



Northern Ireland  
Assembly

**Committee for Culture, Arts and Leisure**

# **OFFICIAL REPORT (Hansard)**

**Regional Stadium Development  
Programme: Departmental Briefing**

**10 May 2012**

# NORTHERN IRELAND ASSEMBLY

## Committee for Culture, Arts and Leisure

### Regional Stadium Development Programme: Departmental Briefing

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**Members present for all or part of the proceedings:**

Miss Michelle McIlveen (Chairperson)

Mr William Irwin (Deputy Chairperson)

Mrs Brenda Hale

Mr David Hilditch

Mr Robin Swann

**Witness:**

Mr Colin Watson

Department of Culture, Arts and Leisure

**The Chairperson:** We welcome Colin Watson, the director of sport and stadiums in the Department of Culture, Arts and Leisure (DCAL), to the Committee this morning.

**Mr Colin Watson (Department of Culture, Arts and Leisure):** Good morning.

**The Chairperson:** If you would like to make an opening statement, we will follow up with some questions.

**Mr Watson:** As I said last week, it is always a pleasure to attend the Committee. I welcome the opportunity to give you an update on where we are with the regional stadium development programme. I do not intend to dwell on the origins of regional stadium development as you will be aware of the whole Maze site background and where we were on that and how we got to the point at which we are with the current stadium programme. Nevertheless, the rationale behind the programme that we are taking forward has a primary consideration of meeting the long-term stadium needs of the three sports of football, rugby and Gaelic games. The main objective is to meet their needs. Given the poor state of the existing stadium facilities, it was fully recognised that action was required to reverse that position.

The sports saw their needs being best met by modern but totally separate facilities that would enable them to realise their respective ambitions, be capable of hosting a wide range of significant fixtures and events and provide long-awaited, up-to-date conditions for their players and fans. The Executive also realised that need, which is why, in March 2011, they agreed to support the sports in fulfilling those requirements and also agreed that up to £110 million should be allocated for the purpose.

Although members will have noted the individual stadium requirements from our briefing paper, perhaps I could give a short outline. For football, the intention is to carry out major work at Windsor Park so that up to 18,000 spectators could be accommodated. The plan will involve the refurbishment of the north and west stands and the redevelopment of the east and south stands. That is expected to cost in the region of £29.2 million. The Irish Football Association (IFA) will contribute £4 million towards that, so the government intervention will be around £25.2 million.

The Ulster Council of the Gaelic Athletic Association (GAA) is taking forward the option to demolish Casement Park completely and rebuild in order to create a stadium capable of holding up to 40,000 spectators. That cost is expected to be around £76.4 million, with the GAA putting in a contribution of £15 million, meaning that the government contribution will be up to £61.4 million.

In 2009, the Irish Rugby Football Union (IRFU) Ulster Branch opened a new stand at Ravenhill, so one stand has already been done. There are plans to bring the remainder of the stadium up to a similarly high standard by building three new stands at a cost of around £14.7 million. Within that cost, the ambition is to maximise the number of spectators who can be accommodated, with the target being around 18,000. In this instance, government intervention represents the entire amount required, but that has regard to the fact that rugby put some money into the initial stadium development.

The Executive have included the provision of the three stadiums in the Programme for Government (PFG), so it is a PFG commitment. Overall, the scale of the programme represents expenditure of around £130 million when the Government's and the sports governing bodies' contributions are taken into account. Our Minister has described stadium development as one of the biggest capital construction projects in the lifetime of the Assembly. Over the coming years, it is undoubtedly the largest capital programme with which the Department will deal.

It is a very complex programme. Although there are certain commonalities in approach, it also clearly needs to have regard to the individual and distinctive requirements of the three sports. It has been important, therefore, that appropriate, essential structures, personnel and other mechanisms were put in place to ensure that the individual projects and the programme as a whole could be successfully developed and delivered.

