

# Strategic Investment Board

## Chief Executive's Report – November 2013

### PROGRAMMES AND PROJECTS

#### *DESERTCREAT COLLEGE*

Bryan Gregory will update the Board on the programme at the meeting.

#### *STRATEGIC WASTE PROGRAMME*

#### *HEAT PROGRAMME*

OFMDFM have agreed to fund a Project Manager and the other specialist staff needed to take forward this project.

#### *COLIN TOWN CENTRE*

The Remuneration Committee has approved the appointment of a Construction Manager for the Colin programme. Maurice McNulty will work on a cross-departmental basis to coordinate and drive forward the development of the programme's constituent projects. The funding from this post will initially be provided by DCAL and I expect that, eventually, DSD and Belfast Council will also contribute.

#### *SUPPORT TO DEPARTMENT OF EDUCATION*

I spoke with the Permanent Secretary, Paul Sweeny, about his ideas for providing an 'intelligent client' function for schools involved in major (£20m+) projects. Pat and Denise will develop these ideas in consultation with DE officials.

#### *LISANELLY*

The Minister launched the Lisanelly construction programme on 23<sup>rd</sup> October with a press launch on the site. This was attended by all of the principals of the schools involved; the first time they have been in the same room together. Also present were a wide range of local MLAs, councillors, governors and primary school children who – if all proceeds to plan – will be the first to attend the campus when it opens.

The project's communications advisers won the Best Public Sector PR Campaign at the Chartered Institute of Public Relations (CIPR) 2013 awards ceremony. Their work was directed by Hazel Jones. The judges said:

*"The Department of Education ran an enormously comprehensive public consultation ahead of the planning application to establish Northern Ireland's first shared educational facility, involving six different schools on a 118 acre site. Given the scale of the project, and potential sensitivities, the team utilised a full communications mix to engage all stakeholders throughout the process. Particularly impressive was the work undertaken with young people themselves in partnership with the Omagh Yough Council. Stakeholder engagement was exemplary. This campaign exhibited genuine two-way communication and showed the role which good public relations can play in changing hearts and minds and building community ownership."*

#### *REGIONAL STADIUMS PROGRAMME*

The Finance Minister has agreed to the reprofiling of the programme's budget in order to take account of delays to the IFA and GAA projects. The re-profiling does not, however, extend the duration of the programme beyond the current CSR period.

### *SOCIAL HOUSING REFORM*

The Housing Reform team will all be in place by the end of November.

### *CULTURE COMPANY*

The poor working relationships between the Chief Executives of Derry City Council and the Culture Company entered the public domain after a number of intemperate e-mails were released to the BBC by Culture Company in response to a FoI request.

The Londonderry Sentinel asked SIB to respond to questions relating to the employment of Dermot McLaughlin and Flux Consultants. SIB's response was reprinted verbatim in the paper, alongside those of OFMDFM, DCAL, Culture Company and DCC. Each focused on the success of the programme to date and the need to follow through with a lasting legacy.

Fiona Kane directed an outstanding communications effort in respect of the launch of the Turner Prize. This garnered quite remarkable coverage in every major newspaper and has been praised by all involved. It was, therefore, profoundly dispiriting that she and her team had to divert their attention away from consolidating the benefits of this coverage to fire-fighting the negative reporting noted above.

I have been summoned as a witness in the Industrial Tribunal hearing that has followed the dismissal of Garbhan Downey from Culture Company. My attendance is in respect of my role as Chair of the Appeal Panel that upheld the Culture Company's decision to dismiss him for gross misconduct.

### *EXTENSION TO THE WATERFRONT HALL*

### *HMS CAROLINE*

Rory Miskelly is putting together a team to take forward the various strands of the project. He expects to make an HLF R2 submission in mid-2014. He is also working with Mary McKee and Julie Harrison to establish the feasibility of a bid for SEUPB funding; however, this would require much wider political support than has been secured to date.

### *WEST BELFAST PROJECTS*

James Gilchrist has completed a very interesting review of capital projects in the early stages of development in West Belfast. It focuses on the identification of opportunities to drive projects faster and to build capacity.

James presented the findings to members of the WBP Board; Paul Maskey MLA was also present. The work went down well with the group and should help position the Partnership to focus its activities and prioritise the numerous (approximately 125) projects at various stages of development.

### *ARMAGH GAOL*

Elaine Gilchrist is working with Deloitte to update and develop the business case for the redevelopment of Armagh Gaol. Despite cross-party support for the project, the funding gap still remains at c£6m and there are significant state aid issues.

The project was the subject of an adjournment debate in the Assembly on 22<sup>nd</sup> October.

### *NI SAFETY CENTRE*

Planning permission has been granted for the NI Safety Centre at a site at Harbour Court. A five year lease has been taken out and sponsorship of some £300k has been obtained from Charles Hurst and an insurance company. Translink will provide support in kind.

### *PRIMARY HEALTH INFRASTRUCTURE*

The procurement of the 3PD primary health centres continues to plan. Five bidders have entered the competitive dialogue stage for both Newry and Lisburn. The award criteria are currently being finalised.

### *ASSESSMENT OF THE ECONOMIC IMPACT OF THE G8*

Maureen has met the DETI Permanent Secretary to discuss the draft report.

