



# BUSINESS PLAN

2015/16

# DRD

Development

April 2015



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*“A region with modern, safe and sustainable transport, roads and water services which improve the quality of life for all”.*

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# 1. Overview of The Department

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## Who We Are and What We do

The Department for Regional Development and its Arm's Length Bodies maintain and develop infrastructure and deliver services that improve quality of life for everyone in Northern Ireland. Our services are vital for everyone living, visiting and doing business in Northern Ireland. These include water and sewerage services, roads and footpaths, and public transport services.

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Our range of functions include:

- regional strategic planning and development policy;
- transport strategy and sustainable transport policy;
- provision and maintenance of all public roads;
- implementation of a range of transportation projects;
- public transport policy and performance;
- certain policy and support work for air and sea ports; and
- policy on water and sewerage services and management of the Department's shareholder interest in NI Water.

Annexes A-C provide more detailed information on the structure of the Department and our relationships with Arms Length Bodies and with the Northern Ireland Trust Ports.

## Vision, Values and Strategic Objectives

The Vision of the Department is:

**“A region with modern, safe and sustainable transport, roads and water services which improve the quality of life for all”.**

Our Core Values, which govern how we work and relate to our people, customers and stakeholders are:

- Commitment to Delivery;
- Leadership with Purpose;
- Teamwork and Participation;
- Support for our People;
- Learning and Improving;
- Working in Partnership; and
- Professionalism and Corporate Responsibility.

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**Our Strategic Objectives are:**

- Supporting the economy by planning, developing and managing safe and sustainable transportation networks; setting the legislative and policy framework for harbour services; enhancing transport infrastructure links to airport and harbour gateways; and shaping the long-term future of the region; and
- Contributing to the health and well-being of the community and the protection of the environment by maintaining and developing the policy and regulatory environment which provides sustainable, high quality water and sewerage services.

There are 2217 people working in the Department to deliver the services and functions we are responsible for. We aim to ensure that all our colleagues have the support, training and motivation to do their jobs and to help us grow in capability and competence as an organisation.

The budgetary outcome for the Department poses significant problems which are without parallel in recent times. The budget will impact on how we do our business, and the extent and range of the services that we will be able to provide. While we will seek to deliver the best possible service within the budget available to us, the citizen will see a diminution in service.

In conducting our business, we are committed to complying fully with our statutory obligations under Section 75 of the Northern Ireland Act 1998. With this in mind we will screen our policies for equality and good relations impacts and conduct full equality impact assessments when appropriate. We will also implement our Equality Scheme, its associated Action Plan and the Disability Action Plan 2013-16.

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## 2. Planning Context

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Three key Executive documents set out the planning context for this business plan: Programme for Government; the Investment Strategy for Northern Ireland; and the Economic Strategy 2030.

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The refocused **Programme for Government**<sup>1</sup> sets out the Executive's plans and priorities for 2015-16. This reflects the decision to extend the Assembly mandate for 2011-15 for a further year. The Department has proposed that its current six commitments should be rolled forward to the end of the extended Assembly mandate. These are fully integrated within our balanced scorecard. Our six PFG Commitments are:

1. Progress the upgrade of key road projects and continue to improve the strategic road network;
2. For households, ensure no additional water charges during this Programme for Government;
3. Upgrade the Coleraine to Derry/Londonderry railway line;
4. Invest over £630 million to promote sustainable modes of travel by March 2016;
5. By 2016 increase the percentage of children walking and cycling to schools participating in the Schools Active Travel Programme; and

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<sup>1</sup> Insert link when refocused PFG published



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6. Ensure a high quality of drinking water and maintain compliance with waste water standards.

The **Investment Strategy for Northern Ireland 2011-21**<sup>2</sup> identifies priority areas for infrastructure investment. The **Economic Strategy 2030**<sup>3</sup> aims to improve the economic competitiveness of the Northern Ireland economy and sets out how the Executive plans to grow a prosperous local economy over the short, medium and longer term.