The endorsement from the Executive ratified and gave formal approval to the direction that the Department and Sport NI were already taking with the sports governing bodies on the practical arrangements of progressing work on all three stadiums. Engagement followed with the governing bodies on the development of their business plans for the respective stadiums, which have since been approved by the Department, and the active involvement of the Central Procurement Directorate (CPD) in the process. That has been established. In addition, the governing bodies set up project boards that helped to clarify the roles, processes, oversight arrangements and the many other structures required to make practical progress on each stadium development.

Once we had all that in place, a further key action was taken forward, namely a gateway review. Gateway reviews are an integral part of the process and are routinely required at various key decision points in programme development. The gateway review took a detailed, independent look at how the process was being handled and made a number of recommendations on how it could be adapted and enhanced. One of the more significant recommendations arising from that was the clear need to appoint a programme director with the skills and expertise necessary to take forward large and complex capital projects of this nature. Members will be aware that Noel Molloy was subsequently appointed to the position. Noel comes with an impressive CV, the most relevant entry on which was his key involvement in the Titanic Belfast project.

The appointment of the programme director coincided with a pivotal point in the process. Although Sport NI has worked alongside the three sports as the programme delivery agent and progress was being made, it became apparent that the original estimated timescales for the construction of the stadiums were significantly at risk. We were looking at slippage on the original time frames. As the Committee will know from the Minister's correspondence dated 5 April to the Committee Chair, she considered it essential that the issue was dealt with as a matter of urgency. It is a PFG commitment that needed to be tackled quickly. The Minister examined the alternative delivery options available, informed by independent advice from the Strategic Investment Board. Having considered all the factors

involved, the Minister took the decision to introduce new delivery arrangements for the stadium programme, the effect of which was to move entire responsibility for the programme to DCAL.

The Minister is determined to enhance effectiveness and efficiency in the delivery of programmes and sees the new delivery arrangement as providing a fresh approach at a significant point in its development. The sports have readily accepted the change. The Minister's Executive colleagues have been advised, and the transitional arrangements have been, and are being, facilitated by Sport NI. The net result is that we now have a governance structure for the stadium programme, of which the permanent secretary of our Department is the senior responsible owner, and a dedicated stadium team, headed by Noel Molloy, ensuring that each of the sports governing bodies works to maximum effect to achieve an early and successful outcome to all three stadium developments.

The new arrangements will build on the progress that has been made. Organisations' structures have been refined, key management and technical input has been progressed, and the crucial planning, design and build processes are being taken forward. As I said, each project is essentially moving ahead independently. Since Noel Molloy took up his post of programme director on 2 April, he has worked closely with each of the governing bodies to see what can be done and how we can rejig the plans. His priority has been to review each of the project timelines and the associated spend profile with a view to delivering the projects within a reduced time frame from that currently indicated; that work is ongoing.

As Noel takes the work forward, he is developing a schedule of critical path items that will require constant management and monitoring to ensure the successful delivery of the projects. That includes the appointment of the design team and the contractor, planning approval and the completion of full business cases by each of the governing bodies that will enable final letters of offer of funding to issue. Important progress is also being made on the development of a definition of social clauses with a view to maximising the requirements placed on contractors to optimise skills development and employment opportunities. Social clauses will be inserted into the contracts for professional services and construction works.

For each of the projects, consultation with the local community is being planned and organised to develop input into each of the governing bodies' plans. A further gateway review of the programme as a whole is being organised, and the aim is to have it late this month or early next month.

I will go back to my introductory point about the rationale for embarking on the stadium programme: it is crucial to the development of the three sports that the programme is successfully concluded. It will provide the governing bodies with a secure base on which to build their respective sports. It will ensure that the facilities meet the safety standards required under present legislation. Above all, it will provide them with quality facilities that are welcoming, up to date and enjoyable for fans and players alike. I am happy to take any questions.

**The Chairperson:** Thank you very much for that, Colin. It was very useful. You spoke about the change in delivery arrangements and the appointment of Noel Molloy, who has very high credentials. Will there be any additional cost to the projects arising from the change in delivery?

**Mr Watson:** No. The envisaged programme costs will be exactly the same. There is no increase in the costs of delivering on the stadium programme. The £110 million is for the construction of the stadiums. Funding was already available in our departmental budget and in Sport NI's budget to cover the cost of programme teams, CPD fees, and so on. The internal government costs were already covered elsewhere. That is still the case.

