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Department for
**Employment
and Learning**
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Department for Employment
and Learning
Investment Delivery Plan FE/HE
Sub Pillar

DEPARTMENT FOR EMPLOYMENT AND LEARNING INVESTMENT DELIVERY PLAN FE/HE SUB PILLAR

Section 1: Vision / Objective

Higher Education

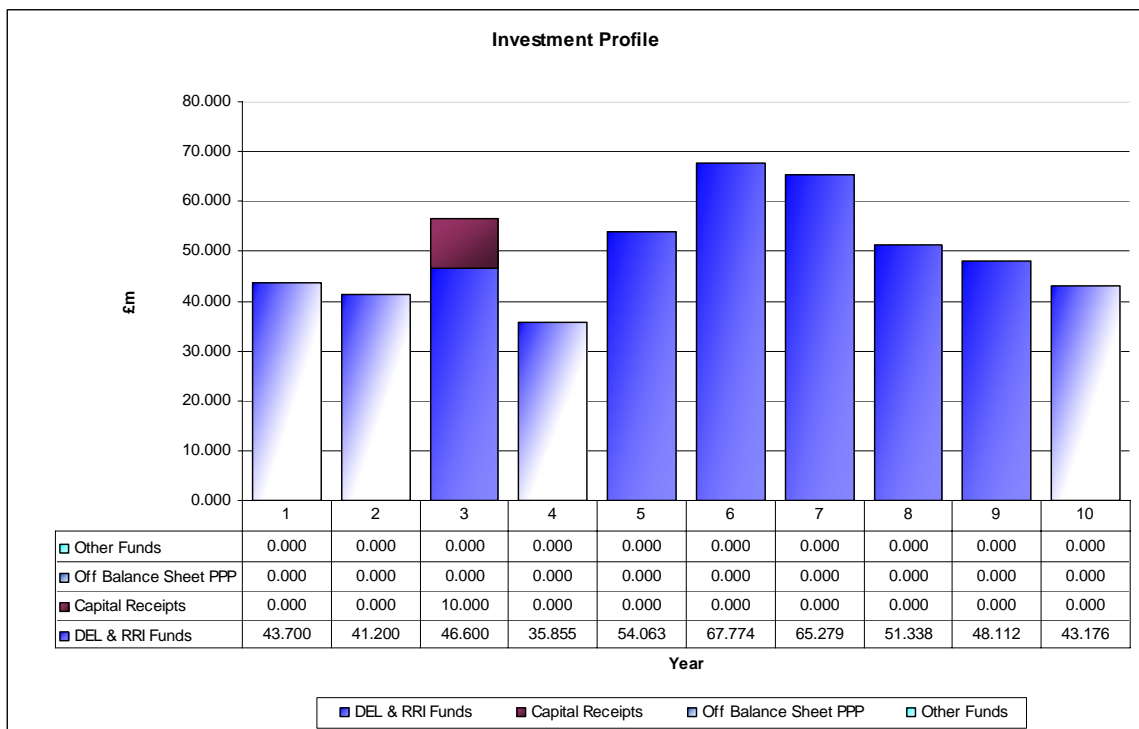
The Department for Employment and Learning is committed to supporting the Northern Ireland higher education institutions in developing the research and teaching infrastructure necessary to allow them to develop students to their full potential and to contribute to the growth and sustainability of the local economy. Our universities are a cornerstone in our ambition to build a world class research and development led economy and are key contributors to the delivery of the Skills Strategy – Success Through Skills. The vision in respect of capital investment, as defined in PSA 16 Investing in the Health & Education Estate, is to maintain and strengthen the learning and teaching and research capacities of our higher education institutions. The key focus for the Department is to establish capital investment programmes in the areas of learning and teaching and research infrastructure, which align with departmental priorities for the Higher Education sector as well as wider UK programmes and strategies. In the longer term, the aim is to deliver a sustainable higher education estate and enable the institutions to develop a more strategic approach to capital funding to address the needs of students, business and the local economy, and which is supported primarily by alternative funding sources.

