

## **SPORT NORTHERN IRELAND**

### **MINUTES**

### **CONFIDENTIAL**

#### **Special Meeting 2008**

Held on Saturday 11 October 2008 at 11.00 am in the House of Sport, Malone Road, Belfast BT9 5LA.

### **PRESENT**

In the Chair:	D Walsh
Members:	J D'Arcy B McCargo D O'Connor J Rodgers P Turnbull
Chief Executive:	E McCartan
Staff in Attendance:	N Harkness A Sloan T Smyth R McDowell C McGurk E Bailey

#### 1 **APOLOGIES**

An apology was received from Dr O Brown, Mr M Cowan, Mrs U Duncan, Mr B Macaulay, Mr A Money Penny, Ms M Muldoon, Mr H McCaughey, and Mr A Strong.

#### 2 **CHAIRMAN'S BUSINESS**

The Chairman thanked Members for attending this special meeting convened at short notice. He thanked staff for their work over the past seventy-two hours and in particular the following: Mr N Harkness, Ms T Smyth, Mr C McGurk and Ms R McDowell.

The Chairman updated Members on a meeting with the Permanent Secretary on Monday 6<sup>th</sup> October. He highlighted how he had previously been personally encouraged to bring projects to a state of readiness so that SNI could take advantage of an expected "glut" of capital funding. He reported that this budget increase is now not forthcoming; he emphasised the need for SNI to make hard commitments to achieve the budget spend for 2008/09. He also reported that a letter from the Permanent Secretary indicated that £5m million capital could be transferred from Year 3 to Year 2.

#### 3 **CAPITAL FUNDING**

Members considered Paper SNI/08/175 which was presented by Ms T Smyth

and which outlined various options to Members.

Members noted that Mr M Cowan who was not able to be present at the meeting had contacted staff yesterday supporting the recommendation for Option 2 in the Paper and suggested that he was content with the recommended scenario. They also noted that Mr H McCaughey had confirmed that he was content with the recommendation.

Mr Harkness reminded Members of the background to the current situation regarding the capital budget. He referred to the aspiration of an increase of £17 million in next year's budget to meet the commitments we had to make.

The Chief Executive confirmed that the Permanent Secretary had now written to SNI re-profiling £5 million from 2010/11 to 2009/10. This is not additional money but is rather a re-profiling of existing budgets, i.e. the total SNI capital budget within the current CSR period will remain unchanged.

Paper SNI/087/175 was considered in detail.

Details were given of how projects were classified according to priority i.e. 0-5.

Stage Classification	Stage Description
Stage IV	Legally binding commitments – applications have been issued final letter of offer.
Stage III	Applicants have tendered for full project letter of offer in draft and ready to be issued.
Stage II	Applicant has received a “provisional letter of offer”/Letter of intent. In addition, a Business case has been submitted (were required) and the applicant is working through their PMR's (project management requirements).
Stage I	Applicant is still in assessment stage and thus no provisional letter of offer has been issued.
Stage 0	Programme yet to be launched – yet expectation.

A summary of the costs for all programmes/projects currently in the system was presented. These were split into their relevant classifications and financial years (detailed within the paper). This reinforced the fact that SNI does not have sufficient capital budgets to service all viable applications currently within the system.

Members considered the summary of each option- detailed below:

**Scenario 1**

1. All stage IV projects are honored as originally profiled as legally binding letters of offer have been issued.
2. All Stage III projects are honored as originally profiled as there is a moral obligation as applicant has tendered and thus incurred costs at request/knowledge of SNI.
3. Stage II projects (applicants who have been issued with a provisional letter of offer/letter of intent) are honored (with exception of stadia safety) as

originally profiled. This applies to all Stage II projects, with the exception of soccer strategy which has been subject to a minor re-profiling.

4. Places for Sport Programme – a number (albeit restricted) of applications will be awarded within 2008/09 (**nb- this is the balancing figure of the under-spend in 2008/09**).

5. A Restricted number of Stage II Stadia Safety projects.

### **Scenario 1 - Key Implications**

1. All Stage IV, III, II & I projects (with the exception of stadia safety- Stage II) are honoured.
2. Target spend is met for both 2008/09 and 2009/10 with a small over-planning figure required in 2010/11 of £0.98m.
3. Sport NI need confirmation from DCAL re over-commitment figures in 2011/12 and 2012/13 of £4.3m and £4.4m no later than April 2010. If required, Sport NI has a surplus in 2013/14 of £12m which could potentially be re-profiled to across these deficits- subject to DCAL approval. However, there is no guarantee that this approval will be forthcoming at all or within the required timescale.
4. Failure to proceed with a number of Stadia Safety projects will have both major PR and health & safety implications.

