



# **CORPORATE PLAN 2011–2014 & BUSINESS PLAN 2011/12**

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## **SIB CORPORATE PLAN 2011–2014**

## **Introduction**

1. The Corporate Plan sets out the medium term objectives of Strategic Investment Board Limited (SIB) and documents the corporate strategy it will follow to achieve them. The annual Business Plan supports the Corporate Plan by describing in detail SIB's targets, the resources we will deploy and the actions we will take in 2011-12

## **Background**

### ***SIB***

2. SIB was established in April 2003 under the terms of the Strategic Investment and Regeneration of Sites (Northern Ireland) Order 2003. Through SIB the legislation created the mechanisms and structures required to enable ministers in the devolved government to coordinate work across departments to deliver the new schools, hospitals, roads and other civic infrastructure the region requires for the 21st century.
3. SIB is a company limited by guarantee. It is owned by the Office of the First Minister and deputy First Minister (OFMDFM) and financed from within its departmental expenditure limit. The board of SIB is accountable to the First and deputy First Ministers.

### ***Roles & Responsibilities***

4. SIB works with the Executive's departments and agencies to help them achieve the delivery of major public infrastructure projects at lower cost, with reduced risk and faster than would otherwise be the case. In parallel, SIB works to inform the private sector about planned projects, build its confidence in the capabilities of the public sector and stimulate market interest. SIB seeks to develop competitive tension and thus help departments deliver improved value for money to the taxpayer.
5. SIB has four key responsibilities. Firstly, it drafts the Investment Strategy for Northern Ireland (ISNI). This is a rolling ten-year plan that describes the public infrastructure government intends to deliver. The scope of the ISNI encompasses every area of government including education, health, and transport and is the expression of the Executive's priorities, as determined by Ministers. The next

version of the strategy, ISNI3 has been drafted and will be published during the coming year, (2011-12).

6. Secondly, SIB assists the public sector to deliver large infrastructure projects and programmes of investment. Working in partnership with government departments, SIB's role is to help accelerate delivery timetables and obtain better value for the taxpayer. In practice, this means SIB deploys advisers into key project management and advisory roles. Such advisers bring well-developed skills and significant experience of the procurement of major investment projects in both the private and public sectors.
7. Thirdly, SIB contains the Asset Management Unit (AMU). The Executive authorised the establishment of the unit in January 2011 and gave it responsibility to realise £100m from surplus assets over the period 2011-2015. The AMU also maintains the ePIMS public sector asset database and supports departments make effective and efficient use of their property assets.
8. Finally, SIB seeks to encourage reform in the systems and processes for infrastructure delivery. It helps build public sector capability by encouraging the development of specialist skills and the use of innovative approaches to procurement.

## Corporate Plan Format

9. The Corporate Plan comprises two elements:

**Section 1** describes the context within which SIB operates. It begins with a review of the organisation's work in 2010/11 and shows how this supported the Executive's priorities and targets. The section also identifies those issues that SIB takes into account when determining how it can best meet its objectives and the needs of its customers. Finally, it documents the factors that may significantly affect the execution of the plan, including an assessment of key risks, and explains the policies within which the company will operate.

**Section 2** sets out SIB's medium-term corporate strategy. It defines the company's vision, its strategic priorities, objectives and desired outcomes. The section also provides a high-level account of the way in which SIB will achieve these objectives and outcomes. Finally, it specifies the resources the company expects to use to achieve its objectives.

## **Section 1: The Business Planning Context**

### ***Review of 2010/11***

10. SIB has continued to provide advice to the Executive in relation to the formulation and implementation of its programme of major infrastructure investment, and to provide assistance (including research, consultancy, advisory and other services) to public sector bodies on the implementation of their investment projects.
11. Among the achievements of departments, to which SIB contributed materially during 2010/11, were:
  - the completion of the draft of the third Investment Strategy and its publication for consultation;
  - the progress made on the Lisanelly, Desertcreat, Rapid Transit, Waste Management and TQSP programmes, where SIB provides the project directors;
  - the operation of the Maze/Long Kesh Programme Delivery Unit and its preparations for the establishment of the MLK Development Corporation;
  - progress on the delivery of over 40 other projects across the pillars of the investment strategy; and
  - the establishment of the Asset Management Unit and the development of asset management strategies for DFP, DARD and DCAL.
12. A fuller account of the work of SIB during 2010/11 is set out in Appendix A.

### ***Implementation of the Investment Strategy***

13. The delivery of SIB's Corporate and Business Plans directly supports the delivery of the Programme for Government by helping Departments construct the infrastructure that Ministers have envisaged, defined and prioritised.
14. It is currently expected that around £1.5bn will be invested during the year to end-March 2011. Details of the individual programmes and projects delivered under the Investment Strategy in 2010/11 are also contained in Appendix A.

## ***Assumptions, Constraints and Dependencies***

15. The board of SIB determines the operating strategy of the company, albeit within the constraints and dependencies described below. Our plans are also predicated on a set of assumptions, some of which have yet to be verified at the time of writing. The Board and management team monitor these factors and adapt our plans in the light of their regular review.
16. Ministers decide the resources available to SIB and the level of such resources influences the capability of the company to support its customers. The budget for the period 2011-14 has been set by OFMDFM in the context of reductions in government spending that have had a particular impact on capital investment. The consequence for SIB is a 28% reduction in its baseline.
17. Our plans continue to assume we will be able to continue to recruit and retain high calibre staff with the knowledge and experience required to address the challenges faced by our customers<sup>1</sup>. We rely on those customers to themselves allocate appropriate resources, including qualified and experienced staff, to their projects.
18. The 2010 budgetary process has resulted in changes to the priority attached by the Executive to infrastructure programmes and projects. Departmental spending plans are, at the time of writing, out for public consultation. A new Programme for Government is expected to be agreed after the Assembly Elections in May 2011. We will amend our own strategy and plans in the light of the final agreed versions of these proposals.
19. The ability of the Asset Management Unit (AMU) to dispose of surplus assets will be heavily dependent on prevailing market conditions. We discuss the likely impact of this in the section 'Risks' below.

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<sup>1</sup> The term 'customer' is used here to define those organisations that SIB supports. Although these are primarily ministers and government departments, the use of the term encompasses Agencies, NDPBs and third sector organisations. On occasion, it can also include the private sector.

