

Strategic Investment Board

Chief Executive's Report – June 2013

PFG Projects

Belfast Rapid Transit (BRT)

The next stage of 'Belfast on the Move' will officially go-live on 3rd June. However, the changes were actually implemented – without difficulty – on 31st May.

Belfast Transport Hub

Bryan Gregory currently has responsibility for advising Translink on the project.

City of Culture

The Radio 1 'One Big Weekend' was a great success and engendered considerable positive publicity for the city.

The underground car park at Ebrington is running three weeks late, although this can be made up later and the project is on-budget. Building 80/81, the Turner Venue, is on time and budget.

Colin Regeneration

Talks have been held with Belfast City Council to find ways of integrating leisure provision into the Colin masterplan.

DSD have asked for help in developing an overarching communications strategy for the programme.

The first Programme Board for the Ballycillan regeneration project, a sister project to Colin, has been held.

Delivering Social Change

Brenda will report to the Board meeting on her work within the 'Delivering Social Change' programme and, in particular, the design of the HEaT Programme (the successor to the 'Green New Deal').

Angela Reavey (previously a Director with BDO, has been recruited as an Associated Adviser and is working as the temporary Project manager for HEaT. She gave well-received presentations to the OFMDFM SpAds and we received their authority to continue development work. Emma Little, FM's SpAd, has suggested that the presentation should be given to FM and dFM as a means of accelerating the approvals process and determining which Department will take on responsibility for delivery.

Desertcreat College

I will brief the Board at the meeting on recent developments with Desertcreat.

E-Cars

No significant developments.

Implementation of the Education & Skills Authority

Work continues to plan.

Gavin Boyd is keen to adopt the SIPM approach formally once ESA is fully constituted. In the interim, he is recommending to schools that they engage with SIB directly - and Martin is currently assisting Belfast Royal Academy under this arrangement. Separately, he was contacted by NUI Maynooth, which has been appointed to assess the potential to develop a similar capacity for the Republic's Dept of Education.

Denise Stockman continues to perform the role of Interim Director Designate for Operations and Estates in the ESA Implementation Team. She will have another two members of staff join her team in the next few weeks to concentrate on transport and catering. Additionally, she is representing DE on the CPD "Task and Finish Group", examining best practice in the management of maintenance contracts.

Lisanelly

Loreto College was expected to announce that it had finally decided to join the Lisanelly project. However, at the time of writing the expected letter setting out this decision has not arrived.

Hazel Jones has produced an outline resource plan for the delivery of the project. It is likely that DE will ask SIB to provide some or all of the key staff required by the plan.

MLK Development Corporation

The RUAS Show was a great success, despite traffic problems on the first day. 100,000 visitors attended, (14,000 cars were parked on the site at one point), an increase of 25% in comparison with the last show at Balmoral.

Two SIB staff have transferred to the MLK Development Corporation.

I met with representatives of the OECD who were visiting MLK and who will write up a report for Ministers on the best way to organise the Corporation to ensure successful delivery.

PbCRC

The OJEU notice has now issued. Although this was seven weeks behind schedule, the team believes that five weeks can be made up later.

NI Prison Service Estates Strategy

The Minister has announced his investment plans for the prisons estate. These include seven major projects with a total value of over £200m. This figure is well above the sum likely to be available within the current ISNI. Geoff Rossington will shortly begin the procurement of consultants to assist with the construction of business cases for each of the projects.

Poultry Waste SBRI Project

Contracts have now been issued to 8 bidders for 9 projects, so Phase 1 is now properly underway. The completion date for Phase 1 is 15th Nov 2013. Samples of Poultry litter are being made available to bidders by Moy Park. A joint Ministerial Press Release is due to go out on 3rd June announcing the outcomes of the Phase 1 competition and that 8 bidders have been awarded contracts. The first round of invoices and progress reports will be received back from bidders in mid June for review and payment (review by SIB project team/payment by InvestNI).

The press report that Moy Park have committed to creating 2,000 new jobs if the poultry waste issue can be satisfactorily resolved.

Primary Care Infrastructure Programme

Prisons Change Programme

The Director General of the NI Prisons service has asked that Mark Adam's role be extended to incorporate additional responsibilities. This will enable him to take greater control of certain key functional areas.

Regional Stadiums Programme

Crusaders Football Club was successful in gaining leave for the judicial review of DCAL's decision to provide aid for the redevelopment of Windsor Park. *Social Housing Reform*

The DSD Minister has agreed to provide the substantial funding (£17m) required to deliver the programme.

The four senior posts in SIB required to deliver the programme have been advertised.

NIPSA has launched a campaign to stop the Social Housing Reform Programme.

Strategic Waste Programme

The Councils of the North West Region Waste Management Group (NWRWMG) have agreed to appoint a consortium consisting of Shanks, Brickkiln and Sisk as its preferred bidder in the

£500m procurement exercise. The consortium, known as SBS Waste Partnership, will now enter a final period of fine tuning with the NWRWMG in preparation for the signature of the contract to deliver a mix of Mechanical Biological Treatment (MBT) and gasification technologies.

REVENUE FINANCED INVESTMENT (RFI)

Leo McKenna has held a series of meetings with officials and the DRD SpAd to consider the possible use of RFI to fund roads schemes. The position has been complicated by extra conventional capital becoming available as a result of the delays to the A5 and additional funding from London.

Leo met separately with Bank of Ireland and Barclays, who are both re-entering the project finance market. Leo also provided a briefing to 25 OFMDFM economists and other staff on the principles and practice of RFI.

