



Building a Better Future Draft Investment Strategy 2008–2018



Northern Ireland
Executive

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BUILDING A BETTER FUTURE

NORTHERN IRELAND EXECUTIVE

INVESTMENT STRATEGY 2008-2018

INTRODUCTION

As an Executive, we are dedicated to making Northern Ireland a better place to live, work, learn and grow. In the Programme for Government, we commit to building **a peaceful, fair and prosperous society in Northern Ireland, with respect for the rule of law** and where everyone can enjoy a better quality of life now and in years to come. To deliver on this commitment, we need the right infrastructure to grow our economy - our top priority over the lifetime of the Programme for Government. The right infrastructure will also support positive social change, enhance our environment and help us to deliver better public services for all.

We are on the brink of an unprecedented opportunity. Over the next three years, **£5.6bn** of new infrastructure will be delivered – rising to over **£18bn** in the next 10 years – to address a legacy of underinvestment in the past. Through the procurement process, we will seek to maximise the social and employment opportunities for all our people, addressing existing patterns of socio-economic disadvantage and using prosperity to tackle poverty.

The Investment Strategy 2008-18 sets out the framework with which we will create a sustainable 21st century infrastructure. It identifies priority areas for investment in the years ahead and is intended to assist government and our private sector partners to plan ahead for the challenge of delivering the largest ever investment programme here. In the coming months we will finalise delivery plans for each area, consistent with this Strategy, that will provide further detail on key schemes and timescales for delivery.

Cross Cutting Objectives

The cross cutting objectives of the Investment Strategy are;

- a) **Economic** – investment in infrastructure to accelerate economic growth and improve competitiveness of business;
- b) **Societal** – investment in infrastructure to promote equality of opportunity and the desirability of good relations, promote regional balance in future development, and tackle areas of social disadvantage; and
- c) **Environmental** – investment in infrastructure to protect and enhance our environment, particularly addressing areas affected by EU directives.

These objectives can be mutually reinforcing, helping to ensure that development is sustainable. The objectives influence both programme selection, and delivery to maximise returns. We will seek opportunities to promote social inclusion and equality of opportunity in the procurement of infrastructure programmes. This will impact through employment plans, by building opportunities for local apprenticeships into major delivery contracts, and through a tendering process that prioritises the most economically advantageous option in this context. Similarly the quality of our environment is an important asset; steps to protect and enhance it through the Investment Strategy will support plans to grow the tourism economy and related jobs across the region, as well as improve a general sense of wellbeing for everyone.

Infrastructure Context

Our infrastructure has suffered many years of underinvestment. Much needs to be done to improve our transport networks, schools and healthcare estate to name but three areas. There are other pressing concerns, including the need to improve our ageing water and sewage systems and to adopt new ways to deal with domestic waste.

Demographic shifts will impact on all our infrastructure needs. For example, changing birth rates will continue to affect our schools and have knock-on implications on further and higher education, future housing demands and other facilities in the community. An increased elderly population will have major implications for hospitals, health care provision and more generally nursing and care homes in the future.

For the first time in our recent history there has been a shift from net emigration to an increasing number of people choosing to live and work here. By the end of 2006, we have welcomed to our shores over 19,000 fellow EU citizens and some from further afield who are helping to grow our economy and enrich our cultural diversity. A growing population is a sign

of renewed confidence and vitality, and our infrastructure needs to respond accordingly to both meet the current demands but also to ensure that we do not create blockages to our growth.

Whilst our chief economic success of recent years has been job creation, our productivity and income lag behind our closest neighbours. Improved infrastructure helps to create a platform to develop our skills base and nurture a culture of innovation and entrepreneurship; essential if we are to meet the challenging aspirations we have for the economy and to improve living standards and lifetime opportunities for all.

INVESTMENT PRIORITIES

Our over-arching aim within the Programme for Government is to build a **peaceful, fair and prosperous society in Northern Ireland, with respect for the rule of law** and where everyone can enjoy a better quality of life now and in years to come. Investing in better infrastructure is a major strategic priority that will help us to achieve this. Better infrastructure will help us to deliver our priorities - for the economy, society and the environment.