## ***Policy Considerations***

20. SIB delivers its objectives in ways that accord with a set of policies defined by the Board and agreed with our shareholder. We have documented and published these policies on our web site. Our implementation of these policies mean that:

- We are committed to acting within the ‘Section 75’ equality legislation. Over the course of this plan we will meet all our obligations under these regulations;
- SIB is committed to pursuing sustainable policies and our advisers seek to ensure that the projects they support pay due regard to sustainability issues;
- SIB acts in support of the government’s social agenda and acts in ways that support initiatives such as “Lifetime Opportunities”. We will work to ensure that local businesses are able to take advantage of the business opportunities flowing out of the infrastructure investment programme;
- We are aware of regional disparities in terms of infrastructure development within Northern Ireland and are committed to helping to reduce these in the context of the Executive’s priorities set out in the Programme for Government and the Regional Development Strategy; and
- We will observe the Freedom of Information Act and will continue to publish as much information as possible about our activities, whilst respecting the need for commercial confidentiality.

## **Risks**

21. The current economic situation, in particular changes to levels of public expenditure, has substantially changed SIB’s operating environment. In comparison to the position at the publication of the second ISNI there is substantially less capital available for investment and less revenue to meet the consequential costs of such investments. SIB’s budget has been substantially reduced and it now has more difficulty recruiting and retaining staff. This section examines the key risks arising from the present situation and sets out our responses.

22. Although the overall level of capital investment will decrease, this is unlikely to result in reduced demand for SIB support from Departments. SIB has the capacity to

support only a proportion of the more complex projects and it is highly unlikely therefore that there will be any significant reduction in demand for its services. The experience of the last three months of 2009/10 is that demand will, in fact, increase as staff resources within departments and the funding available for professional services reduce. However, experience of previous years also suggests that there will be slippage and underspends in some programmes and projects, although at this stage such projects cannot be identified. There is, on balance, a risk that SIB may be unable to meet customer demand. There is an associated risk that SIB may spread itself too thinly across too many projects and that as a result its effectiveness is diluted. SIB will respond to this risk by carefully prioritising its work and focusing support where it will have the greatest beneficial impact on the most important projects.

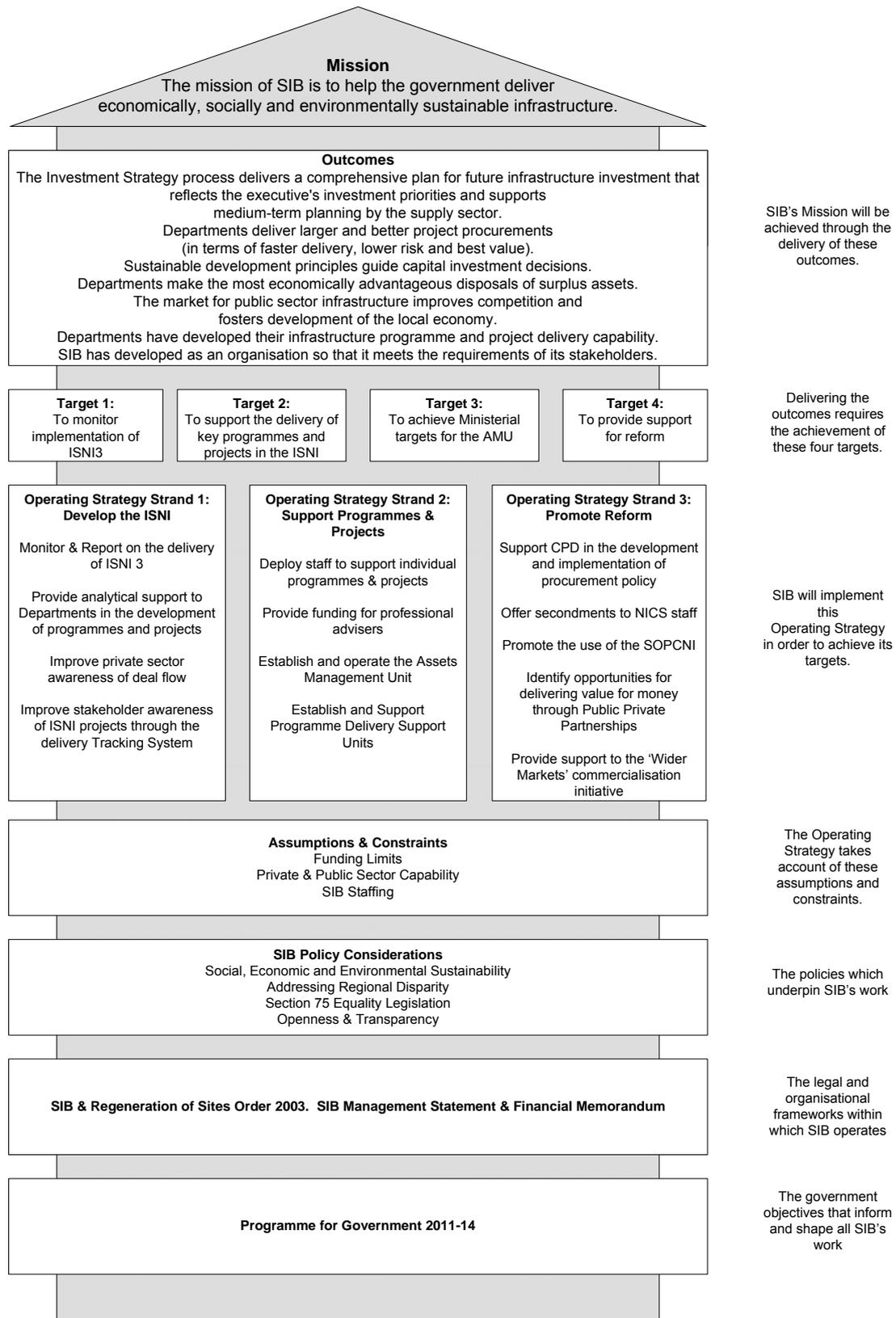
23. The £100m target set by ministers for asset realisations by the AMU is exceptionally challenging. Asset values are difficult to gauge at present in the absence of meaningful numbers of transactions. However, SIB assesses that prices are likely to fall as a result of governments across Europe, particularly in Ireland, divesting themselves of assets they acquired through supporting banks (e.g. NAMA). The limited availability of investment capital and the high yields required by investors are also likely to make it even more difficult to obtain satisfactory prices. SIB's capacity to manage this risk is limited but it will work to develop the value of surplus assets in order to increase their attractiveness. It will also seek alternative, socially valuable, uses for assets that are surplus but cannot be sold in the current environment.
24. There a risk that SIB will be unable to attract and retain staff with the experience, skills and knowledge required to achieve our objectives. The risk arises from the impact of the government's national pay policy. It is, however, mitigated by current economic conditions which have impacted on employment opportunities in the private sector. The Board will continue to monitor the implementation of its staffing strategy and seek to make appropriate adjustments if and when required.

