

Title of Report: Capital projects approval- Clooney Greenway- lands acquisition	Officer Presenting: Lead Finance Officer Author: Lead Finance Officer
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1 Purpose of Report/Recommendations

- 1.1 The purpose of this report is for Members to approve allocation of capital funding in the sum of £61,400 towards Clooney Greenway lands acquisition.

2 Background

- 2.1 A meeting of the Capital and Corporate projects planning group will be convened in the coming weeks and in conjunction with Council's annual rates estimates process to consider allocation of capital funds towards a number of projects and a medium term financing strategy towards Council's very ambitious capital plan. To date, the new Council has completed £42.386m of capital projects with £18.241m of this having been secured from external sources. A further £45.394m of projects are in progress and fully financed of which £30.179m has been or is to be secured from external sources.
- 2.2 This investment has been enabled by Council's efficiency plan which has realised recurrent savings of over £2m to date and has been reinvested across a number of key areas of growth including loan charge provision for Councils capital plan, festivals and events, community services resourcing and funding with particular emphasis on rural areas, and cultural venues and tourism.
- 2.3 Council has remaining capital project aspirations of over £250m with funding of £3.6m allocated to enable a number of these projects to progress to business case and design stage and to inform funding applications. Against this, Council has a remaining unallocated loan charge provision of £1.322m over a 5 year period which could fund a further £18.5m of further capital investment. A key part of this year's rates process will be to consider a medium term funding strategy and further rates investment over the 5 year period to 2021/22 to ensure delivery of Council's key strategic aspirations.

3 Key Issues

- 3.1 In advance of the rates process and the next meeting of the Capital and Corporate Projects Planning Group, it has become necessary to approve funds to progress the development of Clooney Greenway which is on Council's capital list of projects. Members will recall that officers were mandated to enter into negotiations with landowners to acquire part of their lands to form a greenway corridor.
- 3.2 The proposed Clooney Greenway traverses lands in the ownership of the Education Authority (2 plots), Habinteg Housing Association, NI Housing Executive and the Department for Communities (2 plots). Officers have been liaising with landowners, Council's Legal Services and Land and Property Services (LPS). The project has recently secured full planning permission (LA11/2017/0459/F). Land and Property Services (LPS) assessment of the premiums due are as follows:
- Education Authority- Plot 1- Lands at Nelson Drive, 0.86ha= £42,000
 - Education Authority- Plot 2- Lands at Elder Crescent, 0.36ha= £18,000
 - Northern Ireland Housing Executive- Lands at Heron Way= c.0.5ha= £1,400
 - Department for Communities- Plot 1- Lands at Heron Way, 0.85ha= Nominal premium of £1
 - Department for Communities- Plot 2- Lands at Harkness Gardens, 1.53ha= Nominal Premium of £1
 - Habinteg Housing Association- Lands at Harkness Gardens, 0.09 ha = Nominal premium of £1.
- 3.3 The total area of lands to be acquired is circa 4.2 ha and are valued at £61,400 based on LPS assessments. Aecom (Consulting Engineers) have estimated the construction cost of the Clooney Greenway to be £481,502 + VAT (inclusive of a 15% optimum bias).
- 3.4 A funding application and business case have been lodged to the Department for Communities (DfC) in the sum of £302,023 for the capital works. The outcome of this application is pending.
- 3.5 Council are required to secure tenure over the greenway corridor and therefore £61,400 is required to acquire the said lands.

4 Financial, Equality, Legal, HR, Improvement and other Implications

- 4.1 The funds required of £61,400 are based on LPS assessments and will require £4.25k to be set aside from Council's remaining loan charge provision over a 25 year period, leaving a remaining unallocated balance of £1.317m.
- 4.2 Officers are also finalising negotiations in relation to a number of further land acquisitions for greenway development (e.g. Strathfoyle) and these will be considered once these discussions have completed and in conjunction with Council's medium term financial plan.

5 Recommendations

- 5.1 Authority is sought to; (i) accept LPS premiums for lands acquisitions as outlined above and (ii) make budget provisions in the sum of £61,400 to meet this expenditure.

Background Papers