Fig. 1: Programme for Government Framework



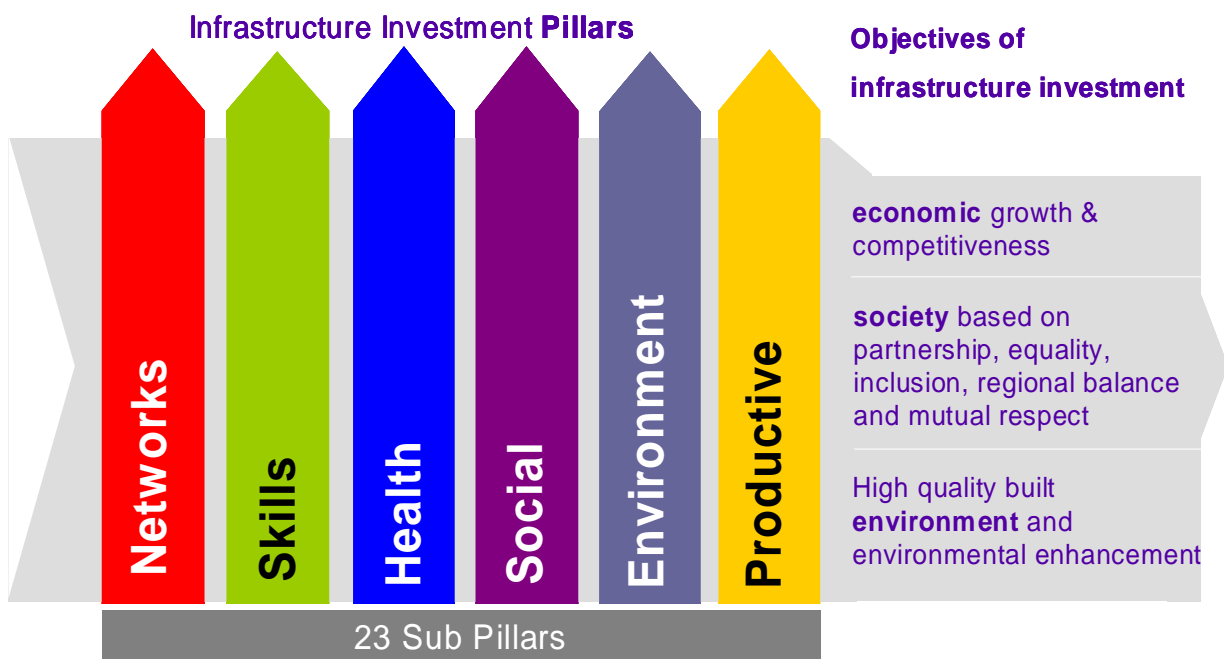
The Programme for Government cross-cutting themes of a **better future** and **sustainability** are embedded within the Investment Strategy. Future investment must be made wisely, and by working together in the Executive and in wider society we can all contribute to a better future that is reflected in, and supported by, new patterns of infrastructure development that offer equality of opportunity for all. Sustainability is also a key to ensuring long term

success. The infrastructure we build today must serve us well for years and generations to come. We must, therefore, strive to develop in ways that lever maximum advantage from the economic social and, increasingly, environmental and global issues that define our times – and that will frame the opportunities and constraints for our region in the years ahead. We are encouraging departments to build in sustainability as comprehensively as possible into each of their infrastructure projects, and to take advantage with contractors in each major procurement opportunity to progress the Executive’s wider economic, social and employment objectives.

A Framework for Infrastructure Investment

We have developed a framework to support the planning and delivery of the infrastructure programme over the next ten years that is consistent with our Programme for Government. Future investment will be taken forward under six 'Pillars' that help to join up the plans of government departments and other stakeholders to avoid duplication and recognise opportunities to maximise outcomes by working together. The framework also challenges us to think about the outcomes that investment will deliver – to ensure that the choices we make are aligned to delivering our priorities for the economy, society and the environment.

Fig. 2: Investment Framework



The pillars are divided into 23 'Sub-pillar' investment sectors that will be managed by respective departments and agencies, with support from the Strategic Investment Board Limited (SIB) and the Procurement Board. Progress in delivering outputs under each Sub-pillar will be subject to detailed monitoring and reporting to the Executive.

Benefits of North/South Co-operation

Co-operation in developing infrastructure, where appropriate, will help ensure more efficient planning and joined-up delivery of key projects, resulting in better value for money, economies of scale in public investment and better deals from financial markets.

Co-operation in Border Regions

In seeking to prioritise more balanced regional development, a particular focus will be on cross-border links and developing infrastructure in the border areas. Developing and upgrading transport links along the Dublin-Belfast corridor will ensure that this corridor forms a major axis for economic development on the island.

In the North West and Donegal, we will tackle regional disparities by further improving road links; enhancing the capacity and resilience of energy support networks; strengthening telecoms infrastructure; and developing the City of Derry airport.

EU funding for cross border co-operation over the period 2007-13 will enhance the development projects in the border counties. Funding will be available from the British and Irish Governments to support this co-operation. The International Fund for Ireland will also continue to promote economic and social development in the border region.

INVESTMENT PILLARS AND SUB-PILLARS

We envisage that over **£18bn** will be invested in the next 10 years to deliver essential infrastructure – **£5.6bn** of this in the next three years. This money comes mainly from NI Executive funds, supplemented by receipts from the planned disposal of surplus government assets, and complementary investment from third party sources.

The table below shows the amounts to be invested in each area in the next three years, and in the subsequent seven years. The figures at sub-pillar level for 2012-2018 are indicative for planning purposes only.

| Pillar and Sub-pillar | £m (Current prices) | | | | |
|----------------------------|-------------------------------|---------------------|---|---------------------|---------------|
| | Budget Period: 2008 – 2011 | | Indicative for the period: 2011/12 – 2017/18 | | Total |
| | NI Executive Funds | Additional Funds | NI Executive Funds | Additional Funds | |
| Roads | 571.8 | | 2,117 | 400 | 3,089 |
| Public Transport | 195.3 | | 529 | | 724 |
| Gateways | 5.6 | | | | 6 |
| Telecoms | 28.7 | | 7 | | 35 |
| Energy | 19.7 | | 93 | | 113 |
| NETWORKS | 821.1 | | 2,746 | 400 | 3,967 |
| | | | | | |
| Schools & Youth Services | 714.5 | | 2,792 | | 3,506 |
| FE & HE | 134.0 | | 366 | | 500 |
| Libraries | 31.6 | | 107 | | 139 |
| SKILLS | 880.1 | | 3,265 | | 4,145 |
| | | | | | |
| Primary Care | 152.6 | | 354 | 355 | 862 |
| Public Safety & Technology | 149.8 | | 408 | | 558 |
| Hospitals Modernisation | 412.1 | | 1669 | | 2,081 |
| HEALTH | 714.5 | | 2,431 | 355 | 3,501 |
| | | | | | |
| Regeneration | 427.9 | | 202 | | 630 |
| Housing | 496.2 | | 892 | | 1,388 |
| Welfare Reform | 71.2 | | | | 71 |
| Culture, Arts, Sport | 201.0 | | 303 | | 504 |
| SOCIAL | 1,196.3 | | 1,397 | | 2,593 |
| | | | | | |
| Water & Waste Water | 646.5 | 391.9 | 717 | 780 | 2,535 |
| Waste Management | 196.9 | 196.9 | 36 | 36 | 466 |
| Flood Risk Management | 21.0 | | 61 | | 82 |
| Environment | 7.6 | | 19 | | 27 |
| ENVIRONMENT | 872.0 | 588.8 | 833 | 816 | 3,110 |
| | | | | | |
| Enterprise & Innovation | 194.5 | | 472 | | 666 |
| Tourism | 72.0 | | 17 | | 89 |
| Rural & Primary Industries | 161.7 | | 249 | | 411 |
| Public Sector Reform | 68.7 | | 121 | | 190 |
| PRODUCTIVE | 496.9 | | 859 | | 1,356 |
| | | | | | |
| Other & Misc. | 1.9 | | 3.7 | | 5.6 |
| GRAND TOTAL | 4,982.8 | 588.8 | 11,535 | 1,571 | 18,678 |