Further Education

The Investment proposals are for a programme of major capital works to address serious infrastructure deficiencies in the Northern Ireland Further Education College estate. The Department’s “Further Education Means Business” strategy (see Annex 1) envisages a Further Education sector which enables colleges to play a vital role in the delivery of the economic vision for Northern Ireland. Further education is one of the main providers of professional and technical education and training in Northern Ireland (such as construction, engineering, the food industry, software) and colleges will make a significant contribution to raising skill levels.

Colleges need the right estate to deliver this important work and plans are advanced for a number of new developments across Northern Ireland – these include new colleges/buildings and facilities in Downpatrick, Derry/Londonderry, Lisburn, Enniskillen, Bangor/Ards and Newtownabbey. Plans are also well advanced for the development of a major new city centre campus for Belfast Metropolitan College in the City’s Titanic Quarter. New accommodation in some cases will replace split sites – improving service delivery, regenerating areas and showcasing education for a shared and better future.

Section 2: Funding Profile & Sources



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DEL Funding profile 2008-2011						
	2008-09 £'000		2009 – 2010 £'000		2010-2011 £'000	
	Gross	Capital Receipts	Gross	Capital Receipts	Gross	Capital Receipts
FE and HE	43,700	0	41,200	0	56,600	-10,000

DEL Indicative Funding profile 2011 - 2018		
FE and HE	Gross £'000	Capital Receipts £'000
2011 - 12	35,855	0
2012-13	54,063	0
2013-14	67,774	0
2014-15	65,279	0
2015-16	51,338	0
2016-17	48,112	0
2017-18	43,176	0

Section 3: Key Projects / Programmes

Higher Education

The higher education sector across the United Kingdom has, with effect from 1999, been supported in capital investment plans by two key capital grant funding streams:

- Learning & Teaching Capital (LTC) Infrastructure; and
- Research Capital Investment Fund* (RCIF).

*RCIF attracts match funding from the Office of Science and Innovation (now part of the Department for Innovation, Universities and Skills (DIUS)) and was formerly known as the Science Research Investment Fund (SRIF).

In early 2006 the four UK funding bodies (of which the Department for Employment and Learning is one) commissioned JM Consulting to undertake an independent review of capital investment across the higher education sector, identifying achievements to date, and to make recommendations with regard to future requirements. In commissioning this project the Department also requested that a

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Northern Ireland specific report be completed. The key recommendations of the independent review were that:

- RCIF and LTC funding levels should to be maintained post 2007/08 at current levels throughout the following three year cycle. These formulaic capital grant allocations have proved highly cost effective and facilitate stable capital planning by institutions. The RCIF funding also levers DIUS match funding and ensures contributions from institutions' own resources;
- A strategic capital funding programme should be developed across the ISNI ten year lifecycle to facilitate one-off bids by institutions for capital projects outside the scope of RCIF and LTC and which will facilitate builds previously supported under strategies such as the Reinvestment and Reform Initiative; and
- A strategic capital funding programme should be developed to facilitate the maintenance and future development of the initial teacher education infrastructure at the two local University Colleges. The programme should aim to enable the University Colleges to develop and implement strategic investment planning.

The higher education capital investment programme is detailed at Annex 1.

Further Education

The further education capital investment programme is detailed at Annex 2 with further commentary on key milestone projects given below:

- Belfast Metropolitan College - the college, supported by SIB, is in the procurement phase of a Public Private Partnership project to provide replacement accommodation for its College Sq East and Brunswick St campuses. A Ministerial announcement confirming Ivywood Properties Ltd, a subsidiary of Titanic Quarter Ltd, as the Preferred Bidder was made at the end of October 2006. It is anticipated that contract signing will be achieved in the summer of 2008 and the new college facility will be available in 2010. The total capital value of this project is £44m;

