

STRATEGIC INVESTMENT AND REGENERATION OF SITES (NORTHERN IRELAND) ORDER 2003

S.I. 2003 No. 410 (N.I. 1)

EXPLANATORY MEMORANDUM

INTRODUCTION

1. This Strategic Investment and Regeneration of Sites (Northern Ireland) Order 2003 (“the Order”) was made on 27 February 2003.
2. The Explanatory Memorandum has been prepared to assist the reader in understanding the Order. It does not form part of the Order.

BACKGROUND

3. The Order aims to take forward two elements of the Reinvestment and Reform Initiative (RRI) which was announced by the then First Minister and Deputy First Minister on 2 May 2002, after negotiations with the Prime Minister and Chancellor of the Exchequer. First, it empowers the Office of the First Minister and Deputy First Minister (OFMDFM) to create a new organisation in the form of a Strategic Investment Board to ensure that strategic infrastructure is planned and delivered in a way that makes the most of all the means and resources available. Second, it deals with the handling of some strategic military bases and security sites which are to transfer to the Northern Ireland Executive (hereafter referred to as the Executive) free of charge, enabling use to be made of them for economic and social regeneration of local areas.

POLICY OBJECTIVES

4. The need to address the substantial backlog of major (capital) investment projects required to give Northern Ireland a first-class infrastructure for the 21st century was significant in bringing about the RRI. From 2004-05, a new borrowing facility will provide the option of using additional revenue sources to lever in low cost borrowing, which could accelerate dramatically the pace of infrastructure investment. This resource would help meet a pressing need but money alone will not meet the scale of change which is required. It is just as important to take a highly innovative approach to managing and financing the infrastructure programme so that resources are wisely used and complement existing programmes.

STRATEGIC INVESTMENT BOARD

5. In the context of the Reinvestment and Reform Initiative, the Executive decided in the summer of 2002 to create a new organisation in the form of a Strategic Investment Board to ensure that strategic infrastructure is planned and delivered in the most effective way possible. It is intended that the Strategic Investment Board will help create a programme of strategic capital investment for Northern Ireland. The aim is to provide the best possible opportunities to promote the effective use of all the resources available.

6. The Order also sets out the way in which the Strategic Investment Board will work in partnership with bodies carrying out major investment projects by empowering it to advise the Executive and these bodies and places a duty on statutory bodies to have regard to the Board's advice. The Order differs in a number of ways from the Bill brought before the Assembly. The Strategic Investment Board will be established as a company limited by guarantee and funded by the Office of First Minister and Deputy First Minister (OFMDFM). The Board's remit is such that it can participate with other bodies in carrying out major investment projects, joint ventures or participating in Public Private Partnerships. The scope and powers of the company at any time will be controlled by the Memorandum and Articles of Association.
7. The membership of the company's board will be controlled by the Office of the First Minister and the Deputy First Minister; accounts will be subject to scrutiny by independent auditors, and the affairs of the company will be subject to audit for value for money under Article 9 of the Audit (NI) Order 1987 by the Comptroller and Auditor-General. The legislation also confers the appropriate functions on the company, empowering it to carry out its duties.

REGENERATION OF SITES

8. The second strand of the RRI which the Order provides for is the transfer from the Ministry of Defence and Northern Ireland Office, of a number of military bases and security sites free of charge. The initial sites are Ebrington Barracks in Londonderry, Crumlin Road Gaol, the Maze Prison, and security force bases at Magherafelt, Malone Road, Belfast, and adjacent to the Maze Prison at Long Kesh. It is possible that further sites will transfer in the future, but these may not be free of charge.
9. The Order provides the OFMDFM with the power to hold, manage, develop and dispose of the assets transferred under the RRI. It also provides OFMDFM with the power to develop the sites with the object of regeneration. In addition to the options of development directly by the OFMDFM or by one or more development corporations, the Order provides for the power to set up a regeneration company in collaboration with other bodies and organisations with an interest. A regeneration company or development corporation approach will be established only where this is deemed to be a feasible approach for a chosen site or sites, for the purpose of major economic and social and/or environmental regeneration. Such an approach may be relevant only for the larger sites. The Order also provides for partnership with local communities and businesses.

CONSULTATION

10. A series of consultation exercises were held to allow interested parties to put forward their views on the Order. These were attended by political parties, relevant District Councils, business and Trade union interests and other interested organisations. Consultation seminar events were held in Belfast on 11 December 2002 and Londonderry on 12 December 2002. The Minister met political parties separately.

OVERVIEW OF THE PROVISIONS OF THE ORDER

11. The Order is in three parts. Part I sets the commencement date and shows interpretation and definitions, *Articles 1 and 2*. Part II contains provisions on the Strategic Investment Board, *Articles 3-8*. Part III contains provisions on the Regeneration of Sites, *Articles 9-27*. In addition the Order has 2 Schedules. Comments on some of the provisions are below. Comments are not given where the wording is self-explanatory.
Part 11: Exercise by designated company of strategic investment functions

Article 3: strategic investment functions

Paragraph (1) provides that any company created (and most likely titled “Strategic Investment Board”) would exercise its functions in relation to the Executive and bodies carrying out major investment projects.

Article 5: Designation of company to exercise strategic investment functions

Paragraphs (1) and (5) provide for an order creating a company to be made by resolution of the Assembly.

Paragraph (2) sets out the conditions for the designation of the company. Any such company would be limited by guarantee and would not have a share capitalisation. The Office would control the Board of the company.

Part III: Regeneration of Sites

Article 9: The relevant sites

Paragraph (1) This refers to the arrangements between the Executive and Her Majesty’s Government under the Reinvestment and Reform Initiative (RRI), which was announced on 2 May 2002, whereby a number of former prisons and security bases are to pass to the ownership of the Executive for the purpose of development of the surrounding region. These provisions apply to the sites announced on 2 May 2002 and any further security sites and military assets, as yet unknown, which may pass to the Executive under the RRI.

Article 10: Disposal of relevant sites by the Office

Paragraph (2) provides that, where OFMDFM wishes to dispose of all or part of a relevant site, this may be for monetary reward or otherwise.

Paragraph (3) provides that OFMDFM may impose certain restrictions and conditions on the disposal of an asset. This may include, among others, conditions on how the land is to be developed, the use to which it is to be put, or stipulate a certain period during which the land cannot be subsequently disposed of. Such restrictions and conditions will be made at the discretion of OFMDFM.

Article 11: Regeneration of relevant sites by the Office

Paragraph (1) provides powers for OFMDFM, where appropriate, to develop a site itself. Paragraph (1) (d) refers to the power to create or join with other departments or relevant interested parties in creating a “body corporate”. This could mean forming a limited company (the regeneration company option mentioned at para 10 above) to take forward the development of a site, or working in a partnership venture.

Article 15: Power to establish development corporations for relevant sites

Paragraph (1) provides OFMDFM with the power to establish a body known as a development corporation(s) (DC) for one or more sites transferred under RRI. Thus a development corporation may be responsible for the development of more than one site.