- (1) The figures for years 1-3 agree with the draft budget figures for 2008-2011 published along with the Programme for Government and this Investment Strategy.
- (2) NI Executive Funds comprise Capital DEL, RRI borrowing, and receipts from planned levels of surplus asset disposals as advised by Departments to date.
- (3) Additional funds relates to anticipated contributory funding from third party sources (e.g. a planned contribution of £400m for Roads development from the Irish Government). These funds are indicative and are outside public expenditure.
- (4) Figures in the above table are quoted at current prices (i.e. reflecting the impact of forecast future inflation in capital DEL at levels advised by DFP).

In the coming months, the Executive is keen to explore how we can increase our sources of funding to enable us to deliver a more ambitious programme of capital investment. Although there will undoubtedly be some short-term wins, it is probable that that the impact will be seen in year three and beyond of this focused campaign. Already we know that we need to invest more in our roads, our schools and our healthcare system.

INVESTMENT PILLAR: NETWORKS

Roads, Public Transport, Gateways, Telecoms, Energy

High quality transport, communication and energy networks are the vital arteries of today's most successful economies – powering competitive advantage in business, reducing social isolation, and linking people to an expanding world of information, knowledge and opportunity. Investing in efficient reliable competitive and sustainable networks is critical if we are to deliver our top priority of **growing a dynamic and innovative economy**.

Over the period of this strategy, we plan to increase significantly the size of our motorway/dual-carriageway network (part of the Trans-European Network) and upgrade selected link corridors and trunk **roads**. This will reduce journey times and improve access to urban centres and inter-regional gateways. It will also improve accessibility in the South-West and North-West to support more balanced development and reduce regional disparity. We aim to improve our road safety record and reduce the numbers killed or injured on the roads.

We also recognise that better roads infrastructure should not simply stimulate more private car journeys. Our roads will be developed to complement and enhance the **public transport** network and encourage a shift away from the car for journeys particularly in urban areas. This will include quality **bus** corridors on key arterial routes, investment in more accessible bus fleet, and development of park-and-ride facilities to meet demand.

We intend to develop a **rapid transit system** in the Greater Belfast Area to underline further our commitment to public transport. Plans are at an early stage, and indications are that demand initially could support two routes: *E-way* running from Dundonald through socially deprived areas at Tullycarnet and Inner East through the City Centre to the Royal Victoria Hospital and beyond into West Belfast; *CITI* route linking the Titanic Quarter to the city centre and beyond to Queen's University and the City Hospital. The potential to lever in private sector funding will also be an important ingredient.

Recent investment in new **trains** has proven popular with commuters; on the Bangor and Portadown lines, for example, passenger journeys have increased 29% between 2004/05 and 2006/07 and currently operate at near capacity during peak times. We will continue this success by replacing older trains as they come to the end of their useful life, investing in station upgrades and systems to improve passenger information. We will also plan to work jointly with the Irish Government to upgrade rail services between Belfast and Dublin, building on their commitment in the National Development Plan 2007-2013.

Our ports and airports are vital **gateways** for movement of people and goods, and play an important part in our economy. We are currently reviewing the status of the commercial trust ports to ensure they are placed on the best footing to invest for the future. Our airports are performing strongly and we will work with the private sector to ensure this continues by complementary investment where required. Together with the Irish Government, we are also supporting runway improvements at City of Derry Airport to enhance air connections to the North West.

Northern Ireland was one of the first regions in Europe to offer 100% **broadband** availability. The challenge now, working with the private sector and the official regulator (Ofcom), is to increase broadband take-up rates especially outside the Belfast Metropolitan Area, encourage business to leverage fully the opportunities of greater connectivity, and to keep our region at pace with technological developments in speed and capacity (bandwidth) to maintain our economic competitiveness and attract inward investment, with a view to supporting a more balanced development and a consequent reduction in regional disparities.

Given the importance of **telecommunications** links with our global trading partners, we intend to connect directly into an international submarine telecom cable off our North Coast to deliver significant improvements in the speed, resilience and cost of voice and data transfer services to business here. At present, the cost of backhaul services and latency in the telecoms network make locations such as the North West less attractive for companies exchanging data internationally. In future, we will work with the private sector to offer an unrivalled telecoms infrastructure to drive up competitiveness of local businesses and attract internationally mobile investment in the high technology and tradeable services sectors.