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- South Eastern Regional College - in 2003 an Economic Appraisal identified as the preferred option a new build with a capital value of £45m. This was part of a combined development which included new builds at Lisburn, Downpatrick, Ballynahinch and Newcastle. In 2006 the East Down and Lisburn Educational Partnership was appointed as the preferred bidder and contract signing is anticipated to be achieved by the spring of 2008. Construction will commence immediately upon contract signing and is estimated to take 26 months.
- North West Regional College - following a major review of its accommodation base in Derry / Londonderry the North West Regional College received approval to an Economic Appraisal to provide a programme of renewal, refurbishment and consolidation of existing sites. This confirmed an investment requirement of £32m for a seven phase programme. At March 2006 the Minister announced that resources were immediately available for the first four phases. These are being taken forward through a design and build procurement route and Phase 1 (the Motor Vehicle Workshop in Springtown) has been completed and phases 2 – 4 are in progress.

Asset Disposals

The Department plans to sell the Felden Training Centre, which is owned by DEL, during 2010/11 for a planned capital receipt of £10m, as listed in Section 2 above.

The rationalisation of FE Colleges in August 2007 from 16 Institutes of Further and Higher Education to 6 Colleges will necessitate a detailed estate assessment. This will support the drive by the FE sector to achieve greater productivity with the resources available by ensuring the effective utilisation of its assets. Accordingly, further analysis and investigation e.g. Space Utilisation Survey will be carried out. Article 15 (9) of the Further Education Order 1997 gives the Department for Employment and Learning the power to allow the colleges to retain the proceeds of asset disposals for investment and renewal of their estates.

Section 4: Contribution to the Objectives of Infrastructure Investment

Growing a Dynamic and Innovation Economy

The Research Capital Investment Fund (RCIF) is a UK-wide programme, aimed at supporting the Higher Education sector to engage in high quality research and to work collaboratively with institutions, industry, charities, Government and the Health Service to grow a dynamic and innovative local economy. There is a strong link between investment in the research and innovation base of the economy and sustained economic development. Investment in research, technological development and innovation will develop the intellectual infrastructure which is key to attracting overseas companies to locate in Northern Ireland. Investment in developing a world-class research environment in the universities will have a major impact on sustainability and innovation and facilitate the evolution of a knowledge-based economy. The two Northern Ireland universities, as the largest practitioners of research in the jurisdiction, have a particularly important contribution to make to the economy and society. Increased provision in terms of the capital and intellectual research infrastructure will facilitate the needs of indigenous companies as well as attracting and retaining inward investment.

The vision for the FE sector is that colleges will be key drivers of local, sub-regional and regional economic and workforce development, and that they will play a vital role in the delivery of the economic vision for Northern Ireland. In particular, there will be a sharper and greater focus on skills and qualifications provision required by the NI economy; the curriculum offered will be more clearly related to economic and workforce needs; learners will be provided with the skills and knowledge to enhance their employability; and there will be increased support for businesses, particularly Small and Medium Sized Enterprises (SMEs), in enhancing productivity and competitiveness and in providing opportunities for business creation, incubation and development. The modernisation of the further education infrastructure to support high quality engagement and service delivery by the six new FE colleges will be essential in achieving all of the above goals.

Promote Tolerance, inclusion, equality of opportunity and tackle social disadvantages

While the work of FE colleges will have an increasing economic focus, colleges will continue to have an important part to play in enhancing social cohesion and in

providing opportunities for lifelong learning. The sector has a particularly valuable role in giving people a second opportunity for education, and in encouraging those who are unemployed, or who are socially excluded or disengaged, to participate in education and training. Skills are also important in promoting social inclusion, since for individuals, they provide a route to stable employment, better wages, and long-term prosperity, as well as to personal development and fulfilment. Out of this comes wider benefits, including better health and greater social stability. The investment in skills and the capital base provided to support those skills is therefore central both to economic and social well-being and lies at the heart of public policy.

