

Strategic Investment Board

Interim Chief Executive's Report – March 2011

ISNI 3

The draft ISNI has been agreed by the Ministerial special advisers (SPADs) and issued to Departmental Permanent Secretaries for their comment. The process for gaining the agreement to this step took longer than expected (partly because the draft final budget was not agreed until 5 March).

Departmental concerns centre on the projected figures for capital allocations for the five year period after the current budget.

Projects & Programmes

Asset Management Unit

Advertisements have now appeared for the three new posts in the Asset Management Unit.

Work has begun on preparing a draft business plan for the unit, focusing on the work necessary to meet the £10m target for asset realisations.

Ed Vernon and I will be visiting John McCready of the Government Property Unit in London on 9th March. Backed by strong Ministerial support the unit has already saved tens of millions of pounds through effective estate management. I will report on our discussions at the Board meeting.

Draft Terms of reference for the AMU have been cleared by OFMDFM and will be discussed at the Board meeting.

Maze/Long Kesh

The Gateway Review of the MLK programme has been sent to OFMDFM in draft but has not yet been shared more widely.

Ministers have now approved the arrangements for the recruitment of a Board and non-executive directors for the MLK Development Corporation. It is planned that these should be in place by the autumn. This should coincide with the completion of the Spatial Framework and Development Plan. The work on these important papers will begin in April.

Negotiations continue with the RUAS concerning the move of their show to MLK. The OBC for this proposal is almost complete and will shortly be submitted to OFMDFM.

A firm of consultants, COGENT, is examining the business case for the Peace Building and Reconciliation Centre on behalf of the SEUPB.

Lisanelly

I attended a meeting of the Lisanelly Steering Group at which all the members expressed their confidence that the project would reach fruition and a decision was taken to press ahead with Stage C design work even though two schools have yet to sign the MoU. DE reiterated the Department's strong support for the project and this approach.

DE's Estates Planning Branch has now approved the Stage B report.

Hazel Jones is assisting the Department in the ongoing Judicial Review. The judge has asked a number of questions relating to the Lisanelly project itself which are being answered.

Waste Programme

One of the two remaining bidders in the Arc21 procurement competition has withdrawn.

NI Prison Infrastructure

The Department of Justice has decided to widen the scope of its work on a new prison to encompass the entire Prison Service infrastructure. It is likely that SIB will be asked to lead the NIPS estates review programme and its implementation. I will brief the Board more fully on this when the Department's requirements are clearer.

Lagan & Tor Bank Schools

It is expected that this project will reach financial closure this week.

Desertcreat

Work has begun to mobilise the project delivery team. A number of project managers will work under Colin McCrossan and the steering group has asked SIB to identify a suitable construction manager.

The question of affordability has not yet been formally resolved, as the Health Minister has yet to confirm he will commit the required DHSSPS contribution to the centre's running costs. DFP are, additionally, still reviewing the business case.

Rapid Transit

The project's gateway review Health Check was completed satisfactorily and a new plan has been produced that takes account of the limited capital available to DRD. However, the Department has assumed that capital for the project will be available in the next CSR but this is by no means certain.

Social Clauses Toolkit

The DSD Minister announced that he would be mandating the use of the toolkit in all future departmental projects.

London~Derry City of Culture

I was part of a panel that appointed six non-executive directors to the new City of Culture Company. There were some very good candidates and the new board shows every sign of being capable of overseeing the work of the company effectively.

Fiona Kane has been working with the team on branding and the details of a sponsorship deal with BT. Gregor Hamilton has also been advising on this.

Libraries Project

The redevelopment work at all three local libraries remain on schedule. The DCAL Minister marked the official conclusion of the restoration work at Belfast Central Library.

Governance, Finance & Administration

Finance

Patricia Mallon and her team are working hard to ensure that we meet the OFMDFM requirement to end the financial year with an underspend of no more than 0.5% of budget (£32,000).

Scrutiny

SIB has been cooperating with the NIAO in its review of the use of consultants. The report criticises SIB's decision not to re-tender the contract for technical, legal and other professional services on the BELB project once it had exceeded the original estimated costs. The case study fairly reports the reasoning behind this decision and the causes of delay and additional work which led to the substantial cost overruns.

SIB is also helping BMC provide information to the NIAO for its review of the Titanic Quarter accommodation project.