Security of supply, increasing use of renewable energy sources, and cost of **energy** remain vital issues for the future. We will work with the economic regulator (NIAUR) and private sector energy players to address the challenges ahead. A priority is to build a more competitive energy market and the Single Electricity Market provides a framework for a larger, competitive wholesale market in line with the EU vision for regional electricity markets. We will consider support for investment in better grid connectivity to help support this, informed by the cross border grid study.

Looking ahead, our plans will continually need to be revised in light of trends in global energy markets. Determined action today to reduce our reliance on fossil fuels, for example through low energy building design and sustainable forms of development, are likely to have significant payoffs in the years ahead for the public sector and for citizens (for example, in reducing fuel poverty). Put simply, we must avoid creating an energy intensive society today that may be unaffordable in the future.

NETWORKS: KEY GOALS

Over the lifetime of this Strategy, we aspire to deliver:

- significant elements of a modern rapid transit system serving the Greater Belfast Area, integrating with improved conventional public transport across the region;
- upgraded key transport corridors connecting our major towns and cities to regional gateways, the Belfast metropolitan area and the Southern road network;
- new modern rolling stock to replace all older trains, and at least 50% increase in the frequency of rail services between the main urban economic centres;
- investment to support a single electricity market which delivers tangible benefits to consumers;
- improved communications networks, maintaining technological pace with the best in Europe in terms of increased internet connectivity speed, capacity and availability.

NETWORKS: MILESTONES

In working towards these goals, key milestones will include:

- opening of the M1/Westlink and M2 upgrades in 2009;
- an enhanced ferry service for Rathlin Island by 2009;
- the establishment of a new International Communications link in the North West directly connected to North America and Europe by the end of 2009;
- by the end of 2011, working with the private sector, the delivery of widespread access for businesses to a next generation broadband network;
- opening of the Dungannon to Ballygawley dualling in 2010;
- opening of the A1 Beech Hill to Cloghogue dualling in 2010;
- the first phase of 13 new trains coming into service by 2011;
- starting work on the first Rapid Transit line in Greater Belfast by 2011;
- opening of the A5 and the remaining section of the A8 dualling schemes during the lifetime of the strategy.

INVESTMENT PILLAR: SKILLS

Schools, Higher & Further Education, Youth Services, Libraries

A peaceful, fair and prosperous society has at its heart a well educated populace with the skills to engage fully and positively in society and in the economy. This is a society that values and nurtures learning – the acquisition of social skills and knowledge starting in childhood and extending over a lifetime – essential to *promote tolerance, inclusion, health and well-being*. The skills-base of countries and regions is increasingly the key determinant of relative economic growth, competitiveness and productivity – factors vital to support higher living standards in an increasingly globalised economy.

Today, too many of our children leave **school** without adequate, and in some cases any, qualifications and these are predominantly from deprived areas that have suffered from underachievement over a number of generations. Our education system has surplus capacity in many schools, and facilities that reflect years of underinvestment. The Executive is determined that our schools estate will be redeveloped in time to engage children from all backgrounds – so that all are helped to reach their full potential. Our future economic and societal wellbeing depends on it.

Over the next 10 years, we will deliver a modern and sustainable schools estate with links to the further education estate across the region, better aligned to the needs of the population and the skills required by tomorrow's economy. As a first step, we will progress the major building projects already announced at over 100 schools – including eight schools specifically for children with special educational needs. Going forward we expect education communities to work together so that decisions by the Executive on future phases of the schools estate modernisation programme are grounded firmly on cross-sectoral area-based plans. This will help to ensure that valuable resources are focussed effectively to deliver a quality education for all our children, driving up standards, reducing surplus capacity, increasing accessibility, and making collaboration between local schools much more prevalent, therefore ensuring that children from all our diverse communities and traditions are equally valued.

Schools in the future may also perform extended roles in communities – as venues for adult continuing education and recreation, facilities for youth services after school hours, and breakfast clubs to meet the needs of working families. Some schools may be co-located with other services, for example libraries and health provision.

The demand for **Further and Higher education** has risen substantially. For example, between 1996-97 and 2005-06 total enrolments at our Higher Education Institutions rose by 29%. The Regional Economic Strategy recognises that, while educational attainment has been relatively high, this is not always translated into the local labour market. Student migration away from Northern Ireland continues to persist with nearly 30% of our students moving away to study and not returning.

The recent organisational mergers in the **Further Education** (FE) sector have created six area-based colleges that are now well placed to engage our young people and adults in continuing education and to provide skills training to meet the needs of employers. The FE colleges, together with the College of Agriculture, Food and Rural Enterprise (CAFRE), respond to skills shortages in the wider workforce by providing training in key areas of the economy (such as construction, engineering, the food industry, software); providing opportunities to update literacy, numeracy and IT skills; as well as providing evening classes valued by many. FE colleges and CAFRE will continue to work closely with employers to ensure we have the right skills for the economy, and the curriculum provided by colleges will focus increasingly on our plans to deliver the full potential of students and the development of the economy. Colleges will also work closely with schools to ensure that 14-19 year olds are introduced to the wide range of professional and technical courses for economic growth, and with universities in the delivery of higher education provision.

Colleges need the right estate to deliver this important work. Plans are advanced for a number of developments across the region – including at colleges in Downpatrick, Londonderry/Derry, Lisburn, Enniskillen, Bangor/Ards and Newtownabbey. A new campus of Belfast Metropolitan College is planned for the Titanic Quarter. It is anticipated that this will open in 2010 and cater for up to 2,200 full-time student equivalents and a significant number of part-time learners. New accommodation in some cases will replace split sites - improving service delivery, regenerating areas and showcasing education for a better future.