### **Scenario 2**

1. All stage IV projects are honored as originally profiled as legally binding letters of offer have been issued.

2. All Stage III projects are honored as originally profiled as there is a moral obligation as applicant has tendered and thus incurred costs at request/knowledge of SNI.

3. Stage II projects (applicants who have been issued with a provisional letter of offer/letter of intent) are honored (with exception of stadia safety) as originally profiled. This applies to all Stage II projects, with the exception of soccer strategy which has been subject to a minor re-profiling.

4. The Stage I Elite Facilities will be honored, however have also been subject to re-profiling. That is, expenditure is delayed by a 24-month period.

5. Places for Sport Programme (Stage 0) – a number (albeit restricted) of applications will be awarded within 2008/09 (**nb- this is the balancing figure of the under-spend in 2008/09**).

6. A Restricted number of Stage II Stadia Safety projects (Stage II).

### **Scenario 2 - Key Implications**

1. All Stage IV, III, II & I projects (with the exception of stadia safety- Stage II) are honoured.

2. Stage I (all other applicants) of the Elite Facilities projects have been subject to re-profiling- likely to result in both cost escalation and political pressure

implications.

3. Target spend is met for both 2008/09, 2009/10 (with exception of small over-planning figure of £176,000) and 2010/11.

4. Sport NI need confirmation from DCAL re over-commitment figures for 2012/13 and 2013/14 of £9.1m and £7.2m respectively.

5. Failure to proceed with a number of Stadia Safety projects will have both major PR and health & safety implications.

### **Scenario 3**

1. All stage IV projects are honored as originally profiled as legally binding letters of offer have been issued.

2. All Stage III projects are honored as originally profiled as there is a moral obligation as applicant has tendered and thus incurred costs at request/knowledge of SNI.

3. Stage II projects (applicants who have been issued with a provisional letter of offer/letter of intent) are honored as originally profiled. This applies to all Stage II projects, with the exception of soccer strategy which has been subject to a minor re-profiling.

4. The Stage I Elite Facilities will be honored; however have also been subject to re-profiling. That is, expenditure is delayed by a 12-month period.

5. Places for Sport Programme (Stage 0) – a number (albeit restricted) of applications will be awarded within 2008/09 (**nb- this is the balancing figure of the under-spend in 2008/09**).

6. All Stage II Stadia Safety projects are honored, however, original spend has been re-profiled – ie spend now spread across both 2009/10 and 2010/11 as opposed to just 2009/10.

### **Scenario 3 - Key Implications**

1. All Stage IV, III, II & I projects (including stadia safety projects- Stage II) are honoured.

2. Both Stadia Safety and Stage I (all other applicants) of the Elite Facilities projects have been subject to re-profiling. For Elite Facilities, this is likely to result in both cost escalation and political pressure implications. For Stadia Safety, some projects have to be delayed, thus may result in PR implications and difficulties re prioritisation.

3. Target spend is met for both 2008/09 and 2009/10 (with exception of small over-planning figure of £176,000).

4. Sport NI need confirmation from DCAL **in this CSR** period (2010/11) of an over-commitment figure of £4.0m This over-commitment would be needed no later than April 2010. In addition, Sport NI need confirmation from DCAL **in the next CSR** period (2012/13) of an over-commitment figure of £7.5m. However,

Sport NI does have a surplus of £7m in 2013/14 which could potentially be transferred to 2012/13- subject to DCAL approval. However, there is no guarantee that this approval will be forthcoming at all or within the required timescale.

In order to match planned expenditure against available budgets the three capital scenarios were considered in detail and Members were asked to approve a preferred option.

Members considered a fourth option, which would allow the "safety related" elements only of the soccer strategy projects to proceed and thus re-invest any remaining soccer strategy budget into stadia safety projects. This option was rejected due to the fact that the assessments (publicly advertised assessment criteria) had already taken place and therefore it is would be impossible now to retrospectively spilt each project (23 in total).

Members received an update on bids which will be made to DCAL under the strategic stock take. These were detailed within Section 4 of Paper SNI/08/175.

Members approved the implications of scenario 2 of the preferred recommendations as outlined in Paper SNI/08/175. Members were given the assurance by SNI staff that this option maximised the likelihood of a full spend of the £16.1m capital budget within 2008/09. In addition, where option2 requires the delay or rejection of schemes, SNI staff would present proposals to Members before proceeding.

Finally the Chairman, on behalf of the Members, thanked the staff for their tremendous efforts in working within the tight timeframe.

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

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