## Sensitivities & Scenarios

25. The base scenario for the corporate plan is sensitive to the following assumptions:
- Capital investment will be as defined in the 2011 Executive Budget and departmental spending plans;
  - SIB's budget will be as set out in OFMDFM's 2011 budget;
  - SIB will be able to recruit and retain the staff it requires to achieve its objectives;
  - The public sector will have the staff resources needed to deliver its capital spending plans;
  - The private sector will be prepared to invest capital in assets and the delivery of public services where it can obtain a reasonable return.
26. Alternative scenarios depict the impact of changes to the characteristics set out above. The scenarios are:
- a. the pace of investment is further slowed in response to falling government revenues;
  - b. the resources available to SIB are further reduced;
  - c. SIB is unable to recruit and/or retain the staff it needs to achieve its objectives;
  - d. The public sector's capability to deliver infrastructure projects is eroded;
  - e. the private and or third sector's appetite for involvement in the delivery of public services through partnerships declines.
27. The response to scenario (a) would be to focus on maximising the value of those projects that do proceed. The analytical work of the ISNI team will be particularly important as Ministers' requirements for independent and objective advice on the prioritisation of projects become more pressing.
28. If SIB's resources are further reduced then it will either seek support from its customers through some form of recharging or will reprioritise its effort in line with its reduced capabilities.

29. Should departments be unable to provide the resources required to deliver projects, SIB will – where possible – attempt to assist through its own resources. However, this will require the re-prioritisation of other work and will only be possible in very limited circumstances and for the most important work.
30. SIB's response to a withdrawal of private sector finance for infrastructure projects (scenario (b)) will continue to be:
- to seek to identify alternative sources of finance and develop alternative financing models;
  - to press ahead with 'conventional' procurements where these are affordable and offer value for money;
  - to adjust the mix of skills and experience within the company to meet these revised requirements.
31. It is clear that the impact of the recession and associated spending cuts will be felt across every type of public sector infrastructure delivery. SIB will need to be agile in both anticipating changing situations and reacting to them. The board will therefore review its operating strategy, and the assumptions on which it is based, both at regular intervals and in response to specific events as they occur. As the requirements of our clients change, so our response will continue to adapt to meet their needs.

## Section 2: Corporate Strategy



*SIB's Corporate Strategy*

## ***Mission***

32. The mission of SIB is to help the government deliver economically, socially and environmentally sustainable infrastructure.

## ***Strategic Priorities***

33. SIB's derives its strategic priorities from the targets set by Government in the Programme for Government and from analysis of the issues the company was established to address. The over-arching priority for SIB is to help government deliver "modern, efficient infrastructure" that is "an essential requirement for economic and social development"<sup>2</sup>. SIB will review its strategic priorities in light of the new Programme for Government, to be published later in 2011.
34. The priority issues SIB will address are:
- the statutory requirement for SIB to advise the Executive in relation to the formulation and implementation of its programme of major investment projects;
  - the need to deliver major, sustainable infrastructure projects;
  - the need to obtain value for money for infrastructure investment (including the delivery of social value through sustainable procurements);
  - the need to make best use of existing assets and dispose of those that are surplus to requirements;
  - the need to engage with the private sector more closely in order to optimise the leverage of private funding in support of public investment, (while recognising that private funds do not have general applicability across all types of infrastructure);
  - the need to improve the infrastructure delivery capabilities of government Departments in Northern Ireland; and
  - the need to develop further the Company to ensure it continues to be capable of achieving its objectives.

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<sup>2</sup> Programme for Government, p12.

## ***SIB Medium Term Objectives, Outcomes and Targets***

35. The medium-term objectives derived from the strategic objectives are:
- to keep the Investment Strategy under review in the light of changing circumstances;
  - to deliver supported projects/ programmes in accordance with the plans set out in ISNI3 and the principles of economic, social and environmental sustainability;
  - to seek effective ways to accelerate the timetable without compromising value for money;
  - to meet Ministers' targets for the realisation of surplus assets;
  - to support departments and other public bodies in the efficient and effective management of their estate;
  - to support departments in the development of strategies for the commercial exploitation of their assets;
  - to identify socially valuable uses for surplus assets that cannot for the present be sold or otherwise exploited;
  - to foster and promote reform both in the delivery of major public sector infrastructure and as a pre-requisite for such investment;
  - to work with relevant bodies and departments to ensure that our infrastructure plans are aligned and, where appropriate, that these are also aligned with those in the Republic of Ireland, in accordance with North South agreements; and
  - to develop the organisation and the individuals within the organisation.
36. The outcomes of achieving these objectives will be that, by the end of the period covered by this plan:
- SIB has helped Departments deliver larger and better project procurements (in terms of faster delivery, lower risk and best value) than would otherwise have been possible;

- SIB has met Ministers' targets for the generation of additional capital through asset realisation;
  - SIB has helped Departments develop and implement estate management strategies;
  - SIB has assisted the Private Sector deliver public sector infrastructure in ways that foster the development of the local economy;
  - where it is involved, SIB has worked to ensure that sustainable development principles guide capital investment decisions on all major publicly funded buildings and infrastructure projects;
  - SIB has helped Departments develop their infrastructure programme and project delivery capability so that projects and programmes can be delivered more efficiently and effectively;
  - SIB has provided detailed information to its stakeholders on progress with the implementation of the Investment Strategy; and
  - SIB has developed as an organisation so that it meets the requirements of its stakeholders: Ministers, local representatives, the Departments, its shareholder (OFMDFM), private sector bidders, its staff and the public.
37. SIB operates within a performance management framework that is consistent with the FABRIC3: approach to performance information. The key performance targets linked to its medium-term objectives are:
- to support the delivery of key programmes and projects in the ISNI (as agreed with departments and set out in Investment Delivery Plans);
  - to meet Ministers' targets for the generation of additional capital through asset realisation;
  - to assist departments make best use of their asset base;
  - to provide support for reform in ways agreed with OFMDFM and set out in SIB's annual business plan.

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<sup>3</sup> *Choosing the Right FABRIC - A Framework for Performance Information*, HM Treasury *et al*, March 2001.