These documents are underpinned by the **Regional Development Strategy 2035** which provides an overarching strategic planning framework spanning a 20 year horizon to facilitate the delivery of balanced sustainable growth across Northern Ireland.

<sup>2</sup> [http://www.sibni.org/investment\\_strategy\\_for\\_northern\\_ireland\\_2011\\_-\\_2021.pdf](http://www.sibni.org/investment_strategy_for_northern_ireland_2011_-_2021.pdf)

<sup>3</sup> <http://www.northernireland.gov.uk/ni-economic-strategy-revised.pdf>

### Key Achievements in 2014 -15

The Department and its Arms Length Bodies delivered significant achievements in 2014-15, all of which contributed to the quality of life of people living, visiting and doing business in Northern Ireland. These included:

- Investing £116 million in more sustainable modes of travel including:
  - working with local councils to deliver four Active Travel Demonstration Projects including support of £3.8 million;
  - the provision of over 950 additional Park & Ride and Park & Share spaces across Northern Ireland, making a total of approximately 2000 additional spaces since 2010;
  - commencement of the implementation of Belfast Rapid Transit, including the opening of the new Dundonald Park & Ride facility, work on the routes in East and West Belfast and the procurement process for the rapid transit vehicles;
- support of £6.5 million to provide rural transport services and transport services for the disabled; and
- grant support of around £410,000 was secured to install ecar charge points in the Public Sector Estate in 2015-16.
- Support to Translink to further grow the usage of bus and rail services, carrying over 80.7 million passengers, compared to 77 million passengers in 2010-11;
- Promotion of cycling as a sustainable and healthy means of transport, including, for example, facilitating more use of cycling to school and introducing almost 10km of dedicated cycling lanes, making a total of 45km since 2010;
- Improvements to connectivity across Northern Ireland through progressing the construction of major road schemes including, continued work on the A8 Belfast to Larne and the A2 at Greenisland. We also commenced construction of the A26 dual carriageway



between Glarryford and the A44 Drones Road and the construction of the A31 Magherafelt By Pass and awarded a contract for a new ferry for Strangford Lough Ferry Service;

- Work to manage and maintain Northern Ireland's road network to keep it efficient and safe, investing over £95 million on the structural maintenance of our road and footway networks. As part of our on-going commitment to improve road safety we have delivered 99 Local Transport and Safety Projects;
- Securing £20 million of EU funding to support the delivery of a number of regional and cross-border road and rail projects; and
- Enabling NI Water to maintain high quality drinking water and have improved compliance with waste water treatment standards through the investment of £155 million in the water and sewerage infrastructure.

## Operating Environment

### Budget Position

The Department has a final budget allocation of £770.1 million to invest in key services and infrastructure during 2015-16. While this may seem like a significant sum, it leaves the Department with considerable resource pressure of more than £60 million. This pressure will impact across all delivery areas, including the day to day maintenance activities which are essential public services.

Last year the Department delivered £20 million in efficiencies and every effort is being made to identify further efficiencies across all business areas in 2015-16. However, the levels of budget reduction mean that this will be very challenging to achieve without further impacting on service provision.

Taking each area in turn, NI Water has its required budget set by the independent regulator. At the Draft Budget stage, the proposed allocation was some £15 million short against the Regulator's assessment as a result of a rates revaluation.

By taking money from other areas the gap has now been reduced to £5 million. This is the minimum level required to ensure that the company is able to meet its basic legal obligations. The consequences for NI Water will include some reductions in water quality, environmental standards and customer service.

Translink faces significant losses this year and next year as a result of reduced government funding. Due to the Budget reductions, it has been necessary to cut Translink's funding by £13 million. Added to this, Translink's proposals for 2015-16 mean it is projecting a loss of £10.8 million which is on top of a projected £14 million loss last year. While Translink received an additional £2 million at Final Budget to protect town services, the scale of the reductions require further actions if the organisation is to live within its funding allocation. Given these funding constraints, Translink will therefore need to reduce frequency of some rail and bus services, and a public consultation is currently underway. Further reductions in staff numbers will also be required.