I met the President of the RICS and briefed him on the prospects for RFI and other infrastructure investment in the region.

OTHER PROGRAMMES AND PROJECTS

Moving Together – Building a United Community

The Delivering Social Change (DSC) Unit has been asked to assist OFMDFM and Departments in their work on the 'Moving Together – Building a United Community' (MT-BUC) programme announced by FM and dFM. I have agreed with Denis McMahon that SIB support will be offered to Departments in the usual way and there will be no question of SIB becoming the lead delivery agent for any of the projects.

G8 Project Coordination

The Gateway Review for the project gained an Amber/Green rating. All the recommendations have been accepted.

Planning by the agencies continues and there have been a number of exercises testing contingency plans.

The team is trying hard to reinforce the message that Fermanagh is open for business despite the impact of security measures and certain travel restrictions. A local communications initiative has been launched, including the distribution of a newsletter to householders and the establishment of a web site.

Eight hundred accredited, and six hundred non-accredited, journalists are expected to attend. A press centre will be established for the latter in the Europa while the former will be accommodated in the Killyhevlin Hotel.

Belfast Media Hub/DETI

The consultants have completed their report, which is now being considered by DETI and the BBC.

Forest Service Wind Farms

Following an open competition, and subject to the necessary approvals, we have identified a Project Manager for the DARD Wind Farm project.

FE Demand Planning

Work continues on FE demand modelling. DEL officials are very pleased with SIB's input to the business cases being prepared by the Southern and Northern Regional Colleges for campus developments in their respective areas. This work will mean that both facilities will be sized more appropriately to meet demand than was originally envisaged.

HMS Caroline

The Heritage Lottery Foundation announced that it has allocated £1m to the development of a £12m bid for the restoration of HMS Caroline. The National Heritage Memorial Fund earlier provided £1.1m for immediate repairs to the ship. We have appointed Rory Miskelly (late of the IRFU Stadium and Titanic Belfast projects) as project manager in succession to Bryan Gregory.

INI PFI Buyback

Due diligence work continues. The Business Case for the purchase is under development.

RUC GC Foundation Museum

Progress will depend on freeing up funds from elsewhere.

Police Operational Decision Support System

Pat and Martin are currently drafting the Post Project Evaluation for Phase A of the PODSS work. At their most recent project meeting, PSNI asked that the project be extended to (a) cover two additional major service areas, (b) extend from Districts G & H to all districts, and (c) to incorporate more advanced techniques that they have discussed with the senior PSNI

team. Pat and Martin will prepare a business case for this work in the coming couple of weeks, when an agreed ToR is available.

World Police and Fire Games

The numbers expected to attend the games have been reduced to some 2/3 of the original estimates.

Connswater Greenway

The first contract within the revised programme has been let with a value of some £4.5m. This announcement generated considerable positive publicity.

Safety Centre

Following the rejection of the Heron Road planning application, the team are carrying out an options appraisal for five other potential sites.

ABOD Siege of Derry Heritage Project

Waterfront Exhibition & Convention Centre

The IDC has been selected and the decision is going through the Alcatel period. The state aid issue continues to be discussed with DETI. Soft market testing should begin shortly.

Support to Local Councils

SIB has been approached by three local councils seeking assistance with infrastructure projects. We have also been asked to provide advice to NILGA on a mechanism that would enable councils to aggregate projects into a programme of sufficient size to attract EIB loans. Our ability to provide such support will depend on the councils' willingness to provide additional funding.

Connected Health

It is possible that SIB will be asked to assist DHSSPS and DETI in the development of proposals to establish a European Centre for Connected Health.

RESEARCH & OTHER STUDIES

Community Consultation Toolkit

The peer review process for the toolkit continues.

Infrastructure Audit

Dr Dobbin hosted a infrastructure roundtable at the MAC, which was attended by a wide range of local stakeholders. Martin Spollen and Mark Wishart briefed the delegates as a precursor to a discussion of the issues. Delegates' views have been captured and these will be shared with the Board in due course.

Mark has now completed the first draft of the report, which is being peer reviewed. Mark is also cataloging references and completing an IA database, which can be updated periodically.

Economic Impact of G8 Study

Tenders have been invited for a series of surveys required to inform this work. A study by Barclays, which used data from the Gleneagles G8 Summit to inform an estimate of the economic impact for this region, was published. We consider that the estimates it contains are extremely optimistic.

Johann Gallagher will shortly go on maternity leave and her post has been advertised so as to allow enough time for a full handover.

Review of Commissioning and Procurement

Mags Millar has joined Paul's team and has made a very good initial impression. Her work on mapping the elements of the procurement system is proceeding well. Twelve case studies are nearing completion.

The Consultative Group has met and discussed the emerging findings and recommendations of the Study. Paul will brief the Board on these at its meeting.

GOVERNANCE, FINANCE & ADMINISTRATION

Proposed Move to Carlton House

The project team under Michael Donnelly estimates that the additional costs to SIB will be some £50,000 per annum

I have written to Properties Division to set out our position and will meet Stephen Peover shortly to discuss the issue.

External Audit FY12/13

The NIAO has concluded its audit and will provide an unqualified opinion. The auditors had no observations or recommendations.

Ministerial Derogation

FM and dFM have approved SIB's consultancy derogation for 2013/14.

Budget for FY13/14

I will come forward with proposals for addressing the pressure on funding at the next Board meeting, once the outcome of June monitoring is known.

Appointments

The Remuneration Committee has approved the appointment of five Associate Advisers; an ICT Programme Manager for ESA; a project manager for HMS Caroline and a Departmental Asset Management adviser.