## ***Operating Strategy***

38. SIB's operating strategy describes its high-level approach to delivering its objectives and outcomes. The Company's concept of operations is to deploy resources:
- in support of projects and the development of public sector delivery capabilities;
  - to improve the public sector's management of its estate and realise surplus assets; and
  - to encourage a well-informed market capable of delivering projects at competitive prices.
39. SIB will, at all times, ensure that its work is aligned to the requirements and priorities of the Executive.
40. SIB will deploy staff and expert advisors to work in partnerships with Departments, representative bodies and the third and private sectors to monitor and, where necessary, update the Investment Strategy. We will recommend amendments to the strategic investment profile where our research indicates these are necessary.
41. SIB will work with our colleagues in DFP and OFMDFM to monitor the delivery of the Investment Strategy and, where necessary, will recommend the redeployment of resources to ensure that the Executive achieves the maximum return from the available capital.
42. SIB will review the processes used to produce ISNI3. It will apply the lessons learnt from this assessment to the production of future ISNIs.
43. SIB will seek to work more closely with departments in the preliminary strategic thinking that precedes the identification of infrastructure projects. We will use our over-arching view of investment to promote greater cross-cutting cooperation in the design of programmes.
44. SIB will develop its capability to provide Ministers with advice on infrastructure, and infrastructure-related, problems and opportunities. In particular, it will seek to identify the structural obstacles to the effective delivery of infrastructure; ways in which infrastructure can better support economic development and the nature of , and possible solutions to, the region's 'infrastructure deficit'.

45. SIB will deploy staff in support of individual projects and programmes. We will agree the terms of engagement of our advisors with our partners and, where appropriate, express these in formal Operational Partnership Agreements. Where this will accelerate delivery and reduce risk, we will use our enabling budget to part-fund expert professional services employed by Departments. SIB has a clear understanding of where the skills, knowledge and experience of our staff add most value, and conversely where the deployment of its staff contributes more marginally to the work of our clients. Where there is a new or emerging need for our support, we will continue to respond by creating the required capability.
46. The company will continue to focus its effort on those programmes and projects that are difficult, complex, and have a significant requirement for the additional skills and experience brought by SIB staff.
47. In this context the concept of 'difficulty' means that projects must have one or more of the following challenges:
- contract arrangements are likely to be multifaceted;
  - there are multiple stakeholders;
  - the scale of the projects will be large; and
  - their project management requirements are complex.
48. 'Additionality' means that the project needs, for example, sustained input from SIB staff who have:
- the facility to develop markets, reduce consultancy spend, shorten schedules; allocate risk and cut costs;
  - the ability to maximise the leverage of private to public funding and create value through matching private capital to public assets;
49. At a time when we must prioritise carefully, we intend to concentrate on those areas where our impact will be most beneficial. SIB will, however, keep under review those areas that do not currently have such characteristics and which do not therefore require its involvement.
50. The fact that a project expects to use PFI/PPP will not, of itself, mean that SIB should automatically support it.

51. This approach will, of course, be subject to review in the light of changing circumstances and SIB will always respond positively – within available resources - to Ministerial, Departmental and Council requests for assistance.
52. The Company will continue to identify opportunities where its staff can usefully fill project and programme director posts. It is clear from the growth in the number of SIB staff being deployed in such roles that this is a capability that its customers find particularly useful.
53. We are aware that a number of new PPP and other innovative financing models are emerging elsewhere and will continue to assess whether there are opportunities to apply these in the region.
54. In furtherance of the government's reform programme, SIB will work to improve the delivery capabilities of Departments, for example by supporting the development of Programme Delivery Support Units. We will continue to offer secondment opportunities to staff from other public bodies.
55. In accordance with ministerial policy we will work to reduce the reliance of public sector infrastructure delivery managers on external consultants. We will reduce our expenditure on consultancy and build our own 'in house' capability. We will increase our use of short-term staff contracts linked to the delivery of particular projects or elements of projects. Our annual business plans will aggregate demand for professional services across projects and programmes and, where this delivers best value, we will seek to meet this demand through the recruitment and employment of Associate Advisors and Counsel in preference to external consultants and lawyers.
56. SIB will work closely with the Procurement Board and Central Procurement Directorate to implement best practice in procurement across central government. We will continue to promote the use of standard contracts where these reduce costs and lead times. We will work to reduce bid costs for the private sector by ensuring procurements are managed efficiently.
57. SIB will continue to identify opportunities for public private partnerships where these offer value for money. In line with national policy, SIB will review operational PPP contracts to determine whether there is any scope in them to reduce costs and drive out further efficiencies.

58. The Company will continue to support public sector commercialisation by providing expert advice to those embarking on such activities.
59. SIB acts as a bridge between the public and the third and private sectors to promote mutual beneficial understanding. We will continue to inform the market of the flow of projects and develop contacts in private firms with the aim of encouraging their interest in the region as a place to do business. We will continue to develop links with the third sector and promote its greater understanding of the role of infrastructure and the potential to assist its work. We will seek to improve and inform public understanding and political debate on infrastructure issues. We will achieve this through a marketing mix that includes sponsored conferences and seminars, workshops, sector briefings, personal meetings, magazine and newspaper articles, the SIB web site and media interviews.
60. The company will continued to develop the Investment Strategy Delivery Tracking System, a web-enabled database that provides detailed information on projects and programmes. We will continue to monitor the success of this system in meeting the different needs of our stakeholders. In particular, we will take account of the requirements of Assembly Members and Committees who receive monthly reports generated by the system.
61. As part of the process of implementing the Investment Strategy, SIB will assist government departments to embrace sustainable development principles when formulating infrastructure investment proposals.
62. We will continue to develop our organisational capabilities. We will work to recruit and retain high-quality advisory staff. We will invest in new IT systems where these will improve our efficiency and effectiveness. We will ensure we meet the high standards of financial management and record keeping required by the public sector. We will maintain our reporting regime and continue to meet the information needs of OFMDFM and DFP. We will continue to fulfil our obligations under the Freedom of Information Act.
63. Recognising that the Company will need to respond to increasing demand for its services, we will, for each project, work with our clients to identify the most appropriate way of funding our work. This will, in certain cases, continue to be through grant-in-aid from OFMDFM, but in others may include SIB recouping elements of its costs through co-funding arrangements with Departments.

64. SIB will have due regard for the need to promote positive attitudes towards disabled people and encourage participation by disabled people in public life. We will continue to comply with our Section 75 obligations. We will develop a new Equality Scheme and thereafter raise awareness of it, monitor its implementation and communicate its content both internally and externally.
65. The Board will consider carefully the recommendations of the SIB Review, when published, and will work with the shareholder to implement these according to an agreed schedule. Where the implementation of such recommendations requires this plan to be adapted or refined, this additional work will be incorporated into the relevant Business Plan(s).

### ***Forecast of Expenditure & Income***

66. OFMDFM funds SIB by means of grant-in-aid. Ministers and OFMDFM agree the budget prior to the commencement of the financial year to which it relates. SIB's budget is allocated across two main budget areas:
- The enabling budget, which is used to pay for external expertise required in connection with infrastructure projects. We will normally seek to share those costs with a department on a 50:50 basis, but we have the authority to commission professional services in our own right; and
  - The operating budget, from which salaries, expenses, accommodation and other running costs are met. This budget also funds internal consultancy related to the internal functioning of SIB. More than 90% of SIB's employment costs are incurred directly supporting projects and programmes.
67. The table below shows SIB's budget for the period 2010-14.

