

CHIEF EXECUTIVE'S REPORT

January 2010

ISNI 2008-2018/ 2011-2021

We have been working on a submission with officials in OFMDFM for FM and dFM regarding ISNI 3. We hope that the final version will be agreed shortly and a copy will be circulated to Board members. We obviously hope that the Board will get the opportunity to meet Ministers soon; we will keep you fully apprised.

The work-plan around ISNI3 as set out in the Project Initiation Document (PID) previously circulated to the Board is now well under way. Already the work that Edgar Morgenroth from the ESRI is undertaking (he started in December) will be very helpful in building a robust process that will be needed given the budgetary constraints that we are certain to face.

We are still awaiting confirmation from Ministers regarding the production of consumer leaflet – we are assuming that they will seek to release this by the financial year given the positive story that it conveys.

CENTRAL ASSET REALISATION TEAM (CART)

The second report remains with FM and dFM. It is not clear when the recommendations of the report might be taken to the Executive. To ensure that momentum is not lost we had a useful meeting with Noel Lavery to agree what work we should carry on with in this interim period. In the first instance we are proposing to meet Richard Pengelly to agree what we can do with DFP. We will also continue the work that we are already undertaking with DARD. Scott will run through as part of the induction; the history of CART, the CART business plan and the immediate implications of this for SIB.

PROJECTS/ PROGRAMMES

This quarter the advisers have provided case reports so I will be brief:

Education – We are still awaiting a decision by DE to proceed with the appointment of a preferred bidder on **Lagan and TorBank schools** project. In relation to the **BELB SPA**, in December John Adamson and I attended a meeting that I had instigated with John McGrath, Gavin Boyd and the private sector partners to review progress and consider what might be in the pipeline. In terms of the delivery of the seven schools there has been almost an universal view that these are meeting all expectations (and more). There however appear to be some fairly major issues in the determination of proceeding with the schools in the next two phases. It would seem that the prospects of new schools emerging in the next twelve months are increasingly unlikely (NB see comments under Belfast Central Library). This is disappointing as in many senses it runs counter to the whole concept of the SPA; the private sector partners (Amey FMP-Farrans, H&J Martin, and Pattons) are very concerned as there are clear implications for their businesses. I have been invited by John to a workshop at the end of this month where there will be a much more detailed analysis of the way forward. I will keep the Board apprised.

Titanic Signature Project – The project is proceeding well albeit there has been no formal publicity since the project documentation was executed in November. Bryan Gregory is presenting to the Board in the morning details of this very exciting project. There is a meeting with the principals of TQL later this month to consider the programme of work for 2010. Increasingly time is becoming a major factor in relation to the need to ensure that we are ready for 2012. There is also a piece of work being undertaken to look at a co-ordinated programme for 2012 which David Sterling in DETI is masterminding and we are supporting him particularly in relation to the TSP.

MLK – MLK is reaching a critical juncture particularly in relation to the Conflict Resolution Facility. An excellent review process was undertaken with BURA last month and has provided a very useful platform for decision making by Ministers.

Commercialisation – The work that we have been doing for Forest Service through the secondment has made a real difference to FS. We are hopeful that FS will now be actively pursuing these commercial opportunities with the potential to raise significant revenues in due course particularly around renewable energy. Following the last meeting I had with George McIlroy (the CEO of AFBI) about the corporate arrangements within AFBI to maximise their commercial opportunities, I have written to him with a view to making some headway on this in the early part of this year. Malcolm McKibbin in DARD is very supportive of both initiatives and we are seeking a meeting with him in order to agree a potential way forward with the Minister.

Belfast Central Library – We have been working closely with DCAL and NI Libraries on the way forward on BCL. Following the meeting held with the Minister in November we have worked with NIL to prepare a Strategic Outline Case which he received prior to Christmas. This project is part of the BELB SPA and is of major importance in terms of the regeneration of this part of Belfast.