Our **universities** are a cornerstone in our ambition to build a world class research and development led economy, and are also key contributors to the delivery of the Skills Strategy – Success Through Skills. Excellent progress has been made – and in the last year Queen’s University of Belfast joined the Russell Group of leading UK research universities. The University of Ulster too, is playing a vital role in extending access to students across the region. We will complement investment by both the universities and the two university colleges to build upon this success – supporting teaching and research infrastructure and seeking to develop a more strategic approach to capital investment funding. Going forward

the universities will increasingly seek to expand their income base and increase investment from their own funds.

Youth services support the delivery of educational and social outcomes, particularly for disadvantaged children and young people. This Executive is committed to supporting these services across the region. Going forward there will be opportunities for local youth service needs to be considered as an integral part of schools redevelopment – under the extended schools concept – as well as stand alone youth facilities.

Local **libraries** help to improve literacy and educational skills, particularly in the most disadvantaged areas, and are often accessible to all sections of the community in interface areas. Future investment will be targeted at renewing facilities and expanding services to meet the needs of users.

SKILLS: KEY GOALS

Over the lifetime of this Strategy, we aspire to deliver:

- a substantially modernised schools estate at the heart of communities, exemplifying sustainable development principles, including social procurement practices, and informed by and supporting cross sectoral area plans;
- modernisation of our Further Education infrastructure to support high quality engagement and service delivery by the six new FE colleges;
- support for Universities to increase their research and teaching capacity, as an important component for our plans to deliver the full potential of students and the development of the economy;
- modernisation of libraries in our cities and key towns.

SKILLS: MILESTONES

In working towards these goals, key milestones will include:

- taking forward major works at over 100 schools across the regions in the period 2008-2011, including eight schools for pupils with special educational needs;
- from 2012, commencement of a broader programmes of schools modernisation, based firmly on cross-sector area plans and linking with other public services;
- a new campus for Belfast Metropolitan College open by 2010;
- new accommodation at the North West Regional College's main campus by 2010;
- new accommodation at the South Eastern Regional College's campuses in Lisburn, Downpatrick, Newcastle and Ballynahinch open by 2011;
- a new Belfast Central Library open by 2015.

INVESTMENT PILLAR: HEALTH

Primary Care, Public Safety & Technology, Hospitals Modernisation

Investment in health infrastructure will deliver modern facilities that provide the best possible primary, secondary, specialist and community and mental health care as well as state-of-the-art medical equipment and technology. This investment in improved facilities will ensure positive health benefits and outcomes for us all.

Over the next twenty years, the need and demand for our health and social services will increase and change. There are several reasons for this, a central factor will be our ageing population that will engender a higher incidence of chronic conditions, such as diabetes, chronic chest conditions, cancers and coronary heart disease. Improving peoples' health and wellbeing will be one of the most fundamental ways of improving quality of life and, to achieve that, we will need to build and maintain a robust and dynamic health and social care system.

Investing in **Primary and Community Care** will begin to put in place the new infrastructure required to transform healthcare delivery by delivering more treatment and care closer to where people live and work. We will seek to ensure that where possible people will be supported to manage their treatment at home, thus reducing the need for hospital admissions. Over the period of the strategy, we will continue to build new and innovative **Health & Care Centres** and a range of other facilities throughout the region. These will be responsive to people's needs, provide greater access to a wider range of services (some previously only available at hospitals), be delivered close to where people live and work, and be more integrated across hospital, regional, and community care boundaries, making the best use of the skills of health and social care professionals. This investment will provide, among other things, for new facilities in Andersonstown and Shankill in West Belfast, a new Regional Adolescent Psychiatric Unit at Forster Green, a new Health and Care Centre at Portadown and a new mental health crisis facility on the Gransha hospital site.

We will also modernise our **emergency services** to improve performance through better equipment, technology and methods. The key driver for the Northern Ireland Ambulance Service (NIAS) and Northern Ireland Fire and Rescue Service (NIFRS) is the requirement to provide the appropriate response to an emergency with the right equipment and crew within specified response times. Investment in the fire and rescue service will support the modernisation of estate, fleet and equipment of NIFRS to ensure delivery of services to the highest appropriate standard. It will also provide for NIFRS a new, shared training facility. Investment in the Northern Ireland Ambulance Service is required to deliver better clinical outcomes by responding to 75% of life-threatening emergency calls within 8 minutes.

Over the coming years, we will invest in a core of **acute hospitals** across the region capable of delivering the highest quality patient care and improved clinical outcomes for the future. Many of our hospitals were built in the late-nineteenth and early twentieth centuries and now require modernisation. Technological changes have also introduced new pressures with the need, for example, to ensure that patients benefit from access to the latest imaging and surgical techniques. We will invest in our acute hospitals to ensure most people will have access to acute services, emergency care and consultant-led maternity services within 45 minutes, and all the population will normally be within one hour of these services. Work is continuing on the first phase of the redevelopment of Ulster Hospital and the second phase of the Royal Victoria Hospital, and plans are well advanced for a new acute hospital in the South West near Enniskillen.

We will also invest in our **local hospitals**, forming a crucial bridge between acute hospital and the primary and community care sector, providing extended-hours access to urgent care services, a wide range of day case surgery, high quality diagnostic services, a comprehensive range of outpatient clinics, pre-and post-natal maternity services, and rehabilitation and step-down beds, supporting people who require less intensively supported care as they complete their recovery after in-patient treatment. Major schemes in coming years include the completion of the new local enhanced Downe Hospital and the new local enhanced hospital in Omagh in a highly innovative single-site complex incorporating a mental health unit and health and care centre.