	<i>2010/11</i>	<i>2011/12</i>	<i>2012/13</i>	<i>2013/14</i>	<i>2014/15</i>
Enabling Budget:	<i>4,913</i>	<i>3,077</i>	<i>3,022</i>	<i>2,967</i>	<i>2,911</i>
Operational Budget:	<i>3,648</i>	<i>3,462</i>	<i>3,396</i>	<i>3,329</i>	<i>3,263</i>
Baseline:	<i>8,561</i>	<i>6,539</i>	<i>6,418</i>	<i>6,296</i>	<i>6,174</i>

All figures in £000s.

*SIB Budget 2010/14*

## **SIB BUSINESS PLAN 2011–12**

## **Introduction**

1. This Business Plan defines the business targets of Strategic Investment Board Limited (SIB) for 2011/12. The Business Plan is derived from our three-year Corporate Plan, which sets out SIB's medium term objectives and high-level corporate strategy. Taken together these documents describe the outcomes and the outputs we will deliver using the resources we have been allocated. The plan is predicated on departmental funding allocations that are not confirmed at the time of writing. The Business Plan will, therefore, be updated later where this is necessary.

## **The Board**

2. The Board has overall responsibility for setting and monitoring strategy, for developing and implementing policy and for supervising risk management, budgetary control and business planning. The Board's Audit Committee provides assurance to the Department (OFMDFM) as shareholder that the company's financial and other control systems are operating effectively. A list of members of the Board is attached at Appendix C.

## **The Organisation**

3. The Interim Chief Executive directs the work of SIB and manages its day-to-day support operations. An organisation chart, showing the structure of the company and a breakdown of staff currently in post can be found at Appendix D.

## Objectives & Targets

4. SIB is focused on delivery. Its key targets for 2010/11 are set out in Appendix B. These focus on the most significant projects SIB supports (see section of prioritisation below) and have been developed in consultation with the relevant departments.
5. In addition to the targets documented in this plan, the executive directors also monitor a range of internal performance indicators and reports on these to the Board quarterly.
6. All staff agree individual performance targets with their line managers and progress against their achievement is assessed both informally and at formal review meetings.

## Prioritisation

7. The budgetary pressures SIB faces mean that it must prioritise its work carefully. Having considered the direction provided by Ministers and officials in OFMDFM and taken into account the Executive's priorities as set out in the draft Programme for Government, SIB has classified the programmes and projects it supports as follows:
  - a. First Order Priorities: those projects which have a regional significance and where SIB's involvement is critical to their success.
  - b. Second Order Priorities: those projects which have a significant local impact and where SIB makes a substantial contribution to the success of the project.
  - c. Third Order Priorities: projects that, though worthwhile, do not fall into either of the other two categories. SIB support will be provided to these projects when resources permit.

A list of projects that SIB plans to support in 2011-12 is attached at Appendix E.

## Budget 2011/12

8. The 2011/12 budget provision comprises:

Enabling Budget:	£3,077k
Operating Budget:	£3,462k
<b>Total:</b>	<b>£6,539k</b>

9. The projected allocation of the enabling budget to projects is set out in the table below.
10. In order to ensure the most effective use of the enabling budget, SIB has over-programmed its work in the expectation that not all projects will proceed according to plan and that projected expenditure will reduce during the year. The extent of over-programming is also set out below.

**Major Programmes & Projects**

Lisanelly	911	26.8%
Waste Programme	500	14.7%
NI Prison	100	2.9%
TQSP	80	2.4%
Desertcreat	75	2.2%

**Asset Management & Commercialisation**

Asset Management Unit (CART)	285	8.4%
Commercialisation	90	2.6%
NI Water	50	1.5%

**Regeneration Projects**

Belfast Regeneration Projects	500	14.7%
Belfast Transport Hub	200	5.9%
Support to Local Councils	50	1.5%

**Strategic Advice**

DVLA	140	4.1%
Housing Executive	50	1.5%
Odyssey Trust	42	1.2%
Erne Hospital	25	0.7%

**Other**

ISNI & Research	125	3.7%
Armagh Educational Campus	80	2.4%
ILEX Support	50	1.5%
Belfast Bike Hire	30	0.9%
Social Clauses Toolkit	15	0.4%

Total:	3,398	
Baseline:	3,077	
Surplus/(Overprogramming):	(£321)	-9%

*SIB – Allocation of Enabling Budget to Projects (£000s inc VAT)*

11. The projected breakdown of operating costs is:

<b>Operational Budget</b>	
Employment Costs (Net)	2,541
Office Accommodation	150
Relocation, Pension and other Employee Costs	128
Secondment Fees	119
Audit & CPD Costs	112
Recruitment	96
Director Costs	80
Travel, Accommodation & Subsistence	66
IT Fees	48
Training	43
Mobile Phones & Postage / Phones / Courier	18
Miscellaneous Operational Costs	14
Communications	12
Stationery	9
Computer Software & Hardware	9
Conferences	7
Hospitality	5
Equality Support	5
	<b>Total: 3,462</b>
	<b>Baseline: 3,462</b>
	<b>Surplus/(Overprogramming): 0</b>
All costs in £000s	

*SIB – Breakdown of operating costs*

12. The planned allocation of Strategic Advisors to First Order programmes and projects is shown below:

<i>Programme/Project</i>	<i>Resources</i>
Belfast Rapid Transit	1 Advisors
Commercialisation	1 Advisor & 1 Assistant Advisor
Desertcreat Training College	1.5 Advisors
DoJ Prison	0.5 Advisor
Investment Strategy & Analysis	1 Advisor, 2 Assistant Advisors
Lisanelly Educational Campus	1 Advisor
MLK Development Corporation	2 Advisors, 1 Assistant Advisor
The Asset Management Unit	3 Advisors
The Titanic Quarter Signature Project	1 Advisor
Waste Programme	3 Advisors

## **Appendix A: Review of 2010/11**

### ***SIB Achievements***

During 2010/11, SIB was responsible for:

