

CHIEF EXECUTIVE'S REPORT February 2009

ISNI 2008-2018

In relation to the Long Term Capital Planning Group, we are still hoping to commence an inaugural meeting before the financial year end. It is increasingly clear to us that, with the benefit of the Delivery Tracking System and a much more rigorous approach to asset management, we will be much better placed to match accurately expenditure plans against the funding available; recognising of course DFP's central role in the determination of such matters.

CENTRAL ASSET REALISATION TEAM (CART)

Ed Vernon's review of CRT report is making progress and we are due to meet the FM and dFM on Monday 16th February. I will update the Board when we meet. There have been a number of interesting discussions over the past few weeks to determine more precisely the work of Ed Vernon's second report, given that the prospect of making any material disposals in today's market will be much more limited than had been anticipated when we first embarked on the task 15 months ago.

REGIONAL DEVELOPMENT STRATEGY (RDS)

Further good progress is being made on the RDS and we are due to update a sub-committee of the Executive later this month.

PROJECTS/ PROGRAMMES

- **Education** – We met John McGrath and Eugene Rooney last week regarding the workshop to determine a strategic way forward on the educational estate and they are keen to see this happen as soon as possible; they are going to organise it.

Health – John Cole, Leo and I met at the end of last month in London the banks that had been shortlisted as well as EIB. it was a worthwhile exercise and we are still working to achieving financial close by the end of next month. In terms of Omagh Local Hospital, Health Estates is still reviewing the business need.

- **Belfast Metropolitan College** – We are working to achieve financial close in the first half of next month and have now agreed almost all commercial elements.
- **Titanic Signature Project** – We are similarly looking to achieve final terms on TSP next month; there still however remain a couple of issues. We have, however, made progress on a number of other critical fronts including the capital underwrite, so we hope that we will find a resolution in the next couple of weeks.
- **Belfast City Council** – We have had a further meeting with BCC on the North Foreshore (NF) and are liaising with them on a number of issues including the consultation exercise on the waste to energy project that could be potentially located on the NF, which would be Arc 21's preferred site.
- **Workplace 2010** – The two bidders are withdrawing from the procurement given the changed market circumstances and the corporate acquisition of Trillium by Telereal. I have discussed with David Orr, the SRO, the potential position in taking forward the

concept and he is keen to ensure that Michael Donnelly has an on-going role given his extensive knowledge of the NICS estate. I think this will work well as Michael will increasingly support the CART team and therefore there is a real benefit in our supporting DFP in the management of the estate.

- **MLK** – An extension of 30 days to the procurement was granted to the end of this month which will hopefully allow sufficient time for the political parties to agree a way forward. We will apprise the Board when we meet.

GOVERNANCE, MANAGEMENT AND CONTROL SYSTEMS

- **Staffing/ Recruitment** – [REDACTED] with effect from March 2009 and we will review the position in the summer, depending on their success in recruiting a full time appointment. We will get the chance next month to discuss matters [REDACTED].

GENERAL

- **West Belfast Book Launch** – I was asked by the author, Finbarr Bradley, to do the Belfast launch of his book “Capitalising on Culture, Competing on Difference” in the CulturLann in West Belfast last month. It was well attended by a wide range of people including the MP for West Belfast, Gerry Adams.
- **DUP Business Breakfast** – As mentioned last, I month, I was invited by Simon Hamilton MLA to attend a DUP Business Breakfast with the Minister of Finance, Nigel Dodds MP, MLA as the keynote speaker. It was very well attended and the Minister focussed on the economy and the Investment Strategy as key parts of his and the Executives priorities. He also indicated his wish that infrastructure spending over the next three years would be some £1.5bn this year, £1.7bn next year and £2bn in 2010-11.
- **Seeing is Believing (SIB)** – I was invited to attend the annual SIB event by Business in the Community which was held this year at St James’s Palace. It was an excellent event with Prince Charles as the keynote speaker in his capacity as President of BITC. We have agreed to sponsor this year’s SIB events in Northern Ireland which will focus on young working class people in deprived protestant areas.
- **All Island Infrastructure Investment Conference 2009 11th and 12th March** – We are making the final preparations for the AllIC next month. The Ministers from DETI and DRD have agreed to speak and we are also hoping that the Minister of Finance, Brian Lenihan, will also be available to speak.