**The Chairperson:** We are always mindful that a number of risks were associated with each of the projects. However, they are all very different projects.

**Mr Watson:** They are, and they will all run on totally different time frames because of the size and scale of each one. You will be aware that rugby already has its planning permission and is ready to move to construction. The other two sports have not got that far, and they have to get to the design stage.

Once they get the design, they will get the planning approvals and then move on to construction. They are all at different stages of development.

**The Chairperson:** We did not receive a briefing from the GAA until 2 February. I think that members were very surprised by how far it was behind the other two projects. At that stage, the project had not gone out to community consultation. Do you know whether that has commenced?

**Mr Watson:** As far as I am aware, it has started on the community consultation. That is under way.

**The Chairperson:** Did any particular project alert members in the gateway review to a problem that precipitated the need to move the projects from Sport NI back into the Department?

**Mr Watson:** There were a number of issues. When we started to look at the time frames, we could see that they were getting beyond the end of the current comprehensive spending review (CSR) period. Our funding is within the current CSR period. The idea had been to try to move those completion dates back as far as we could into the current CSR period to ensure that all our funding is spent, and we are not creating pressures into the next CSR round.

The gateway review highlighted the fact that we needed someone with experience in constructing major large capital programmes — hence the need for Noel Molloy. We also needed to try to rationalise the decision-making processes and have plans for the key pinch points. The new arrangements and structures that are being put in place will reduce the decision-making arm in that we will not have to go through project boards, Sport NI, the programme board and up to the Department. Our permanent secretary, as the accounting officer, will make certain decisions. The new arrangements shrink the decision-making process, and we hope that they will lead to quicker decision-making, which will help to reduce the time frames. All those issues taken together led the Minister to decide that this method would be a better way to move forward in order to try to ensure that we deliver within the time frame.

**Mr Irwin:** Does the funding have to be spent within this CSR period, or can it be carried forward into the next?

**Mr Watson:** As the Committee is probably aware, there are, and there will be, significant pressures on funding. There are no guarantees about what the next CSR will look like. I think that we all accept that fact.

**Mr Irwin:** Can it be carried forward?

**Mr Watson:** You have to give it up. We would have to ease the funding and then make bids into the next CSR period to get the money. We would be bidding with a number of other high-priority programmes. There are never any guarantees. The idea is to maximise the spend that we currently have.

**Mr Irwin:** Is it possible for the Department to do it within the CSR period?

**Mr Watson:** At this point, I cannot tell you whether it is possible because Noel Molloy is still in the process of working with the three governing bodies, and he is drawing up his project timescales and profiles, which have not yet been finalised. We are hopeful that that will be the case. However, until such time as he has finalised that work and has it agreed, I cannot say. We can draw up project timescales and profiles, but they have to be agreed and accepted by the governing bodies, which are actually delivering and building the stadiums. Unless the governing bodies are confident that they can meet all the strictures and timescales that that places on them, we cannot say whether it can be done. Noel Molloy is in the process of doing that.

**Mr Irwin:** It is probably a tall order.

**Mr Watson:** It is a very complex programme. There are only three years left, so it will be a tall order. That said, let us see where we go. In another month's time, perhaps we will be in a better position to let you know exactly what is happening. Even if the time frames are restricted, there are risks. The

risk is increased by reducing the timeline in areas such as planning, because we are pulling back on the time for planning approvals and allowing minimum times. There are always risks with planning. There will be risks, but it is all about how those risks are managed.

**Mr Swann:** How have the governing bodies reacted to the appointment of Noel Molloy?

**Mr Watson:** They have reacted very positively. They see it as a step forward, because he understands the entire process and can advise, push and guide them through it. He has a track record of delivery.

**Mr Swann:** You used three words: advise, push and guide. What is his remit? Is each governing body accepting his guidance and pushing?

