

CHIEF EXECUTIVE'S UPDATE

November 2009

ISNI 2008-2018/ 2011-2021

There are two strands of work that are taking place under ISNI. The first is the work that is being done with DFP to address the particular issues that were identified more than a month ago by the Minister of Finance in his note to Executive colleagues. Attached is a note that James McAleer has submitted to FM and dFM on Friday 13th November that sets out the position following our draw off the Delivery Tracking System earlier this month. I also attach a separate table with the covering e-mail to the SPADs that was sent in order to ensure that they had a more complete picture of the scenario. We can discuss the implications of this at the Board meeting.

The OFMDFM Committee has asked us to attend its meeting on Wednesday afternoon following the Board meeting to update them on the ISNI position for the half-year to 30/9/09 following the note that we were asked to provide last month. DFP will also attend this session with us.

The second strand relates to the work-plan around ISNI3 which is now under way. Attached is a draft Project Initiation Document (PID) which we would like to discuss at this month's Board meeting. We increasingly believe ISNI 3 will require a much more challenging approach and it will be important that we get the opportunity to meet our Ministers soon in order to ensure that it meets their requirements.

The leaflet setting out the progress being made under ISNI2 has received favourable comment and we are still pushing for a [REDACTED] programme of publicity.

I mentioned last month that at the PUK conference held in London on the 15/10, the ISNI was cited by Ian Pearson MP (Economic Secretary), James Stewart and Charles Lloyd (Head of PPP/PFI Policy at HMT) as an example of the blueprint that should be adopted as a starting point for the work to be undertaken by Infrastructure UK (IUK). It is apparent that there will be a much greater focus on how to make the most of the infrastructure programme. I understand that an announcement on IUK is still planned for the PBR. I met John Russell, the official in HMT, currently driving this initiative last month. He was very well informed about the work that we had done in NI and it is clear that Lord Davies and Ian Pearson are taking a close interest in IUK.

I also mentioned last month that at this conference it was clear that there is going to be a much greater focus on asset sales and the exploitation of assets to address the growing funding gap – more below! We had a useful engagement with Mike Burt, a senior member of the Office for Government Commerce team last week as he is tasked to improve the professionalism in managing the property estate.

CENTRAL ASSET REALISATION TEAM (CART)

[REDACTED] Given the funding gap referred to above it would seem that there is going to be an imperative for CART to deliver. I mentioned last month that interestingly there is considerable interest in government assets – one intermediary wrote to us stating that there is a "window of opportunity available where investment product underpinned by secure government tenancies has the potential to obtain premier prices within the institutional investment market". We discussed this at the last CRT meeting and have since had an engagement with some property advisers who also confirmed that the market is very attractive for long dated government backed rentals. They have agreed to provide us with a number of potential scenarios that might be worth considering. We are due to meet Stephen Peover in DFP shortly to discuss if there is a potential need for asset sales.

BOARD PAPER 2

Belfast Central Library – We have been working closely with DCAL on the way forward on BCL. It is readily apparent that since the establishment of NI Libraries under DCAL from BELB that there has been a substantial shift in thinking about its public service and this potentially has a dramatic impact on its requirements in relation to BCL. [REDACTED]

[REDACTED] We are due to meet with BCC and the other stakeholders this week to understand better the way forward.

Belfast City Council/ DSD – Our engagement with BCC and DSD in looking at what arrangements might be put in place to ensure a smooth transition post RPA on the infrastructure programme are progressing. Peter McNaney has asked us to assist in creating a City Investment Framework. We have commenced more detailed work on this and will update the Board early next year on this work. It should neatly tie in with the work we are doing on ISNI 3.

West Belfast and Shankhill (WB&S) – We are continuing to work hard on the initiative that has been instigated by Gerry Adams. Following the meeting held with him last month we are now proceeding with the second project that has been selected, St. Comgalls at the bottom of the Falls Road. We are still awaiting news about the potential creation of a local delivery vehicle for WB&S to meet the commitments made in the PfG but we understand that there have been some discussions between the SPADs in OFMDFM.

East Belfast Partnership (EBP) – A breakfast was held at the end of last month at the new Landmark East property at the bottom of the Newtownards Road to review progress on the NR2012 project. The breakfast was well attended including Peter Robinson, Robin Newton, Sammy Wilson and Sammy Douglas. We have been working with James Brown and the EBP to articulate the short and medium term needs and it was agreed that we would work with EBP to draw up a short paper that could be submitted to Ministers in the near future.

Giants Park Stadium – We have been assisting a cross-community project for the co-location of a football stadium at Giants Park for Crusaders FC and Newington

GOVERNANCE, MANAGEMENT AND CONTROL SYSTEMS

Staffing. We have made an offer to a new Finance Manager and the successful candidate we anticipate will commence shortly. We have also made an offer to a new Project Director for the Lisanelly Educational Campus and she will be starting next month.

Funding – We made a small surrender following a thorough review exercise of both the operating and enabling budgets and Brett will update the Board when we meet.