Protecting and Enhancing our Environment

Capital grant allocations made available to the local Higher Education sector are assessed at a high level against a number of key criteria such as feasibility, value for money and environmental sustainability. In particular the emphasis of capital investment programmes is on refurbishment or replacement projects with particular justification being required for new build projects. The Department, in conjunction with the three UK Higher Education funding bodies, is currently providing funding for a project to develop a bespoke higher education BREEAM (Building Research Establishment Environmental Assessment Model) toolkit, which will be used at institutional level throughout the lifecycle of infrastructure programmes. The Department is also working with the Higher Education Funding Council for England (HEFCE) to implement a revised Sustainable Development Action Plan for Higher Education, which includes working closely with the Association of University Directors of Estates (AUDE) on a wide range of environmental and spatial issues in relation to infrastructure and procurement.

All FE college capital infrastructure projects must be delivered to meet the aim and objectives of the Governments "Achieving Excellence in Construction" agenda (i.e. the building should be environmentally efficient and sustainable in terms of where it is located, how it has been constructed and how it will be used.) In pursuance of this, each project must embrace the Building Research Establishment Environmental Assessment Method (BREEAM). This assessment sets the standards for best practice in sustainable development and demonstrates a level of achievement (four

ratings from pass to excellent). All projects are encouraged to aim for an excellent rating; it is also independent in its licensing, quality assurance and certification.

Section 5: Delivery Arrangements

Higher Education

The Department for Employment and Learning makes capital funding available to the two universities and university colleges by way of capital grant, with a maximum investment of 90%. In the case of the main capital investment programmes (Learning and Teaching Capital and Research Capital Investment Fund) the funding is released over a three year period, in conjunction with budget cycle timeframes. The Higher Education institutions are autonomous bodies and the Department's role is to assess investment proposals, supported by robust business cases which demonstrate that the proposal represents value for money for the taxpayer as well as having a coherent strategic rationale. During the approval process the Department makes use of the skills and sector knowledge of the Higher Education Funding Council for England (HEFCE) to assess capital proposals from the universities. All successful project bids must be supported by a full Economic Appraisal (compiled in accordance with the Northern Ireland Practical Guide to the Green Book), which is reviewed by departmental Economists and referred to the Department of Finance and Personnel as necessary. Capital grants are released to the institutions under a Letter of Offer which identifies specific conditions in relation to project management, provision of information, project reporting and profiling of expenditure. The universities are required to comply with UK and European law in relation to their procurement activity and to implement best practice such as that defined by Achieving Excellence in Construction Initiative, which is championed by the Director of Estates at institutional level. The institutions also apply best practice project management techniques, such as PRINCE2 methodology, appropriate to the level of project expenditure. Post project evaluations are also completed and provided to the Department.

Further Education

The FE Colleges are the 'Delivery Agent' for the above capital projects with the Director being the Delegated Accounting Officer. FE Colleges were incorporated on 1 April 1998 by means of the Further Education (Northern Ireland) Order 1997. This transferred responsibility for the management of the sector from the education and library boards to the Governing Body of each college. The role of the Governing Body is to secure the efficient and effective management of the college and to ensure that the college provides suitable and efficient further education, with regard to the needs of the area in which it is situated. The Governing Body is also represented on the relevant Project Board and the Senior Responsible Officer for all major FE Capital Projects is the College Director or his/her nominated representative. All major infrastructure capital investment decisions are approved by the college's Governing Body. Operationally each project develops a Project Execution Plan (PEP). The PEP sets out a statement of policies and procedures for the project; it is developed by the Project Manager and approved by the Project Board. It is the core document for the management of a project and will develop as the project progresses through its design and construction phases and is thus a dynamic document representing a communication tool as well as a control document. Each project is assigned an Achieving Excellence and Sustainable Development Champion to ensure that the objectives detailed in Sustainable Development (section 4 above) are achieved. The Department also uses the Central Procurement Directorate DFP, as its COPE for the procurement of all FE capital projects and utilises their professional and technical expertise throughout the procurement and construction process.

