

Strategic Investment Board

Interim Chief Executive's Report – December 2011

ISNI 3

The ISNI was published on 17th November, alongside the Programme for Government (PfG) and Economic Strategy. The Executive approved the draft, subject to a small number of changes, at 12:15am that morning. Subsequently, Fiona Kane, Johann Gallagher and Patrick McMeekin worked through the night to ensure the corrected draft reached the printer in time for copies to be presented to MLAs at 10:00. The First Minister and Head of the Civil Service were kind enough to write to thank the staff for their efforts.

The announcement of the delay to the Irish government's contribution to the A5/A8 projects came too late to be taken into account in the draft ISNI. Similarly, there was no prior notice that the Westminster government would allocate the region a further £134m capital¹. These issues must now be addressed before the end of the consultation period in February. Martin and I have started a series of meetings with departments, DFP, Ministers and SpAds during which we will seek to provide decision-makers with a range of options and scenarios. Martin will brief the Board on the latest position at the meeting.

SIB will be working jointly with OFMDFM during the consultation period. A number of public meetings have been announced at which SIB will speak. In addition we intend to run more targeted sessions for key stakeholders. If Board members would like to be involved in these, please let me know.

A copy of the draft EQIA has been passed to SpAds and will be published once approved.

Public reaction to the ISNI has ranged from semi-indifference (attention focused on the PfG) to mild support. I have spoken to representatives from CBI, CEF and others and most seemed to share the opinion given to me by the journalist John Simpson, that the ISNI is probably as good as could be done in the circumstances, but there is little to get excited about.

¹ The profiling of this additional funding is: 2012/13 - £23.8m; 2013/14 - £52.5m; 2014/15- £57.8m; Total: £134.1m.

I met with the DRD Minister, Danny Kennedy, at his request and discussed Water, the A5/A8, the Port of Belfast and various other projects. He has asked SIB to work with the department on these issues.

Projects & Programmes

Asset Management Unit

The AMU continues to focus on its £100m target for asset realisations. Scott has held useful meetings with DFP, Finance Directors, HOCS and the SpAds. Helpfully, DFP has suggested that Scott begin work on allocating responsibility for specific asset realisations to particular departments. This should help encourage them to cooperate with the AMU.

Health Programme

The Health Infrastructure Board and DFP are considering the Strategic Outline Case for the Primary Health Care Programme which Leo McKenna drafted. The HIB will discuss the paper on 19th December. Initial responses indicate that Value for Money will be a key issue. It is likely that a Green Book appraisal would find a conventional procurement would offer (slightly) better value for money than the third party development approach we are proposing. However, there is no capital to fund the programme conventionally, although the programme would be affordable if privately financed. It will be for Ministers to decide whether they wish to pay more to have new facilities in the short term or whether they will let the Programme wait until the necessary capital can be made available.

Maze/Long Kesh (MLK) Development Corporation

The £6m bid made to the Heritage Lottery Fund (HLF) for support for the Peace Building and Conflict Resolution Centre was submitted.

The draft spatial framework and RUAS appraisals are proceeding satisfactorily.

The competition to recruit a Board and members for the MLK Development Corporation has almost reached its conclusion. I will brief the Board on the outcome at the meeting.

Lisanelly

The Lisanelly project was highlighted in the Programme for Government. It is likely that an outline planning application will be made during December. The Education Minister and a cross-party group of MLAs will launch the next stage of consultation on 16th December.

Stadiums

Pat O'Neill, Wesley Emmett and I have spent some considerable time working with the Permanent Secretary at DCAL and her staff on assessing the deliverability of the £140m Stadiums Programme. Following a critical Gateway Review DCAL has made a number of substantive changes to the governance arrangements in line with advice provided by SIB. We have offered to provide Sport NI, the delivery agent, with a range of additional support that we think successful delivery will require. Our intention is to provide DCAL with a robust independent and objective assessment of the state of the project in the next few weeks. This will inform the department's and its Minister's decision on how best to proceed.

DVA

The Permanent Secretary DoE has launched a strategic review of MoT testing. Leo and David Gilmour will continue to provide help as the Department requires.

Desertcreat Training College

The team held an awareness day which attracted 150 delegates. They also provided a stand at an Intertrade event in Dundalk which, again, attracted much interest.

Ilex: Derry~Londonderry 'One Plan'

I met Aideen McGinley and we agreed the scope of the help SIB will provide Ilex over the coming six months. This plan will be presented to the Programme and Projects Committee for approval.

NIPS

Proposals have been made for the appointment of a Change Programme Manager and an Estates Programme Manager. These will be considered shortly by the Remuneration Committee.

Titanic Signature Project

Building is on programme and budget for the opening on 31 March 2012. The operator is progressing well with group bookings for exhibitions and already has 80+ bookings for banqueting. FM and DFM visited Titanic Belfast earlier this week.

MAC

Building work is on programme for completion by 23 January 2012. Deloitte has been appointed to work up a Business Plan. Within a week they had helped the MAC team prepare its grant application to the Arts Council.

HMS Caroline

Bryan Gregory recently met DETI to discuss the possibility of retaining this ship in Belfast. The business case demonstrates a positive economic benefit to NI for keeping it here. An ongoing subsidy would be required if the traditional Royal Navy approach (a museum - paying visitors only) were to be followed with no additional revenue sources developed with respect to the use of the ship (e.g. room hire, café, etc). However, an alternative model has been developed which appears to be sustainable. Final consultations are in progress to ascertain its potential deliverability.

Armagh Gaol

It has been agreed with the Council that this work should be concluded as an 'Assessment of a Business Case', rather than as a formal Business Case, given that the affordability issue remains, albeit narrowed. This allows the Council to use the document to demonstrate the major economic benefits the project brings to NI, whilst at the same time looking at how they can reconfigure the project to create the necessary leverage to close the funding gap. Completion of the work as an OBC would have to conclude that the project is unaffordable at this time (which it is), whereas re-presenting the same information in this way gives more manoeuvre room for both the Council and their development partner.

Belfast Metropolitan College (BMC)

The Princess Royal formally opened BMC on 10th November. Pat O'Neill and I had the pleasure of being presented to Her Royal Highness, who talked to us about the quality of the building's design.

Regeneration

The pilot “Associate Advisor” scheme is now underway and Mary McKee will brief the Board on it as part of her Regeneration presentation.

Plugged in Places (e-Cars)

The project is moving along well, however the work-load on the team is increasing as the complexities of the project become more apparent.

Governance, Finance & Administration

Internal Audit

The internal auditors have completed their review of Procurement. That of Recruitment is ongoing. The results will be reported to the Audit Committee.