Members of the Board agreed to discuss the potential renaming of the redeveloped DIIB with their Political Parties and report back to the December meeting with their thoughts on the best way to proceed.

LPB/2011/168: INVEST NI / DETI UPDATE (7.36 p.m.)

The Director of Leisure Services provided Members with an update on the Invest NI / DETI ERDF grant application.

Discussion ensued and it was suggested that it may be helpful for the Director of Leisure Services to meet with the First Minister to discuss the current position.

RESOLVED: - Members of the Board agreed that the Director of Leisure Services request a meeting with the First Minister to discuss the DETI Application.

LPB/2011/169: HEADS OF AGREEMENT AND RENT VALUATIONS (7.40 p.m.)

The Director of Leisure Services stated that as work commenced to try and identify tenants and partners to operate within the Redeveloped DIIB, it would be necessary to provide an information pack containing likely rental values and service charges. She also advised that it would be necessary, once a preferred operator was selected, to bind them to a legal commitment, ahead of progressing any specific design work and later construction work.

Councillor White advised that he felt that it would be difficult to quantify actual rental values, particularly with the fluctuations in the current market.

The Director of Leisure Services updated Members on the current position in respect of the Health and Social Care Trust (H&SCT) and the possible relocation of a local GP surgery to the new facility. She reported that for a GP surgery to relocate to a new facility it would be necessary for it to approximately double in size, this was due to the requirements set by the Health Estates. The H&SCT were, however, looking the new premises at the same rental as the existing premises and were unwilling to commit to any heads of terms for a lease. The Director of Leisure Services stated that whilst the Leisure Park Board would be very keen to pursue this collaboration, in order to improve the provision of services to the local area it would be unwise to proceed with any capital spend until a commitment had been made by the H&SCT.

The DIIB Capital Projects Manager advised that the GP's from the surgery are very keen to move but to some extent their hands are tied. He confirmed that they had been lobbying their local politicians to try and progress the matter.

Discussion ensued following which it was

RESOLVED: - Members of the Board agreed

- (a) that a cross party delegation from the Board, along with the Chairman Alderman Henderson and the Chair of the Local Commissioning Group Mr George O'Neill would support a request by representatives from the GP surgery to meet with the Health Minister, in order to try and progress the proposal.

- (b) to proceed with the drafting of Heads of Agreement to bind preferred operators to a legal commitment, ahead of progressing any specific design work and later construction work.

LPB/2011/170: EXPRESSIONS OF INTEREST – GYM AND HEALTH SUITE OPERATORS (7.50 p.m.)

The Director of Leisure Services sought permission to advertise for Expressions of Interest to seek a preferred Gym and Health Suite operator for the proposed DIIB redevelopment. She advised that the engagement of such an operator would be necessary to inform and work with the Design Team.

RESOLVED: - Members approved the advertisement for Expressions of Interest to seek a preferred Gym and Health Suite operator for the proposed DIIB redevelopment.

LPB/2011/171: DIAMOND JUBILEE WOODS PROJECT (LPB/2011/06 refers) (7.51 p.m.)

The Director of Leisure Services advised Members that at October Council meeting it had been agreed that the Diamond Jubilee Wood would be located at the Billy Neill School of Excellence and not at Vionville as had previously been proposed for consideration by the Leisure Park Board.

Noted.

LPB/2011/172: REFERRAL FROM COUNCIL – LETTER (7.52 p.m.)

The Director of Leisure Services stated that at the October Council Meeting Members had been advised of an open letter that had been printed in a local publication, *The Banner*, Members perused the correspondence which had been referred to the Board for their comment.

Members noted the correspondence. They expressed their annoyance that the Community Police were continuously trying to force the Council to address matters of antisocial behaviour problems in the area through their Community 'buy-in' approach.

Following discussion it was

RESOLVED: - Members of the Board asked the Director of Leisure Services to convene a meeting with the PSNI Area Commander (Chief Inspector Derek Martin), with Members of the Board and the Chairman of the PCSP to be invited to discuss the ongoing antisocial behaviour problems in the area.

LPB/2011/173: CORRESPONDENCE FROM MCBURNEY & CO – EASTPOINT (7.54 p.m.)

The Director of Leisure Services drew Members' attention to correspondence from McBurney & Co, regarding the rental units at Eastpoint development. She advised that the owner was experiencing difficulty in renting the remaining units, they was therefore asking the Council to consider lifting some of the restriction clauses associated with the development.

The Director of Leisure Services advised that in normal circumstances the lifting of such restrictions may lead to an increase in the land value, which could have a worth, and may be expected by the Local Government Auditor.

The Director outlined the impact of numerous retail units being available in the greater Belfast area due to the downturn in the economy and consequently the original demand and 'worth' of this site was now not as great. The removal of this restriction alone may not result is an uplift of value due to the implications of the wider economy. Councillor Spratt proposed that this request be agreed providing they would meet all associated legal fees and that the remaining clauses would remain. This was seconded by Councillor Drysdale.

RESOLVED: - Members agreed that the request from the proprietor of the Eastpoint Development to lift some of the restrictive clauses on the remaining units be agreed, providing he meets all associated legal fees and that the clause in respect of pornographic material would remain. It was further resolved that in taking account of the downturn in the economy and the lack of competition for retail units there would be no request for remuneration as a result of potential uplift in the land value.

LPB/2011/174: SALVATION ARMY COLLECTION POINT (7.55 p.m.)

RESOLVED: - Members of the Board granted approval for the use of DIIB as a collection point for the Christmas SVP Salvation Army Family Appeal, commencing Monday 28 November 2011.

LPB/2011/175: REQUEST TO IMPOSE A BAN FROM DIIB (7.56 p.m.)

The Director of Leisure Services reported that following an incident which had occurred at DIIB on 21 July 2010, a member of the public had been prosecuted. As a result of this prosecution, it was proposed that the individual be banned from the facility for a period of twelve months.

RESOLVED: Members agreed that the individual involved in the incident on 21 July 2010 should be banned from DIIB for a period of 12 months, in line with the Council's policy the other standing Committees and Golf Club Board would be informed of this ban to enable it to be extended to the other Council facilities.

At 7.56 p.m. the DIIB Project Manager and Members' Services Officer left the meeting.

STAFF IN COMMITTEE

As there was no further business the meeting ended at 8.25 p.m.

CHAIRMAN

MAYOR