University of Ulster City Centre Campus – I met with Richard Barnett to gain a better understanding of the potential move of some of the undertakings at the Jordanstown campus to the city centre. Having heard more of their ambitious plans, I am very impressed and as it happens it would also link in well with the BCL project above. I offered to help Richard look at the funding issues and have since had a meeting with the FD, Peter Hope. The University will need to raise up to £150m from the banking/capital markets for the project that will in time require an investment of some £250m. This is a major project for NI and could potentially, alongside QUB's major initiative (to become a top 100 global university in the next five years), have major positive implications for Belfast and beyond.

Belfast and Derry City Councils/ DSD transfer of activities – We are continuing to work closely with Peter McNaney and his team in BCC in the creation a City Investment Framework. We also held an initial meeting with Ilex ad Derry City Council on a similar approach for Derry. Both of these pieces of work should tie in well with the preparation of ISNI 3. Both are potentially very important in the context of RPA and may require more dedicated SIB resource.

West Belfast and Shankhill (WB&S) – We received a letter from Gerry Adams MP, MLA last month reviewing the progress on the initiative for WB&S. We have since had a

very useful meeting with Ciarán Kearney and are looking to organise an event towards the end of February with key stakeholders in WB&S. There is much to be done in 2010.

East Belfast Partnership (EBP) – We continue to work with James Brown and the EBP following the breakfast held in November where there was a strong local political presence. Good progress is being made and Scott and I are due to meet DSD to see if we can launch the NR2010 initiative pending a decision by OFMDFM on the creation of the Local Delivery Vehicles (also mentioned in Gerry Adams' letter).

GOVERNANCE, MANAGEMENT AND CONTROL SYSTEMS

Staffing. The new Finance Manager, Patricia Mallon, has made a start, as has Hazel Jones, the new Project Director for the Lisanelly Educational Campus; she is already making a positive impact.

Funding – The February monitoring has just been undertaken and we need to discuss with Board the most recent situation. Brett will update the Board.

GENERAL

NI-CO Request for Support – We were asked to support NI-Co on behalf of the UK in a bid with the German government for a project in Morocco: “Strengthening of the institutional capacity of the Direction des Entreprises Publiques et de la Privatisation (DEPP) (part of the Morocco Ministry of Economy and Finance) in the field of Public Private Partnership, corporate governance and financial information of Morocco’s public enterprises”. This required a presentation in Rabat last month to a senior team of officials and the two teams were supported by the respective ambassadors. There are two other bids from the French and Spanish Authorities but there is a feeling that the UK/German bid stands a very good chance; we will however not know the outcome for some time. All out-of-pocket expenses were met. It was a fascinating trip not least I gained a much better understanding of the role being played by the EU in their work to engage with Moslem countries around Europe and North Africa to ensure that we are building a long-term sustainable peace.

Belfast – City of the Quarters March 26th 2010 – We have agreed to co-sponsor with DRD an event being organised by Belfast Media Group which is seeking to promote Belfast particularly to the States. It looks as if it will be well attended. Minister Murphy is very supportive.

Royal Society of Ulster Architects – We have also agreed to co-sponsor a sustainable buildings award with the Sustainable Development Commission in OFMDFM. This is the first time this award will be made.

Infrastructure (Ireland) 2030 Taskforce Report – The report, undertaken by Engineers Ireland/ Irish Academy of Engineering, looking at the infrastructure needs on the island of Ireland to 2030 and commissioned by Intertrade Ireland, is due to be published later this month. Liam Connellan, the Chair, is asking the Taoiseach to launch the Report in Dublin and FM and dFM in Belfast.

Infrastructure UK - James Stewart has been appointed as the initial Chief Executive of Infrastructure UK (IUK) which was announced in last month's Pre-Budget Report. I will be attending a major launch event next week in London where there will be more detail provided.

Infrastructure Investment Conference March 11th 2010 – We are working with bmf Conferences on the agenda for the next IIC. This year this event is being planned it as part of a process of engagement with stakeholders and participants over the months of March through to June. Members of the Board might be invited to sit on a panel discussion and Owen McQuade will be in contact.

SIB/DNG
12/01/10