**Mr Watson:** Absolutely. His role and objective, which we set out, is to deliver the three stadiums in the time frame. He has to sit down, draw up plans and make sure that the timescales are deliverable. Whatever he comes up with, the objective is to bring them in on time and on budget. That is where you start: you plan for success.

As they go through the projects and start to deliver, his role is to try, as far as he can, to resolve the big issues and risks that may arise before they become a problem. His role is to keep an eye on and check progress and make sure that everything that should be done is being done on time and in keeping with the plan.

**Mr Swann:** In the initial business case that was put to the Department of Finance and Personnel for a stadium programme, was such a role ever envisaged as one of the delivery options?

**Mr Watson:** It was always envisaged that we should have a programme director because someone needs to lead the programme.

**Mr Swann:** Which was Sport NI.

**Mr Watson:** That was always going to happen; somebody was needed. The gateway review highlighted the fact that, within the family that we had, no one had the experience of building large capital projects of this scale. That usefully came out of the gateway review, enabling us to do something about it. It is a key recommendation, a major change and a major step forward. We all think that it will deliver.

**Mr Swann:** If he had been there at the start, would we have been further down the line with all three stadia?

**Mr Watson:** Potentially, yes, but 20:20 hindsight is a wonderful thing. I cannot give you a definitive answer, because I do not know.

**The Chairperson:** The question is really about why it took so long to come to that conclusion.

**Mr Swann:** What is Sport NI's role now? Where does it stand with the stadium programme?

**Mr Watson:** We are conscious that much good work had been done before this decision. People in Sport NI had been working on the project, and they had built up relationships with the governing bodies and understood where they are with all the plans. We are bringing some of those staff on board so that we do not lose that knowledge base; they will transfer to Noel Molloy's team.

**Mr Swann:** As a stand-alone body, will Sport NI have no responsibility from now on?

**Mr Watson:** No; the senior responsible owner for the programme is the permanent secretary of the Department.

**The Chairperson:** Is it purely coincidental that that has happened at the same time as the arm's-length bodies review?

**Mr Watson:** It is wholly coincidental. There is no linkage.

**The Chairperson:** I am a cynic.

**Mr Hilditch:** Will you clarify the optimism bias of £9 million? Is that a collective figure, or is it allocated on a percentage basis for the projects?

**Mr Watson:** It is allocated on a percentage basis across the projects. Noel is looking at where that optimism bias should be allocated against specific items in each of the projects and how much should be spread around in that way. If those things do not come to pass, the optimism bias will not be needed.

**Mr Hilditch:** You said that there will be further news in the next month or so. However, at what stage will the Committee be able to get sight of a Gantt chart or something similar with the timeline?

**Mr Watson:** As I said, Noel is working on it.

**Mr Hilditch:** Will it be the autumn?

**Mr Watson:** It will have to be much earlier than that, but I do not want to put him under undue pressure. We need a programme plan as early as possible, because that sets the baseline against which progress is monitored. We should be able to provide that within a month, but do not hold me to that.

**Mr Hilditch:** If the timeline were not met, will the money go back to the central pot? Apart from the stadiums issue, those sports have a great need of money. Can the money be used elsewhere?

**Mr Watson:** You are aware of the way in which government finances work. If the Department has significant underspends, the money has to be released back to the centre. We can bid for that money, but any bids will be assessed alongside bids from other areas. There are no guarantees that we would get the money.

In any event, the way in which the system works means that if we have an underspend in one year, the money could be given to another Department on the understanding that the money comes back to us in a future year. The Department of Finance and Personnel tries to manage finances in that way. As we move into a new CSR period, the situation is slightly different because none of us knows what the Northern Ireland portion of the Budget from the Exchequer will be or what the pressures will be.

**The Chairperson:** When the timeline becomes available, it would be useful for it to be shared with the Committee. As much as we have enjoyed your company this morning, it might also be useful for Noel Molloy to come with you the next time to give another insight into his work.

**Mr Watson:** Yes; we have been attempting to shield him and let him get on with his real job.

**The Chairperson:** I am sure that attending the Committee is not too onerous.

**Mr Watson:** No, not at all.

**The Chairperson:** Thank you very much.