

Strategic Investment Board

Interim Chief Executive's Report – June 2011

ISNI 3

There has been no change to the status of the draft ISNI. Patrick McMeekin has checked with Departments whether their capital investment priorities have altered with the appointment of new ministers during the election period. To date, none has been reported. I met OFMDFM SPADs again on 23rd May and they confirmed the issue of the capital envelope for 2016 onwards would be addressed by the Budget Review Group (BRG)¹. The BRG will meet on 15th June and is likely to discuss the ISNI briefly. I have provided a written report to the new OFMDFM committee and am likely to be called to appear before it on 29th June.

The First and deputy First Ministers travelled to Edinburgh in May to meet colleagues from the Scottish Government. They were given a short presentation by the Chief Executive of the Scottish Futures Trust (SFT). This has led to a request from the BRG for DFP and SIB to comment on the SFT's work on 14th June.

Engagement with DHSSPS

I was delighted to receive an invitation to meet the new Minister for Health, Mr Edwin Poots, (on 13 June). This will follow a very constructive meeting I attended with the Permanent Secretary, Mr Andrew McCormick, on 7 June. I will report to the Board in more detail at the meeting, and Leo McKenna will provide his perspective, but such rapid engagement augurs well.

¹ The BRG comprises FM, dFM, the Finance Minister and the senior ministers from each of the parties represented on the Executive.

Projects & Programmes

Asset Management Unit

The selection panel for the posts of Finance and Property Advisors has recommended two appointments. The remuneration Committee is, at the time of writing, considering the salaries for these posts and I hope that by the time the Board meets offers will have been made to the successful candidates.

OFMDFM has provided the necessary authority to appoint Mr Ed Vernon as the Executive's Asset management Adviser. I hope that by the time the Board meets a contract will have been signed.

Mr Vernon and I met the Head of the Civil Service to brief him on the work of the unit. We also held a very productive meeting with Mr Stephen Peover, Permanent Secretary at DFP, together with some of his colleagues. We were able to agree a mode of working with the DFP Property Unit and they have identified a number of projects for which they would like AMU support. Similarly, OFMDFM has asked the AMU to advise on the disposal of a strategic site.

On 9 June I met officials from the Department of Finance in Dublin to exchange notes and compare experiences on their asset disposal programme.

Lisanelly

I attended a meeting of the Lisanelly Steering Group that was chaired by the new Minister, Mr John O'Dowd (SF). During the meeting the Minister affirmed his personal commitment to the project. He singled out SIB for particular praise in respect of the support it has provided to the Department and offered to meet the SIB Board if it thought this would be useful.

Senior officials in DE have asked whether the Board would consider raising the project at its next meeting with FM and dFM. They feel that the personal support of the Ministers would be invaluable in countering some of the opposition that has arisen to the project and would emphasise its cross-community and innovative approach.

Arc 21 Waste Programme

The project was assessed as being Amber/Green at its recent health check, which considering the difficult current operating environment, was a very good result for John Green and his team. The examination of the affordability and VFM of the project continues,

with the bidder stood down in the meantime. There is only a relatively narrow gap between the bidder's last position and the expenditure envelope agreed with the councils. A little movement on each side should be enough to get the project over the line, but nothing is yet certain.

Enniskillen Hospital

One member of the consortium building Enniskillen Hospital (P Elliott) has gone into administration. Because of the nature of the PFI contract, there has been no impact on progress with project. This contrasts with the position that would have pertained if the project had been procured conventionally. In such circumstances the work would have had to be re-tendered and there would have been many complex issues to address, the net effect of which would have been long delays and additional expense.

Commercialisation

The AFBI Commercialisation Strategy is close to approval. This combined with our work for Forest Service and DCAL has suggested that the time may be right to produce an overarching strategy for Commercialisation in NI. The idea will be put before the Board's Strategy Committee in the first instance.

The Business Case for commercialisation projects for Forest Service has been submitted to DFP.

St Mary's College

The strategic review of the St Mary's College is now complete. It has identified ways in which the college can develop new income streams and make it less dependent on state funding.

MLK Development Corporation

A large number of VIP visitors have been to see the MLK site. These included the OFMDFM Junior Ministers; the SPADs; the secretary of State; local MPs and the OFMDFM Assembly Committee.

The Business case for the deal with RUAS is now with the OFMDFM economists.

Ministers have now approved the recruitment panel for the DevCo's Chairman and Board. Recruitment of staff for the corporation continues.

Mary has put further work into the business case for the PBRC prior to its submission to DFP. DFP will review the case in parallel with the European Steering Committee so that if it passes both hurdles a submission can quickly be made to the Heritage Lottery Fund.

Social Clauses

The draft social clauses relating to supplies and services have been circulated to Departments for comment. SIB is working with CPD to run a pilot exercise to 'road test' their use on specimen procurements. We will additionally start to use the clauses in our own, SIB, contracts.

Derry City of Culture

The 'Peace Bridge' will be opened on 25 June as part of a long weekend of activities that will include the launch of the Derry Plan and an 'Away Day' for the Culture Company Board.

Belfast Transportation Hub

NITHCO have appointed a project manager to take forward this development. (I sit on the Steering Group and Bryan Gregory on the Project Board).

TQSP

Work continues to plan. The operating company has made a key appointment in Tim Husbands as Chief Executive. He was formerly Chief Executive at the Waterfront Hall.

Public Procurement Workshops

InterTrade Ireland, SIB and similar organisations from the Republic of Ireland are running a pair of workshops in the Dublin and Strabane in late June that aim to encourage smaller companies to bid for public sector work.

Governance, Finance & Administration

Recruitment

In addition to staff for the AMU, Wesley Emmett and Julie Monahan have recently recruited, or are in the process of recruiting:

- a secondee from the Planning Service to support the AMU and other projects;
- the Finance and Development Directors for MLK;
- a project manager for the 'Electric Cars' project (for DoE);
- a project manager for the Colin Regeneration project (for DSD);
- a new Legal Adviser to work on the waste and libraries programmes;

- two interns to work developing bids for European project funding (for DoE);
- a Strategic adviser to work on secondment with DE;
- a Project Manager for the World Police & Fire Games (for DCAL).

I think it is interesting that we are clearly meeting a need for specialist recruitment support (albeit with a project management bias) that is not being met elsewhere.

Risk Management

The recently published NIAO report on Good Practice in Risk Management has used SIB's fraud risk assessment form as an exemplar.