*“Investing over £130 million in sustainable modes of travel”*

In terms of TransportNI, normally over £40m is needed each year just to meet minimum standards for routine maintenance of the road network. However, once committed costs are accounted for, there remains only £13 million for routine activities such as grass cutting, gully emptying, repairs to potholes, street light repairs and winter gritting. This finance only covers the annual cost of street lighting and traffic signal energy and the legally required inspection and testing of street lighting.

As a result, TransportNI is unable to use external contractors to carry out routine maintenance work and street lighting repairs this year. Reductions are also proposed to community and rural transport service providers. There will be significant reductions to the service provided including in areas such as pothole repair, gully cleaning and grass cutting.

TransportNI staff will provide a skeleton routine maintenance service at risk until the outcome of June monitoring is known.

### **Voluntary Exit Scheme**

An additional challenge will be the implementation of the NI Civil Service-wide Voluntary Exit Scheme; depending on funding availability, up to 295 staff will leave the Department during 2015-16. This loss of knowledge and expertise will need to be managed to minimise the impact on service delivery.

### **Change Programme: NI Civil Service Restructuring**

The Department has begun a significant change programme, looking both at how to prepare for future challenges, including finance short term projects, and a significant programme of work to establish the Department for Infrastructure as part of the wider NI Civil Service restructuring being undertaken as a result of the Stormont House Agreement. These projects are aimed at making the Department leaner, more responsive and better equipped to meet future challenges and deliver more effectively for citizens.

### **Contribution to Executive Strategies**

As one of the Executive's main delivery departments, we make a significant contribution to a range of Executive strategies. In particular, the Department's role in providing and supporting the transport infrastructure is key to this region's economic success and the Executive's objective to grow a balanced and sustainable economy.

In terms of tackling inequality and disadvantage, the Department recognises the role of public transport in facilitating greater social inclusion; and we will consult on a new Accessible Transport Strategy in 2015. Whilst our ability to support such schemes will be reduced, we will continue to assist travel by older people and people with disabilities through the Concessionary Fares Scheme, the Rural Transport Fund and the Transport Programme for People with Disabilities.

The Department recognises the contribution it can make to building good relations; the Belfast Transport Hub will provide access to opportunities and enable engagement between communities. This regeneration project has the potential to

transform the area, providing employment, leisure and retail opportunities for everyone, particularly for people in the neighbouring communities of Sandy Row and the Lower Falls.

### **Key Targets for 2015-16**

Looking ahead some of the key deliverables for the coming business year are:

- investing some £140 million in the water and sewerage infrastructure to enable NI Water to maintain high quality drinking water and improve compliance with waste water treatment standards;
- developing a Long-Term Water Strategy for Northern Ireland which will aim to set the framework to deliver "a sustainable water sector in Northern Ireland";
- investing over £130 million in sustainable modes of travel;
- commencement of Phase 2 of the project to upgrade the Coleraine to Derry/Londonderry railway line;

- supporting cycling as a sustainable alternative to the private car, including the development of a Cycling Network Plan for Belfast and the completion of three infrastructure schemes in the City;
- improving connectivity by completing two major roads schemes on the A8 Belfast to Larne and the A2 at Greenisland. In addition, we will continue construction of the A26 Glarryford – A44 Dualling project and the A31 Magherafelt Bypass; and
- delivery of a pilot project to reduce energy requirements by replacing approximately 20,000 street lights and traffic signals with LED lights.

### **Promoting Sustainability**

Good stewardship of our environment, including our road network, is an important aspect of our work, and goes hand in hand with economic growth. Sustainability is a key theme for our Minister and this strategic focus is evident across the full range of departmental functions.

