

Strategic Investment Board

Chief Executive's Report – February 2013

PFG PROJECTS

Belfast Rapid Transit (BRT)

The next stage of the implementation of 'Belfast on the Move' is now underway. *City of Culture*

The Tate has asked for its exhibition venue to be ready three weeks earlier than originally planned. This will place severe pressure on the contractors but Martin Turner believes it is achievable.

The 'Other Voices' festival was a sell-out and the announcement that Radio 1 will bring its 'One Big Weekend' to the city has been widely welcomed.

Colin Regeneration

Brenda and I have had a series of meetings with DE and CCMS officials. Brenda has held meetings with the local Health Trust, Belfast City Council and the local MP – Paul Maskey. All are enthusiastic and keen to push forward into planning and implementation.

The Consultation Report will be launched on 7 March at an event attended by Ministers and MLAs. If Directors would like to attend, please let me know.

Desertcreat College

Colin McCrossan will provide a detailed update on this project at the Board meeting.

E-Cars



The e-Car team will hold a major event at Titanic Belfast on 6/7/8 March. There will be the opportunity to drive electric cars and most manufacturers will be displaying their new models.

Education Capital Planning

The Minister's announcement on 22 January focussed on two key aspects of capital investment plans : the Schools Enhancement Programme and the projects to be advanced in planning. An indicative sum of £20 million per annum has been set aside over the next two years (i.e. until the end of this CSR period) to deal with projects that will meet the criteria for the Enhancement Programme. This is within the allocated capital funds to DE over the next 2 years. The protocol document published alongside the Ministers announcement is very clear in that it says "Only after approval of the detailed business case and subject to availability of funding at that time will projects be permitted to move forward to award of contract."

With regard to the potential investment of £ 220 million in new schools – this relates to the projects to be advanced in planning. A detailed protocol for selecting the projects is again published on the DE website. The Minister's statement makes reference to the significant time taken to develop investment proposals and to move to construction. He indicated that "a portfolio of projects must be advanced to the point where they could effectively utilise funds that may become available in the future ". The statement also makes it clear that authorisation to proceed with construction will be based on the level of capital funding available at that time and all other necessary approvals being obtained. Specific reference is made to the consideration of a prioritised list against the indicative available capital budget up to 2015 and thereafter the projected capital investment for education set out in ISNI3.

The indicative ISNI allocation from 2015/16 onwards is £1232 million (of which £200 million is to be found through RFI). In the next two years the capital budget for DE is £106m and £184m. Approval for eighteen projects was announced in June of last year – they will start coming on stream in terms of construction from early in the financial year 2013/14. Most of the projects will be completed by end of 2014/15 financial year.

ESA

Work continues to plan. Advertisements have appeared for the HR PDSU and many strong applications have been received.

Lisanelly

The Minister of Education will contribute to the Assembly adjournment debate on the progress of the Education Campus at Lisanelly on 19th February.

MLK Development Corporation

Work continues with BT, NIE and NI Water to ensure that all necessary services will be available to the RUAS for their first show at MLK.

NI Prison Service Estates Strategy

DOJ was last month presented with a costed programme of prison works. The Department has now responded by asking to see the budgetary implications of a differently phased programme.

PbCRC

The dFM has agreed the proposed governance structure for the PbCRC (a Charitable Company). FM approval is awaited.

Mary McKee and Kenny Knox attended a Showcasing Event in Brussels on 31 January. This was widely reported and Mary's contribution to a film on the work of SEUPB was re-broadcast on the BBC.

The Stage C Report has been agreed and Stage D design is progressing in tandem. A very positive meeting was held with the international advisory panel to discuss interpretation. The main programme is about 4 weeks behind schedule but there are options to recover this slippage, which is not regarded as critical at this point.

Poultry Litter SBRI Project

Stage 1 of the competition will close in two weeks. The indications are that there will be a number of strong submissions.

Primary Care Infrastructure Programme

The business case for Newry and Lisburn are progressing through the assessment process.