- initiating the establishment of the Asset Management Unit within SIB ;
- providing Project Directors for the:
  - Desertcreat Training College;
  - Lisanelly Educational Campus;
  - Downshire Site Redevelopment;
  - Belfast Rapid Transit Programme;
  - Titanic Signature Project;
  - North West Regional Waste Management Procurement;
  - Arc21 Waste management procurement; and
  - The Maze Long Kesh (MLK) programme delivery unit (PDU).
- the continuing fulfilment of the Belfast Schools Strategic Partnering Agreement and the construction of schools and libraries in the Belfast Strategic Partnership programme. (independently assessed to be among the top 100 projects in the world in terms of their ability to transform the society they serve);
- the operation of the interim AMU, including work on the Belfast Transport Hub, Colin Town Centre Development and the East Belfast Shatter Zone;
- supporting OFMDFM by:
  - creating and staffing the MLK PDU that has been working on the regeneration of the site prior to the formal establishment of the MLK Development Corporation;
  - drafting the bid to the for €20m of SEUPB funds to support the establishment of a conflict transformation centre at Maze/Long Kesh

- continuing to support the Waste partnerships through the staffing of the Waste Programme Delivery Support Unit;
- assisting DE to
  - reach Financial Close for Lagan & Torbank PPP Schools deal; and
  - deliver four new schools under the Down & Connor PPP programme;
- supporting DHSSPS in the delivery of the new Enniskillen hospital;
- supporting London~Derry City Council and the North West through:
  - supporting Derry City Council's successful bid to become the UK City of Culture and providing communications and recruitment support to the Culture Company; and
  - supporting the conclusion of a contract that implements new management arrangements for the City of Derry airport.
- assisting Forest Service and the Agri-food and Biosciences Institute (AFBI) implement their commercialisation strategies;
- assisting the Department of Justice in its work on the new prison and on its estates strategy;
- assisting DVA in the review of its contract for the operation of MOT centres;
- supporting DSD with the Social Housing Development Programme and its strategic review of the Housing Executive;
- enhancing the Social Clauses Toolkit that will assist departments implement ministers' procurement policies;
- assisting Crusaders and Newington football clubs promote their vision of a sports village and shared stadium;
- supporting DCAL
  - in its work with BELB on Belfast Central Library and other libraries in the Greater Belfast area;
  - in its work on the proposed new sports stadia; and
  - its commercialisation strategy.

- supporting NITHCO in the development of proposals for the Belfast Transport Hub;
- supporting the development of a site development plan and the preparation and submission of a planning application for An Droichead;
- supporting DSD in the development of a sustainable framework for the development of the Glen Road Community Complex;
- supporting Belfast City Council in its work addressing the problems of the Holylands area;
- supporting the development of an Outline Business Case and Development Plan for the Colin Centre.
- supporting the development of the Coláiste Feirste site in West Belfast;
- supporting Coleraine Borough Council in its work on the regeneration of Portrush;
- supporting the Southern Health and Social Care Trust and Banbridge District Council on the redevelopment of the Rathfriland site;
- supporting Fermanagh District Council in the development of a shared service facility on the Erne Hospital site at Enniskillen;
- supporting the re-development of the St Comgall's School Site, including drafting the bid for €10m of EU funds to support the development;
- supporting the team delivering the Connswater Community Greenway;
- supporting the work of the Belfast Area Partnerships;
- supporting DETI's work on the MATRIX programme;
- completing a commercial review of the Odyssey Trust Company for DCAL;  
and
- supporting the development of a business case for a public bike hire scheme in Belfast.

## ***Implementation of the Investment Strategy***

### **Networks**

By the end of the year it is expected that some £300m will have been invested in roads. This included the completion of the major upgrades to the A1 and A4, the A26/M2 Ballee Road East scheme in Ballymena and A29 Carland Bridge.

Over £60m has been invested in public transport, including the delivery of sixty high-capacity single deck buses and forty-eight rural single deck buses. The Park & Ride scheme at Cairnshill provides over seven hundred car parking spaces and opened in August 2010. Construction is also underway to extend railway station platforms at various locations throughout the NIR network to support the deployment of new (Class 4000) rolling stock.

### **Skills**

Over £180m has been invested in schools across the region. The final phase of works is currently underway at a number of schools which have recently re-opened, for example, St Cecilia's College and St. Mary's College in Derry-Londonderry and the demolition of old buildings and landscaping at the Belfast Boys' Model school. Work is currently underway at school sites including; Whitehouse Primary School, Newtownabbey, Banbridge Academy, Magherafelt High School, St Patrick's Grammar School Downpatrick, Our Lady and St Patrick's Knock.

Approaching £100m will have been invested in Higher and Further Education. In April 2010 a new build FE campus opened in Lisburn and the new motor vehicle workshop and construction centre at South Eastern Regional College campus in Newtownards was completed in June 2010. Construction continues at the North West Regional College Strand Road campus and the South Eastern Regional College campuses at Downpatrick, Newcastle and Ballynahinch.

Work is underway to refurbish three Belfast libraries in the Falls Road area, Shankill Road area and at Whiterock. The complete renovation of Newry library is scheduled to be complete by March 2011.

Construction of the Belfast Metropolitan College in the Titanic Quarter is ahead of schedule site. The new building will open in time for the coming academic year.

### **Health**

By the end of 2010-11 it is expected that over £200m will have been invested in Health measures. A wide range of infrastructure projects were completed during the year including:

- Altnagelvin Redevelopment Phase 3.2b in July 2010, delivering a new three story building incorporating a Coronary Care Unit, Acute Medical Unit and Stroke Unit;
- Phase A of the Critical Care Complex at the Ulster Hospital in December 2010 (£53m). The final part of Phase A involved constructing the new Critical Care Building and refurbishment of the Care of the Elderly Unit;
- Construction of the Conicar Learning and Physical Disability Centre in July 2010, providing an assessment and treatment service for children and young people with a learning disability;
- Completion of the fourth phase at Muckamore Abbey Hospital in September 2010, which includes new meeting rooms, new offices for clinicians and consultants and shared training areas;
- Investment in Lagan Valley Modular Theatres replacing the current outdated theatres with a high quality, safe and effective environment.

Construction is well advanced at the SW Acute Hospital in Enniskillen and work is continuing on Phase 2b of the Critical Care block at the RVH.

## **Social**

By the end of 2010/11 it is expected that over £250m will have been invested in Social Housing and that since the launch of the Investment Strategy some 5,000 social homes will have been built.

It is expected that circa £35m will have been invested in Regeneration schemes and a further £40m of capital invested in Culture, Arts and Leisure. Some of the key achievements during the year were:

- Completion of the extended Crescent Arts Centre which re-opened its doors to the public in April 2010;
- Completion of the new accommodation for the Public Record Office of Northern Ireland (PRONI) sited in the Titanic Quarter in July 2010;

- Completion of the Jobs and Benefits Offices in the Andersonstown area of Belfast in April 2010 and in Ballymena in November 2010;
- The Belfast Streets Ahead project is due to finish in Spring 2011.