Section 6: Risk Management Procedures

Higher Education

Progress against the Higher Education capital investment objective and the associated risks will be monitored within the Department's established business planning and risk management procedures. Project Letters of Offer require the use of a risk management process with risks identified at the outset and then managed by the institution on an ongoing basis. This will include regular reporting and provision of information to the Department. For higher risk projects (determined by

the overall level of expenditure or nature of the build) the Department will, by agreement in the Letter of Offer, take up an observer role on the Project Board. Ongoing and close communications with Directors of Finance and Estates within the institutions also assists in this.

Further Education

The Project Team develop and agree a Risk Register at the outset of each project. This is continuously updated and reviewed throughout the course of a project. The Risk Register along with Programme Costs and Programme Progress are also standing items at the relevant Capital Project Board/Team meeting. Each project utilises the OGC Gateway Process.

At a strategic level the DEL Board meets each month to manage the work of the Department and monitor the achievement of performance and business objectives. This includes assessing the management of risk using the Departmental Risk Register and assessing current spending levels against the overall Departmental budget.

Section 7: Monitoring

The Department for Employment and Learning will update the Investment Monitoring System on a monthly basis in relation to all HE and FE capital projects. The Department is also committed to consideration of the findings and recommendations of the Strategic Equality Impact Assessment (EQIA) in relation to the Investment Strategy as well as guidance issued by the Equality Commission and Central Procurement Directorate on Equality of Opportunity and Sustainable Development at project level. As well as leading on the implementation of PSA 2 'Skills for Prosperity' and PSA 3 'Increasing Employment', the Department will contribute as a key partner with DE on PSA 16 'Investing in Education Infrastructure in Further Education and Higher Education'.

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ANNEX 1: Summary of major investment in Higher Education

Programme title & description	Capital value (£m) Current prices	Anticipated procurement route ¹	Indicate next gateway stage ²	Anticipated date of advertisement to market	Estimated completion date/delivery date	Location
Learning & Teaching Capital (LTC) – to promote high quality learning & teaching capability in areas of national strategic priority & to contribute to the long-term financial sustainability of the higher education sector in Northern Ireland.	£25.5m	Conventional Procurement / Design & Build	n/a	LTC Funding round commences 1 April 2008 (covering a three year period)	March 2011	University of Ulster (UU) & Queen's University Belfast (QUB)
Research Capital Investment Fund (RCIF) - to promote quality research capability in areas of national strategic priority & to contribute to the long-term financial sustainability of university research activity in Northern Ireland.	£22.5	Conventional Procurement / Design & Build	n/a	RCIF Funding round commences 1 April 2008 (covering a three year period)	March 2011	University of Ulster (UU) & Queen's University Belfast (QUB)
University and University College Strategic Capital Investment Fund - to enhance physical infrastructure. Projects falling outside of the above programmes. .	£15.6m	Conventional Procurement / Design & Build	n/a	2010	March 2011	Stranmillis University College & St. Mary's University College Belfast University of Ulster & Queen's University Belfast
Note to table:						
¹ Please select from (a) PFI/PPP; (b) Design and Build; (c) Conventional Procurement.						
² Gate 0: Strategic Assessment; Gate 1: Business Justification; Gate 2: Procurement Strategy; Gate 3: Investment Decision; Gate 4: Readiness for Service; Gate 5: Benefits Evaluation						

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ANNEX 2: Summary of major investment in Further Education

Project title & description (including description of tangible outputs expected from the investment)	Capital value (£m) Current prices	Anticipated procurement route ¹	Indicate next gateway stage ²	Anticipated date of advertisement to market	Estimated completion date/delivery date	Location
<u>South Eastern Regional College.</u> Development of an Institute of Innovation of Engineering and Creative Technologies at the College's Bangor Campus. The development of a Construction Centre at the Colleges Ards Campus New build Campus in Lisburn New Build Campus in Downpatrick, Newcastle and Ballynahinch	£12.5m	Design and Build	4	June 2008.	June 2011	Bangor
	£6.0m	D&B	4	Dec 2007	Sept 2009	Newtownards.
	£21m	PPP	4		Summer 2010	Lisburn
	£25.2m	PPP	4	Preferred Bidder stage. Preferred Bidder stage.	Phased over 2009/2010	Downpatrick, Newcastle & Ballynahinch
<u>North West Regional College.</u> New Build Developments at College's Strand Road Campus L'Derry. New build development at Clondermott Waterside L'Derry. New build at Colleges Strabane Campus.	£13.8m.	Design and Build	4	July 2007	April 2010	L'Derry
	£10.7m	D&B	1	2010	2012	L'Derry
	£13.2m.	D&B	1	2012	2014	Strabane
<u>Northern Regional College.</u> New Build /Partial	£8.3m	Design and Build	4	January 2008	January 2010	Newtownabbey

