

Strategic Investment Board

Interim Chief Executive's Report – November 2011

I met the Minister of Justice, at his invitation, and gave a short presentation on the work of SIB and – in particular – the work we are doing with the Department, PSNI and the Prisons Service. He emphasised that it was the latter to which he attached the greatest importance. He has asked us to brief his officials on Social Investment Bonds.

Pat O'Neill and I met the Chief Constable Matt Baggott and Deputy Chief Constable Judith Gillespie to discuss our work on Desertcreat, for which he expressed his thanks. He also asked for SIB support for a new project, the 'Safety House'. This is a idea he implemented in his previous post. It provides an environment in which children and young adults can be sensitised to a range of risks arising in the home (e.g. fire, drugs, electricity, gas etc). It is being taken forward in conjunction with a range of other bodies including health and education.

I held a video-conference with Peter Reekie, Finance Director of the Scottish Futures Trust during we which we discussed the various projects that we are each supporting. We identified a number of areas where we working on the same problems and agreed we should tackle them together.

I met a delegation from the CBI and gave them a briefing on the current position with regard to capital spending plans. One issue they raised with me, which was echoed at other meetings with Ilex, Belfast City Council and the Construction Employers Federation, is the length and cost of current procurement processes. I agreed to take this up with Des Armstrong of CPD.

ISNI 3

The announcement that the Irish government can no longer fund the A5/A8 programme has received wide publicity. At the time of writing the Executive has yet to agree a clear response.

SIB has worked with DFP to determine the impact on the capital budget, which is:

| <u>SCENARIO 1</u> | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | Total |
|---|----------------|----------------|----------------|----------------|----------------|--------------|
| A5 Budgeted Spend | 15.0 | 165.0 | 285.0 | 210.0 | 90.0 | 765.0 |
| A8 Budgeted Spend | 3.4 | 46.0 | 51.0 | 12.0 | | 112.4 |
| Less ROI Receipt | -14.0 | | -10.0 | -250.0 | -118.0 | -392.0 |
| Net Impact if both schemes were dropped | 4.4 | 211.0 | 326.0 | -28.0 | -28.0 | 485.4 |

This development has implications for the Investment Strategy which we will work through with DFP and the Special Advisers over the next few days.

Projects & Programmes

Asset Management Unit

The AMU ran a very successful seminar for 34 senior civil servants, which introduced the unit and its work. All but two Permanent Secretaries attended, along with senior officials with responsibility for asset management. John McCready from the Government Property Unit in London briefed the meeting on his experiences.

Health Programme

The Strategic Outline Case for the Primary Health Care Programme has been completed and will be considered by the newly formed health Infrastructure Board on which SIB sits. The SOC demonstrates that the programme is likely to deliver value for money and that the facilities will be off-balance sheet.

Maze/Long Kesh (MLK) Development Corporation

DFP raised 33 queries on the PbCRC submission, all of which were addressed in time to make the submission for EU finding. The Heritage Lottery Fund application should be ready by the end of the month and will include a three-dimensional 'fly through' which will show how the centre could look once built.

Interviews have begun for the board appointments to the Maze/Long Kesh development corporation.

Lisanelly

DE has written to the Trustees of the catholic schools involved in the project giving them the assurances they requested regarding ownership issues for the new campus. This will enable more detailed engagement than has previously been possible. Hazel Jones now hopes that the first three schools may be willing to sign a Memorandum of Understanding indicating their support for the programme.

The first sections of the business case have been passed to DFP for review. An outline planning application should be submitted by the end of December and site investigations have begun.

Desertcreat Training College

Work has begun on all work streams within the project. A very successful meeting was held at Cookstown to which local residents and interested contractors were invited. This will be followed up by an information day in November and attendance at an Intertrade event in Dundalk in December. A PIN has been published in the European Journal and the OJEU notice will appear in late January.

Metropolitan Arts Centre

Construction continues and the facility should open in April with the presentation of an original play: "Titanic on Trial

Derry~Londonderry 'One Plan'

Aideen McGinley has written to me setting out the scope of her requirements for assistance. These are, as expected, not insignificant and will require careful assessment and planning. I shall be meeting with her staff shortly to develop these proposals.

Education

Pat O'Neill has been asked to support DEL analyse data relating to the location of, and courses to be offered by, new further education colleges.

Titanic Quarter

The TQ Signature Project continues on schedule. The SIB team visited the site and were impressed by its scale and the good progress being made. Advance bookings continue to be very encouraging.

The report on the wider area around the signature building was well received by stakeholders and should lead to an application for HLF funding.

Colin Town Centre

A company has been appointed to produce the initial design framework and the business case for making an outline planning application has been submitted to DSD.

Rapid Transit

The public consultation on rapid transit has been launched. Ciaran de Burca spent three days in East and West Belfast explaining the proposals. He found that there was general support for the exclusion of the Comber Greenway as a potential route. Residents of North and South Belfast have expressed frustration that there are no plans to extend the network to these areas.

The revised Outline Business Case should be ready by April. A market testing exercise is underway to determine whether the private sector has any interest in investing in the programme. Work continues on developing an operating plan.

NI Prisons Service

The interview panel for the position of Prisons Estates Programme Manager identified three appointable candidates. Discussions have begun with the first of these with the intention of proposing an appointment within the next week.

The interview panel for the position of Director of Prison Service Change Management Programme will take place next week.

Data Centres

Pat O'Neill and our GIS adviser has prepared an interactive map showing potential sites for DFata Centres in NI. The map shows relevant data such as the routes of fibre networks; access points to the electricity grid (including spare capacity) and surplus government sites. We intend to make this available to all stakeholders through the SIB web site. By coincidence, I was recently approached by a Monaco-based investor looking for exactly this information (which he had been unable to find anywhere else).

Armagh Gaol

Armagh Council's latest assessment shows the affordability gap widening for this project. The Chief Executive, John Briggs, has asked for SIB's support in investigating additional approaches to bridging this gap.

Belfast Metropolitan College (BMC)

BMC will be formally opened on 10th November.

Regeneration

Mary McKee has provided a separate report on this work and will give a presentation at the meeting. It is already clear that demand from DSD and OFMDFM for support from the Associate Adviser team will exceed our capacity to respond.

Plugged in Places (e-Cars)

A contract has been let to Siemens for the construction of 40 standard charging stations. An IT system that will manage their use and electricity billing is under development. It is important that this is completed quickly as the Regulator will not allow the chargers to be used until it is in place.

The project has attracted additional central funding which will now enable the installation of 300 smart metering stations; the largest pilot anywhere in the UK. These will be erected in every council area within the region. Tenders for the provision of these stations will be invited shortly.

The DoE and DRD Ministers launched the programme formally on 12th October.

Governance, Finance & Administration

Recruitment & Staffing

The Remuneration Committee has approved the appointment of the following posts:

- Associate Legal Counsel (following withdrawal of first proposed appointee); and
- Land and Property Adviser (AMU).

Internal Audit

The internal auditors are currently reviewing Procurement and Recruitment.