### *THE MAC*

The final Gateway review for the MAC achieved a GREEN rating. The review team highlighted the Benefits Realisation Plan, and in particular the MAC's ability to track social deprivation indicators (e.g. Free School Meals and Most Socially Deprived Wards), and to use them to inform/target future approaches. Gareth Young, SIB's GIS adviser, was responsible for this work, alongside Bryan Gregory.

### *VISIT TO PRAGUE*

Kenny Knox was invited to be part of a UK Taskforce visit to Prague to share his experiences in socially responsible procurement. SIB was nominated by one of our former Associate Advisers (Anne McNamara) who worked with Pinsent Masons on developing the SIB Social Clauses Toolkit. Kenny's report on the visit is at Annex A.

### *WORK OF THE ASSOCIATE ADVISERS*

Associate Advisers are currently working on a wide range of small projects. In addition to the work for DE and in West Belfast described above, ASAs are working on establishing the viability of an Enterprise Zone for MLK; a review of AFBI's relationships with the private sector; a review of regeneration funding and investment mechanisms for Belfast Council post-RPA; a review of the governance of the Ulster-Scots Academy; a business case for new roads infrastructure at MLK; the development of the concept of a Community Zone at MLK; the development of a spatial framework for MLK and the development of a business case for the Executive's childcare strategy.

### *INNOVATIVE PROVISION FOR ELDERLY CARE*

Andrew McCormick, Permanent Secretary at DHSSPS, has asked for SIB support in the completion of an urgent strategic feasibility study of the idea of an innovative development for elderly care. This will address the following questions:

- What (if any) are the possible role (s) of public sector bodies (potentially DHSSPS, HSCB as service commissioners, HSC Trusts, DSD, housing bodies) in relation to possible innovative models of delivery?
- Can the availability of Financial Transaction Capital contribute to innovative business models or would that introduce avoidable delays and constraints?
- Does the availability of a site at Maze Long Kesh create a particular opportunity for development?

## **RESEARCH & OTHER STUDIES**

### *REVIEW OF COMMISSIONING AND PROCUREMENT*

## **GOVERNANCE, FINANCE & ADMINISTRATION**

### *INTERNAL AUDIT*

The internal auditors will begin their 2013/4 work later this month. They expect to report to the Audit Committee in December.

### *HR MANAGER*

The recruitment process for a new HR Manager is underway and seven applications have been received. Initial indications are that the standard of applicants is not high and the competition may have to be re-run. .

### *BBC COMPLAINT*

A BBC journalist, Mark Devenport, has complained to the Information Commissioner alleging that SIB (along with OFMDFM and MLKDC) failed to respond to a FoI request he made during the summer. I am content that SIB did in fact respond (to say that it was a matter for OFMDFM/MLKDC) and that there is therefore no substance in the complaint. Sam Pringle has responded to the Information Commissioner's initial enquiry but has, to date, not heard anything more.

## **ANNEX A: UK TASK FORCE VISIT TO PRAGUE – KENNY KNOX**

### **Background**

The Czech Republic's 'Responsible Procurement' project is part of an 18 month initiative, co-financed by the European Social Fund, aimed at supporting Czech local authorities and institutions to maximise social, economic, and environmental outcomes through public procurement.

Responsible procurement is at an early stage in the Czech Republic, with many authorities simply not knowing what can be achieved. This initiative was designed to facilitate collaboration and learning, to help Czech authorities learn from best practice developed by the UK public sector, who are at the forefront of responsible public procurement.

There are eight Czech local authorities signed up to this initiative – all will receive an intensive programme of readiness support to help them understand the scope of possibilities and to identify a pilot project. There is also a programme of regional dissemination workshops and a national conference in spring 2014 which will be attended by policy-makers, politicians, officials and media outlets across Europe.

The visit to Prague took place over 2 days (17/18<sup>th</sup> Oct) and was facilitated by a Czech Republic NGO (Nova Ekonomika) who has teamed with Shine (Anne McNamara's consultancy in London) to source UK best practice. Other members of the Taskforce were from Value Wales and Croydon Council. A brief overview of the visit is set out below.

- **Day 1** – the UK taskforce had meetings with senior officials and elected members (Mayors and Deputy Mayors) from the eight local authorities in two workshops sessions. The objective of the taskforce was to listen to the ideas and challenges emerging from the workshop, and provide their Czech counterparts with critique, feedback and examples of where social clauses had been successfully incorporated into public contracts.
- **Day 2** – an opportunity for the UK taskforce to take part in a round table discussion on the future, challenges and frontiers of responsible procurement. Attendees included Ministry of Labour & Social Affairs, the Union of Towns and Municipalities, the British Chamber of Commerce.



I was able to use the visit to provide an overview of the work of SIB, and in the development of thinking around raising the level of debate on integrating social clauses in public contracts. There were a lot of similar views expressed by the Czech attendees on their construction and services industry's reluctance to deliver against the social agenda that rang true with my experience here, too expensive to do, laying off workers to employ LT unemployed, monitoring of deliverables etc.

A number of the Mayors were very keen to follow the UK lead on delivering social benefits through the development of qualitative criteria in addition to quantitative considerations in tenders, whereas others were fearful that they wouldn't be able to deliver given the reluctance to move away from awarding contracts on lowest cost basis only. Obviously the Czech Republic's membership of the EU will be a driving force in bringing their procurement processes into line with other Member States.