Regional Stadiums Programme

Ravenhill is progressing well and no issues to report. Windsor Park is on target to issue its ITT. Social –economic returns will be one of the award criteria in line with the Minister's requirements. There may be a delay in submitting a planning application for Casement Park,

but the planned date for the appointment of a contractor remains unchanged. It should be achievable within an aggressive delivery model.

Strategic Waste Programme

Five of the seven councils who make up the North West Regional Waste Management Group have now agreed to proceed with the project to financial close.

An announcement will be made on March 12 concerning the proposed site for the Arc21 waste treatment plant. In the meantime the team continues to brief stakeholders, including the Minister.

REVENUE FINANCED INVESTMENT (RFI)

A new interpretation of the guidance for the quantification of risk has been issued by DFP that, prima facie, will make it very difficult for projects that use private finance to demonstrate value for money. Patrick McMeekin, Leo McKenna and I will discuss this issue shortly with DFP officials.

OTHER PROGRAMMES AND PROJECTS

DEL Line of Business Applications

This work is now complete and DEL wrote to me commending John Adamson's work, which they described as 'invaluable'. The Business Case that John wrote has been approved by DFP and the procurement will begin shortly.

DCAL MAG

Minister Carál Ní Chuilín has agreed the MoU between SIB and her Ministerial Advisory Group (MAG). This enables SIB to access MAG design expertise in support of all relevant projects.

Forest Service Wind Farms

Applications have closed, and shortlisting will take place shortly, for the post of Forest Service Wind Farm project manager.

PFI Buyback

The proposal continues to plan.

RUC GC Foundation

John Green ran a project initiation workshop with the Trustees that was very useful in identifying a preferred option for taking forward the design and business case. A key output from the workshop was a strategy to access funding from the HLF that would be complementary to that provided by DOJ. One candidate project was the digitisation of the artefacts and other materials held at Seaport.

Safety Centre

An insurance company has agreed to become the first major sponsor of the Safety Centre.

Siege of Derry Heritage Project

Continues to plan.

St Comgall's

No significant activity.

Waterfront Exhibition & Convention Centre

The projected costs of the project are proving to be significantly higher than those originally estimated.

GP Out of Hours Service

John Adamson has completed his report which is now being reviewed by key stakeholders.

RESEARCH & OTHER STUDIES

Social Clauses Toolkit

In the absence of agreement on the Social Clauses Procurement Guidance Note, DFP has established a working party to consider how best to take the issue forward. Stuart Cairns, one of SIB's Associate Advisers, has been asked to join the group.

Community Consultation Toolkit

Development of the content of the web site continues to plan.

Infrastructure Audit

Mark Wishart has begun work on the 'health' section of the audit. He has also had discussions with DRD officials about their prioritisation processes for transport projects.

SME Access to Finance Study

Johann Gallagher met the DETI Permanent Secretary and senior officials to discuss the recommendations in her report. The meeting went well and the Department considers all the recommendations deliverable. The draft report will go to the chair of the EAG on Friday with the intention of publishing it to the group before 5th March.

Review of Commissioning and Procurement

The review is now moving into its second phase, during which Paul Priestly will examine a number of case studies (both good and bad) in order to draw out lessons for the future conduct of procurements.

Paul gave a presentation on his emergent findings to senior CPD staff. The presentation was received positively.

GOVERNANCE, FINANCE & ADMINISTRATION

Staffing

A communications specialist has joined SIB on secondment from DCAL as a Strategic Communications Adviser. She will stand in for Fiona Kane whilst Fiona works on the City of Culture.

Audit of the Provision of Advice

The final internal audit of the year, on the Provision of Advice, is not yet complete.

Visit by Moroccan Officials

Michael Donnelly organised a very successful visit by a delegation from the Moroccan Ministry of Finance interested in PPP.

Office Accommodation

Lease expiry 2020.

Finance

OFMDFM have asked SIB to surrender £10k from this year's budget to help offset pressures elsewhere in the Department.

Letter of Expectations

The First and deputy First Ministers have sent a Letter of expectations to the Chairman. This is unchanged from the draft agreed by the Board.

OFMDFM

Noel Lavery has been appointed Permanent Secretary at DARD. He will take up his post on March 1st. There is no indication as yet as to who will replace him.