KEY GOALS - HEALTH

Over the lifetime of this Strategy, we aspire to deliver:

- a regional network of 35 primary and community care facilities, bringing services into the heart of the community, improved access and supporting greater multi-disciplinary working;
- an acute hospital network that can deliver the best health outcomes using modern technology efficiently and supporting increasing medical sub-specialisation;
- information and communications technology to support seamless administration and care delivery between settings and services;
- emergency and rescue services that are well integrated, and are equipped and deployed to deliver the highest response standards;
- modernisation of the mental health service estate, and supporting a move away from long stay settings to care in the community.

MILESTONES - HEALTH

In working towards these goals, key milestones will include:

- a new local enhanced hospital at Downpatrick by 2009;
- opening five new Health & Care Centres by 2011 – Andersonstown, Castlereagh, Shankill, Grove (Shore Rd), and Portadown;
- a new mental health crisis centre at Gransha by 2011;
- first phase of Ulster Hospital redevelopment complete by 2011;
- a new acute hospital serving the South West by 2012;
- a new local enhanced hospital in Omagh by 2013.

INVESTMENT PILLAR: SOCIAL

Regeneration, Social Housing, Welfare Reform & Modernisation, Culture, Arts Sports & Inland Waterways

We want to create economically competitive and socially cohesive cities and towns and thriving and sustainable rural communities and environment. This will be delivered through a range of targeted, integrated and area based interventions, designed to tackle disadvantage by encouraging stronger leadership, building cohesive communities that *promote tolerance, inclusion, health and well-being*. We will achieve this by regenerating areas which have suffered from the adverse impact of economic change, social deprivation and environmental decline; providing high quality and well-managed housing; and improving sports and arts facilities to make Northern Ireland a more attractive place to live and also attract more tourists.

In the past, public sector led **regeneration** initiatives had a positive impact on addressing social and economic issues. Over the next few years, we will continue such initiatives by leading on major regeneration schemes throughout the region such as the retail-led mixed use scheme planned for the North East quarter of Belfast City Centre, and comprehensive development schemes in Enniskillen, Ballymena and Coleraine.

An opportunity exists to develop **strategic sites** to achieve better planning and assist in meeting a variety of needs relating to the provision of affordable housing, economic development, the creation of employment opportunities and the shared provision of health, education and leisure facilities. We will invest in the Ilex Regeneration Plan which commits to the regeneration of former military sites such as Ebrington and Fort George enabling a significant expansion of the current city area; Crumlin Road Gaol and Girdwood which offer the potential for a transformational development on an interface area that will provide social and economic regeneration within North Belfast; and the Maze/Long Kesh site.

This investment in key regeneration projects in our cities will be complemented by investment in **neighbourhood renewal** initiatives in our towns and their hinterlands. We will focus on those neighbourhoods suffering the worst levels of deprivation by integrating government interventions, at neighbourhood level. We seek to move away from local project-based funding to a more long-term and co-ordinated response to need. To continue to build the social capital required for strong communities, we will also provide support to voluntary and community organisations for capital development projects and the purchase of assets.

High quality and well-managed housing is a cornerstone of sustainable communities and is essential to creating and maintaining communities that reflect diversity in terms of income,

tenure and ethnic background and contribute to a *peaceful, fair and prosperous society*. Over the coming years, we will invest in **socially rented** and **affordable housing** to address the needs of communities across the region. Through a social and affordable housing programme, we will provide decent energy efficient housing for those in housing stress, and work towards eradicating fuel poverty in vulnerable households and in social housing. Our programme of investment in social housing will enable us to work towards an ambitious target of up to 10,000 new social housing completions over the next five years.

In line with our objective to tackle poverty and social exclusion and to support people in acquiring the new skills they need for the jobs of the future, we will invest in a programme to co-locate the previously separate benefit delivery and job assistance services in a single 'Jobs & Benefits office' providing an integrated work-focussed service to the people of working age putting the emphasis on getting people into work and tackling barriers to employment. Investing in our **welfare system** will facilitate the uptake of means-tested benefits and tax credits for pensioners, lone parents and families with children; improve employability among benefit recipients, assist in the transition into work; increase the uptake of in-work tax credits; and should achieve significant administrative savings through the introduction of new Information Technology and an anti-fraud culture.

We will also seek to improve the attractiveness of the region for both residents and tourists by investing in our culture, arts and sports and inland waterways infrastructure. We will invest in a range of new, and improved **sports** facilities to a standard comparable with other similar UK regions, providing world class facilities and places for playing and watching sport that are accessible to all. This will be complemented by increased levels of investment in our **arts and culture** infrastructure to enable us to keep pace with the artistic and cultural expectations of a modern society. Our investment strategy also supports the potential of our **inland waterways** and highlights the restoration and development of the waterways as an area of practical North/South co-operation.

SOCIAL: KEY GOALS

Over the lifetime of this Strategy, we aspire to deliver:

- Major mixed-use regeneration schemes and strategic site redevelopment in Belfast and the North West;
- Comprehensive development schemes in 13 towns across the region, building social capital and strong communities;
- High quality private, social and affordable housing across the region to meet the needs of all communities;
- An up-to-date welfare system which facilitates benefit uptake and tackles barriers to employment;
- Elite facilities for sport, linking with the London Olympics in 2012.