### **Environment**

Investment in Water and Waste Water infrastructure continued in 2010-11 and it is likely that over £170m will have been invested by the end of the year.

A number of schemes reached completion during the year including:

- Constuction of a new Waste Water Treatment Works (WwTW) on the existing Bushmills site to treat flows from Bushmills and Portballintrae and discharge to River Bush,
- Lisburn Town Zone water main Improvements,
- Construction of final effluent pumping station at Lurganare WwTW,
- completion of a new discharge point at Moygashel WwTW,
- completion of Belvoir Park Trunk Sewer, works at Coalisland WwTW and Dungiven WwTW.

### **Productive**

By the end of 2010-11 it is expected that over £40m of Enterprise Support will have been offered to Invest NI clients. Since 2008, financial assistance offered by Invest NI along with other forms of revenue assistance will have leveraged an estimated £1.7 billion in investment.

It is anticipated that £35m will have been invested in improving the region's Tourism offering. Construction works are progressing on the Tourism Signature Projects including the Giant's Causeway Visitors Centre and the Titanic Signature Project, which will be completed in the Spring of 2012.

Almost £20m will have been invested in Public Sector Reform introducing Shared Services such as IT Assist, Network NI, NIDirect, Account NI, Records NI and HR connect

At £1.5Bn (gross), the level of investment this year is lower than the record levels of investment of £1.7bn in each of the two preceding years. This is because the quantity and value of capital receipts realisable during the year fell from the levels planned when ISNI 2

was published in January 2008. These reductions reflect prevailing conditions in the local property market.

## Appendix B: Key Objectives for 2011/12

Project	Desired Outcome(s)	Actions	Performance Targets
Belfast Rapid Transit	Project is delivered according to plan and budget.	SIB will continue to provide a Programme Director for the project.	<p>To have completed public and stakeholder awareness exercises by 31 December 2011.</p> <p>To have completed the OBC Appraisal Report by 31 January 2012.</p>
Commercialisation	Departments' commercial capabilities have been increased.	SIB will continue to provide funding and advice to departments undertaking commercialisation activities.	To have supported at least two Departments undertake significant commercialisation activities by 31 March 2012.

Project	Desired Outcome(s)	Actions	Performance Targets
Desertcreat Training College	Project is delivered according to plan and budget.	SIB will continue to provide a Programme Director and funding for the project.	<p>To develop the detailed client requirements documents to enable a tender process to be instigated by 31 October 2011.</p> <p>To complete a Business Transition Plan (complete with Benefits Realisation strategy) for the new college by 31 March 2012.</p>
DoJ Prison	Project is delivered according to plan and budget.	SIB will continue to provide funding and advice to the project.	<p>To continue to meet the objectives for the new Prison set out in the OPA agreed with DoJ.</p> <p>To have enabled NIPS to align its infrastructure specification and new prison location to its strategic objectives and reoffending strategy by 31 March 2011.</p>

Project	Desired Outcome(s)	Actions	Performance Targets
Investment Strategy	The Investment Strategy continues to embody the priorities of the Executive ministers and provides a road map for the delivery of the infrastructure the region requires.	<p>To keep the Investment Strategy under regular review.</p> <p>To conduct research that will inform future iterations of the strategy and inform departments' investment decisions.</p>	<p>To have formally reviewed progress with the implementation of the ISNI and reported on this to OFMDFM Ministers.</p> <p>To have reviewed the process for producing the ISNI and documented new arrangements for ISNI4.</p> <p>To have delivered substantial input to at least one department on the development of a Strategic Estates Planning Model (SEPM).</p>
Lisanelly Educational Campus	Project is delivered according to plan and budget.	SIB will continue to provide a Programme Director and funding for the project.	<p>To finalise Exemplar Design and EIA for submission of Outline Planning Application, by end-May 2011.</p> <p>To have submitted a Business case to DFP by end-September 2011.</p>

Project	Desired Outcome(s)	Actions	Performance Targets
MLK Development Corporation	The MLK Development Corporation is established and delivering the benefits set out in its business plan.	SIB will continue to provide the Programme Director and other staff to the project.	To deliver the MLK regeneration programme in line with its agreed plan until the Maze Long Kesh Development Corporation is established in October 2011.
The Asset Management Unit (AMU)	The AMU has met the targets set for it by the Executive.	SIB will provide a Programme Director, staff and funding for the work of the unit.	<p>To establish the AMU by end-April 2011.</p> <p>To have agreed a business plan with the Executive by July 2011.</p> <p>To have raised £10m through asset disposals by April 2012.</p>

Project	Desired Outcome(s)	Actions	Performance Targets
The Waste Programme	The PDSU has supported the three waste management groups to achieve their objectives.	SIB will continue to provide a Programme Director, staff and funding for the work of the unit.	<p>For each procurement to have reached financial closure in line with project plans.</p> <p>The Waste PDSU will have a fully developed contingency plan in place to provide merchant capacity to the WMGs, should one or more of the 3 procurements stall.</p>
Second Order Priority Projects	SIB delivered the outcomes set out in the OPAs with the customers for these projects.	As set out in the OPAs.	To have met 80% of the objectives set out in customer OPAs.

## Appendix C: Board Members

<b>Dr. David Dobbin</b>	Chairman (since November 2009) Non-executive Director (since October 2005)
<b>Mr. Frank Hewitt</b>	Non-Executive Director (since December 2010)
<b>Ms. Geraldine McAteer</b>	Non-Executive Director (since November 2009)
<b>Mr. Bro McFerran</b>	Non-Executive Director (since November 2009)
<b>Mr. Denis Rooney</b>	Non-Executive Director (since November 2009)
<b>Mr Chris Thompson</b>	Non-Executive Director (since December 2010)
<b>Mr. David Waugh</b>	Non-Executive Director (since November 2009)
<b>Mr. Brett Hannam</b>	Interim Chief Executive (since April 2010) Chief Operating Officer (since January 2006)

# Appendix D: SIB Organisation Chart

Strategic Investment Board Limited: as at March 2011

Post Vacant  
Chief Executive

Strategic Advisors

**Brett Hannam**  
Chief Operating Officer

**Gregor Hamilton**  
Legal Director

ISNI

Martin Spollen  
Johann Gallagher (0.9)  
Patrick McMeekin

**Patricia Mallon**  
Finance Manager (0.8)

Waste PDSU #

Asset Management Unit  
Paul Kernan

**Sam Pringle**  
Information Manager (0.6)

**Alan McVicker**  
PDSU Director - Waste Management

**Ciaran Cunningham**  
Comms Manager - Waste Management

Skills

John Adamson (0.2)  
Pat O'Neill (0.5)