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Refurbishment at Newtownabbey Campus						
<u>Belfast Metropolitan College.</u> Workforce and Economic Development Centre (WED) Springvale Belfast	£15.8m (£10m from DEL and balance funded by BMC & IFI)	Design and Build	2	March 2008	April 2010	Belfast
New Build Campus in Titanic Quarter to replace Brunswick Street and College Square East campuses.	£44m	PFI	3	Preferred Bidder stage.	July 2010	Belfast
<u>South West College.</u> New Build Skills Centre at Fermanagh College's Killyhevlin.	£7.4m	Design and Build	4	August 2006	June 2009	Enniskillen
<p>Note to table: ¹ Please select from (a) PFI/PPP; (b) Design and Build; (c) Conventional Procurement. ² Gate 0: Strategic Assessment; Gate 1: Business Justification; Gate 2: Procurement Strategy; Gate 3: Investment Decision; Gate 4: Readiness for Service; Gate 5: Benefits Evaluation</p>						

The Investment Strategy identified indicative funding for the period 2012-18 for the FE & HE sub pillar, which includes Further Education projects beyond 2011. These proposals are to replace sub standard accommodation in a number of major towns and cities across Northern Ireland. The projects were put forward on the evidence either confirmed or emerging from completed or work in progress business cases. Following a review of the size and structure of the Further Education sector at August 2007 a series of mergers saw the then sixteen colleges reduced to six new area based colleges.

No campuses were closed as a result of the merger process but the Governing Bodies of the six new area based colleges will wish to revisit the existing proposals to ensure they still meet the needs of the new area based college structure. While this is unlikely to result in major changes in most projects there is the possibility that some radical changes may emerge, so to publish particular details in advance of that review process may raise expectations, restrict options or unnecessarily tie the hands of the colleges.

The DEL Minister will also wish to have a view on priorities and make the announcements regarding investment in the sector.

ANNEX 3: POLICY FRAMEWORK

Investment under this sub-pillar is informed by the following strategic and policy frameworks. These documents should be referenced for a fuller understanding of the context in which investment under this sub-pillar is being delivered.

Skills Strategy - Success Through Skills

The Skills Strategy vision is that by, by 2015, the Northern Ireland economy is highly competitive in global terms; it is based on high value jobs, with progressive leadership from a strong cadre of local managers; it has increased export levels and it attracts substantial amounts of inward investment. The vision includes a much better understanding of the current and future demand for skills at all levels.

Higher education skills are an important lever to create wealth and reduce social deprivation. The universities are engaged with the Department for Employment and Learning in developing a higher level skills agenda, which recognises the need for a demand led system and increased employer engagement.

Further details can be found at:

www.delni.gov.uk/index/publications/pubs-sectoral/skills-strategy-ni.htm

Further Education Means Business

The strategic aim of the sector should focus on its role as the primary agent of lifelong learning. Further Education should be at the heart of lifelong learning in order to strengthen economic development, enhance social cohesion, and advance the individual's skill and learning.

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Programme for Government 2008-2011 – Public Service Agreements (PSAs)

PSA 16 - Investing in the Health & Education Estates – Take forward a programme of investment to provide a modern fit for purpose health and education estate in line with best practice and ensuring value for money.

Further details can be found at :

www.pfgbudgetni.gov.uk

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ANNEX 4: SUB PILLAR CONTACT DETAILS

Key Contacts

Name, address, telephone number, e-mail in each case

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