SOCIAL: MILESTONES

In working towards these goals, key milestones will include:

- The commencement of a major mixed-use regeneration scheme in the North East Quarter of Belfast City Centre by 2011 leveraging in significant private sector investment;
- Redevelopment of strategic sites including Ebrington & Fort George by 2012, and Crumlin Road Gaol/Girdwood and Maze/Long Kesh;
- Completion of up to 10,000 new social and affordable housing completions over the next five years, working with Housing Associations the private sector;
- Co-location of all the previously separate benefit delivery and job assistance services in single office by 2012;
- Completion of a new 50m swimming pool in time for the Olympics in 2012.

INVESTMENT PILLAR: ENVIRONMENT

Water and Waste Water, Waste Management, Flood Risk Management, Environment

We must do more to *protect and enhance our environment and natural resources* by creating a healthier and more sustainable environment for the benefit of current and future generations.

Investment in our **water and wastewater** infrastructure is urgently needed. This is largely the result of historic underinvestment in an ageing infrastructure, and increasingly targets set down by EU Directives, which must be met to avoid infraction penalties. The demand on water is immense, Northern Ireland Water (NIW) provides safe clean drinking water to some 795,000 households, and everyday 619 million litres of water are supplied through 26,500kms of water mains. Wastewater is collected through over 14,500kms of sewers collecting some 133m cubic metres of wastewater from 660,000 households.

Investment in our infrastructure will aim to half leakages from their 2001 level by 2010, and replace or upgrade of over 900kms of water mains. Project Omega will deliver further improvements in wastewater treatment facilities, with the construction of a new fully enclosed treatment facility for the North Down / Ards area, and the development of a sludge disposal solution for the region.

Currently some 63,000 properties, worth in total £7.5bn, are at risk of flooding from rivers or the sea. We will invest in flood risk management, and implement the impending EU Floods Directive by 2015. We will also provide continued investment in the maintenance of existing flood and sea defence assets, valued at £375m, ensuring their integrity to provide appropriate standards of protection.

Every year we throw away around 1.0m tonnes of **waste**, most of which ends up in landfills where it decomposes slowly releasing various liquids and gases such as carbon dioxide and methane. Landfill is a passive low-cost, low-tech approach to waste management that harms our environment. Over the period of the strategy we will invest in more sustainable ways of dealing with waste and, in response to European legislation, we will reduce the levels of landfilled biodegradable municipal waste to 75% of 1995 levels by 2010, 50% by 2013 and 35% by 2020.

We will use proven technologies to help us, such as Mechanical Biological Treatment processes, which can produce fuel for energy recovery facilities. The energy recovery processes can generate electricity for homes and businesses. By releasing this energy

potential, there is a corresponding reduction in the amount of fossil fuel that would need to be burnt in a conventional power plant – helping to reduce our greenhouse gas emissions.

We will continue to protect and conserve the rich diversity that our natural and built heritage possesses, providing an important counter balance to the pressures of modern living, and a positive link with our past. Investment in our **environment** including nature reserves, monuments, archaeological sites, listed buildings and country parks will promote the enjoyment of our heritage for the benefit of all including visitors.

KEY GOALS - ENVIRONMENT

Over the lifetime of this Strategy, we aspire to deliver:

- a high quality water and wastewater infrastructure for the region, capable of meeting EU requirements;
- a new approach to waste management that is compliant with EU regulations and uses more sustainable technologies;
- sustainable flood risk management to meet the social, environmental and economic needs of the region.

MILESTONES - ENVIRONMENT

In working towards these goals, key milestones will include:

- Completing the Belfast Sewer Project by 2010 in order to significantly reduce the risks of flooding in part of the City;
- Upgrading water treatment and distribution infrastructure in a phased manner, to comply with existing water quality regulations across the region by 2014. This will include service commencement of Project Alpha (to upgrade water treatment facilities) by 2009;
- Upgrading waste water treatment infrastructure in a phased manner to bring the region into compliance with current EU standards by 2014. This will include service commencement of Project Omega (to upgrade waste water treatment and sludge disposal facilities) by 2010;
- Supporting Local Authorities to deliver the waste management infrastructure by 2011 (with up to £200m or 50% of the capital cost, whichever is less).

INVESTMENT PILLAR: PRODUCTIVE

Enterprise and Innovation, Tourism, Rural Development and Primary Industries, Public Sector Reform

Our key priority is to create a modern economy driven by business and targeted on higher value added and innovative products and services. We will invest in the shaping of a competitive economy: one which is less reliant on natural resources, physical capital and low-skill labour, and supported by a more modern and efficient Public Sector.

The provision of financial assistance will help attract first-time Foreign Direct Investment (FDI). Funding will also be available to encourage the expansion and growth of existing clients, both local and foreign owned.

We will increasingly target our support to encourage the development of high added value industry sectors that will introduce new technologies, value added processes and associated skills into our workplace thereby helping to expand the export base, grow and strengthen the local supply chain and secure the long-term future of our economy.

We will provide publicly owned land, zoned for industrial use, in areas where there is demonstrable market failure. In particular, we will seek to ensure that Invest NI client companies, both local and foreign owned, are not constrained in pursuing export-focused growth plans by the current trends within the property market, these being issues of affordability and the redevelopment of brown field industrial sites for uses such as housing, distribution and retail. Specifically we will acquire land and develop serviced sites for Invest NI clients at main regional hubs as defined in the Regional Development Strategy.