**Julie Monahan**  
HR Manager (0.5)

**Noel Scott**  
Waste PDSU - Planning Adviser

**Ann Boal**  
Waste PDSU - Admin Officer

Health & Commercialisation

Leo McKenna  
David Gilmour

**Stephen Jamison**  
Assistant Accountant

**Gavin Thompson**  
Waste PDSU - Financial Controller

**Mike Smith**  
Waste PDSU - Contracts Adviser

**Fiona Kane**  
Communications Adviser (0.6)

Maze/Long Kesh

Kyle Alexander  
Mary KcKee (0.8)  
Kerri Farnsworth #  
Kenny Knox ▶  
Bernie Traill ▶  
Julie Harrison ▶ (0.6)

**Wesley Emmett (0.4)**  
Strategic Recruitment

Project Managers

**Joanne Donnelly**  
Finance Assistant

**Jonathon Gray #**  
Project Manager - NWR Waste Management

**Terri Keates**  
PA to Chief Executive

**Colin McCrossan**  
Project Manager - Desertcreat

**Ciaran de Burca #**  
Project Manager - Rapid Transit

Productive Sector

Bryan Gregory

**Alena Orr**  
Senior Administrator

**Hazel Jones #**  
Project Manager - Lisanelly

NIO Projects

Pat O'Neill (0.5)

**Lisa Nelson**  
Intern/ Research Assistant

**John Green**  
Project Manager - Arc21

**Orlaith Potter**  
Intern/ Research Assistant

▶ : Secondee

# : Do not count against headcount limits

## Appendix E: Supported Programmes & Projects

(Note: Projects are listed alphabetically within priorities.)

<i>Priority &amp; Project</i>	<i>Type of SIB Support</i>
<i>First Order Priorities</i>	
Belfast Rapid Transit	Programme Director
Commercialisation	Funding & Advice
Desertcreat Training College	Programme Director & Funding
DoJ Prison	Funding & Advice
Investment Strategy	Programme Director, Staff & Funding
Lisanelly Educational Campus	Programme Director & Funding
MLK Development Corporation	Programme Director & Staff
The Asset Management Unit	Programme Director, Staff & Funding
The Titanic Quarter Signature Project	Programme Director & Funding
Waste Programme	Programme Directors, Staff & Funds
<i>Second Order Priorities</i>	
A5, A6, A8 Roads	Advice
An Droichead	Funding & Advice
Armagh Educational Campus	Funding & Advice
BCC/Holylands Study	Funding & Advice
Belfast Metropolitan College	Advice
Belfast Partnership Boards	Funding & Advice
Colin Regeneration Projects	Funding & Advice
Connswater Community Greenway	Advice

Council Regeneration Projects	Funding & Advice
DCAL/Odyssey Trust	Advice
DE/BELB/Belfast Libraries	Advice
Downpatrick Town Centre	Advice
DRD/Belfast Bicycle Hire Scheme	Funding & Advice
DRD/DVA	Funding & Advice
DRD/NI Water	Funding & Advice
DSD/NIHE Review	Funding & Advice
Erne Hospital Shared Services	Funding & Advice
Glen Road Regeneration	Funding & Advice
Sally Gardens Regeneration	Funding & Advice
Shatterzone Regeneration Project	Funding & Advice
Social Clauses Toolkit	Funding & Advice
South West Acute Hospital	Advice
Sports Stadia	Advice
St Comgall's	Advice
Streetscape	Funding & Advice
Templemore Avenue Regeneration	Funding & Advice
Titanic Quarter Signature Project	Funding & Advice

## Appendix F: Glossary of Acronyms

AFBI	Agri-food and Biosciences Institute
AMP	Asset Management Plan
AMU	Asset Management Unit
AWC	Advanced Works Contract
BAFO	Best and Final Offer
BELB	Belfast Education and Library Board
BIFHE	Belfast Institute of Further and Higher Education
BURA	British Urban Regeneration Association
C2K	Classroom 2000
CCNI	Construction Council for Northern Ireland
CODA	City of Derry Airport
CRG	Crumlin Road Gaol
CSR	Comprehensive Spending Review
D&B	Design and Build
DBFO	Design, Build, Fund and Operate
DCAL	Department of Culture, Arts and Leisure
DCC	Derry/Londonderry City Council
DE	Department of Education
DF	Director of Finance
DFP	Department of Finance and Personnel
DHSSPS	Department of Health, Social Services and Public Safety
DID	Delivery and Innovation Division
DOE	Department of the Environment
DoJ	Department of Justice
DSD	Department of Social Development

DST	Decision Support Tool
EIPS	Education Infrastructure Procurement Service
EFW	Energy from Waste
EQIA	Equality Impact Assessment
EIPS	Education Infrastructure Procurement Service
ESA	Education and Skills Authority
EU	European Union
FBC	Final (Full) Business Case
FM	Facilities Management
HR	Human Resources
HSSA	Health and Social Services Authority
ICT	Information and Communications Technology
ICCT	International Centre for Conflict Transformation
IDG	Inter-Departmental Group
IDP	Investment Delivery Plan
ILEX	Derry~Londonderry Urban Regeneration Company
ISNI	Investment Strategy for Northern Ireland
ISOP	Invitation to Supply Outline Proposal
ITN	Invitation to Negotiate
JV	Joint Venture
KPI	Key Performance Indicator
MLK	Maze/Long Kesh
NIAS	Northern Ireland Ambulance Service
NICS	Northern Ireland Civil Service
NIFRS	Northern Ireland Fire and Rescue Service
NIHE	Northern Ireland Housing Executive
NISM	Northern Ireland Schools Modernisation

NIWL	Northern Ireland Water Ltd
NIWS	Northern Ireland Water Service
OBC	Outline Business Case
OFMDFM	Office of the First and Deputy First Minister
OFREG	Office of the Regulator
OPP	Outline Planning Permission
OSNI	Ordnance Survey Northern Ireland
PCCI	Primary Community Care Infrastructure
PDU	Programme Delivery Unit
PDSU	Programme Delivery Support Unit
PPP	Public-Private Partnership
PUK	Partnerships UK
QA	Quality Assurance
RUAS	Royal Ulster Agricultural Society
R&D	Research and Development
SBC	Strategic Business Case
SCNI	Sports Council Northern Ireland
SEUPB	Special European Union Programmes Body
SIB	Strategic Investment Board Limited
SIP	Strategic Investment Plan
SDP	Strategic Delivery Plan
SRO	Senior Responsible Officer
SWAMP	Southern Waste Management Partnership
TOR	Terms of Reference
TQSP	Titanic Quarter Signature Project
WAN	Wide Area Network
WM	Waste Management

WMI

Wider Markets Initiative

WWTW

Waste Water Treatment Works