Development of the tourism product and service can stimulate economic growth further and generate revenue and higher levels of employment in rural and urban areas. We will provide investment to enhance tourism infrastructure and work with key partners to continue to progress implementation of our five tourism signature projects. Our rural areas offer real opportunities in terms of potential for growth in the provision of rural recreation and tourism, their attractiveness as places to invest, live and work, and their role as a reservoir of natural resources and highly valued landscapes. Investment will help to diversify the rural economy, and so protect the rural environment and its communities by modernising the agricultural sector as a whole.

In line with the requirements of the EU Nitrates Directive, we will reduce and prevent water pollution caused by the application and storage of organic manure and chemical fertiliser on farmland by supporting investment in improved storage. We will also provide support to the NI Rural Development Programme, fisheries and forestry industries.

We will continue to invest in Government services to ensure that we deliver a more modern and efficient Public Sector. Workplace 2010 will provide a more modern working environment resulting in a smaller more efficient portfolio of buildings. Investment in other programmes, such as HR Connect, Account NI and an ICT shared services centre will replace outdated systems and provide better value for money.

PRODUCTIVE: KEY GOALS

Over the lifetime of this Strategy, we aspire to deliver:

- sustained private sector growth in the manufacturing and internationally tradeable services industry sectors, by supporting high added value projects from existing and prospective Invest NI clients;
- sufficient high quality serviced sites for industrial development at strategic locations across Northern Ireland to meet the demand from Invest NI clients, both local and foreign-owned, thereby supporting balanced industrial development and job creation across the region;
- tourism infrastructure to develop and improve the quality of our tourism product
- continue to support the economic and social development of our rural communities, and support the modernisation of our primary industries and to help ensure compliance with EU directives;
- modern Government accommodation and systems to deliver efficient and value for money public services.

PRODUCTIVE: MILESTONES

In working towards these goals, key milestones will include:

- a major review of surplus public sector sites by 2008, and with a view to identifying significant sites with industrial development potential across the region;
- by 2012 acquire and / or develop 200 acres of serviced land for Invest NI client companies in main hubs as defined by the Regional Development Strategy;
- completion of the Workplace 2010 contract in 2008, with investment to upgrade and modernise public sector accommodation and systems;
- helping the farming community into compliance with the Nitrates Directive by 2009;
- by 2013 £25m of public and private investment will be made in the fishing industry through the European Fisheries Fund Programme;
- support for 20 farm/agri-food businesses in a £10m scheme to create renewable energy from agri-food waste by 2014.

DELIVERING OUR INFRASTRUCTRE INVESTMENT PLANS

This strategy sets out our determination as an Executive to see a step change in the delivery of infrastructure investment. The higher investment levels and accelerated programmes bring not only delivery challenges for the Executive, but also major socio-economic challenges. Significant efforts will be required to ensure that the available funding is converted into infrastructure in a timely manner.

The Executive is currently restricted in its fiscal and revenue raising flexibility. These restraints will create a heavy burden as we seek to balance demand for delivery against access to available resources. It is important to bear in mind that a range of options will have to be considered carefully by the Executive. In doing so, efficiency, effectiveness and social benefits will be central to the Executive's considerations.

As an Executive we are conscious that our level of ambition to invest in building our infrastructure is greater than the capital funding envelope we have available in the draft budget. We have therefore established a **Capital Realisations Taskforce** to report to us with recommendations by mid-December. These recommendations will be taken into account in funding our Investment Strategy and the Budget before publication. The Executive's view is that social housing and schools are priority areas if additional capital funds materialise as a result of this work.

At all times the Executive will consider how the delivery of such an ambitious infrastructure programme can improve public services, deliver value for money as well as grow the economy, support positive social outcomes and enhance as far as possible the environment.

Procurement of major infrastructure will be taken forward in full compliance with best procurement practice. This will entail all procurement contracts from the initial conceptual stage, through detailed project planning, tendering and completion of Final Contract. It is anticipated that specific guidance on embedding equality and sustainability, including consideration of social outcomes in procurement processes, will be issued to public bodies in the near future.

At a strategic level we will conduct an Equality Impact Assessment of the Investment Strategy in accordance with our statutory duties.

The delivery of the Investment Strategy will require a high level of co-ordination and co-operation between the public and private sectors. We envisage significant opportunities for our local construction industry as lead contractors and/or as part of the supply chain. We are also working with local industry bodies and the Sector Skills Council for construction, ConstructionSkills; and will ensure that apprenticeships are put in place to enable people to develop sustainable skills and gain qualifications, which will benefit them after the life of this strategy.

Further work is underway in departments to develop **Investment Delivery Plans**, which will provide additional detail on the future infrastructure investment in this Strategy. In some instances this will involve consultation with a wide range of interests, which will take some time to complete.

New monitoring arrangements are being put in place, to monitor the performance of departments and agencies in delivering investment.

As a signal of our determination to accelerate investment delivery, we commit in the Programme for Government to deliver a fundamental overhaul of the planning system by 2011. As an immediate step, we commit to providing from today a planning decision on all new large scale proposals within six months of receipt, provided there has been pre-application consultation.

The principal measure of success will be the delivery of new and improved infrastructure on time and to budget that provides a platform to deliver our Programme for Government.

Conclusion

This is the most ambitious investment strategy Northern Ireland has ever seen. Our landscape and buildings will be transformed over the course of the next ten years. This is an opportunity to make a real difference and we fully intend to seize it. We will bring a tenacity, vitality and hands-on approach to assure the physical transformation of our region – and to help deliver on our vision and promises in the Programme for Government. We encourage the public sector, the private sector and the voluntary and community sectors to share our vision and work with us to build a better future for everyone.

Comments on the Draft Investment Strategy 2008-2018 can be submitted by writing to the following address:

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Should you require this document in an alternative format, please contact the above address.