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## **Reducing Greenhouse Emissions**

The Programme for Government includes a target to reduce greenhouse emissions by at least 35% on 1990 levels by 2025. Major projects in support of this target are Belfast Rapid Transit and the Lagan Pedestrian and Cycle Bridge.

## **The Cycling Revolution**

The Minister's ambition is to promote a cycling revolution and to establish Northern Ireland as "the UK's cycling capital – and the cycling capital on this island". Central to this ambition is the publication of a Bicycle Strategy for Northern Ireland in 2015, the development of Bicycle Network plans and improved bicycle infrastructure in order to build, support and promote the use of the bicycle as a preferred means of travel.

## **ecar Project**

The ecar Project continues to work with NI Departments, Councils and other public sector bodies on the installation of charge points across the Public Sector Estate. There are now 330 electric vehicle public charging points at 160

locations throughout Northern Ireland, with plans in place to further develop this network.

Use of electric vehicles has increased significantly through the lifetime of the project; at its inception five vehicles were registered to use the network, this has risen to over 700, with currently over 60 vehicles being registered on a monthly basis. Charge point usage continues to grow with 17,000 public charging events since 2012 to present.

## **Energy Efficiency**

TransportNI continues to pursue a range of sustainability measures to minimise the impacts of its street lighting operations on the environment through, for example, the use of retro-reflective signs and bollards in place of illuminate signs, by buying at least 10% renewable energy for public lighting and through the increased use of LED street lighting to minimise energy use and maintenance.

## **Investing in Water and Sewerage**

Investing to enhance the performance of water and sewerage infrastructure will improve the

quality of our inland and coastal waters and contribute to the Water Framework Directive's goal of achieving good ecological status. We have set NI Water targets to reduce leakage, achieve even higher standards of wastewater treatment and reduce the number of pollution incidents. While, the attainment of these standards requires considerable consumption of electricity, we will continue to support the Company's efforts to promote energy efficiency through sustainable drainage systems, catchment management plans, renewable energy deployment and pilot projects for demand management. In 2013-14 around 33% of NI Water's electricity consumption came from renewable sources with the Company planning to increase this to at least 40% by 2021.

## **Sustainable Drainage Systems**

Sustainable Drainage Systems control the quantity and quality of run-off waters by providing storage in tanks or ponds which delay or prevents discharge to sewers, streams and rivers until there is capacity to accommodate it. Sustainable Drainage Systems have been extensively used on TransportNI major work schemes constructed in

the past 10 years and are also used by NI Water as part of new capital improvement works.

### **European Funding**

During 2014 the Department successfully lobbied to have Sustainable Transport included as a priority theme in the Interreg V programme. During 2015, we will work with key stakeholders to bid for funding through the Interreg programme for the development of an integrated rail and active travel hub.

### **Regional Growth**

The Department has an important role to play in growing the economy. Building a modern and efficient transportation system strengthens connectivity internally and externally, creating the economic corridors for the movement of both goods and people. We will continue to improve connectivity across Northern Ireland through progression of our major road schemes.

Successful regions have strong vibrant cities at their core. The Regional Development Strategy highlights the need for Belfast as the capital city,

and Londonderry as the centre for the North West to have the capacity to drive economic growth to benefit the whole region. For Belfast, progressing the Belfast Transport Hub, Belfast Rapid Transit and York Street Interchange will be key to this objective.

In support of the role of Londonderry as a regional driver, the Department is progressing development work on the A6 and A5 corridors, alongside the upgrade of the Coleraine Londonderry rail track.

Building on the North West Gateway Initiative, we will work with local government in the North West and key departments, both North and South, to develop a strategic framework to enhance Londonderry's role as a regional driver and a key gateway.

### **Partnership Working**

We will continue to engage with a wide range of stakeholders from the business, community, voluntary, and environmental sectors to ensure that all relevant perspectives inform our policy making and service delivery. Effective public consultation will remain a fundamental element

of how the Department develops and delivers its services.

In addition, the Department also works with a wide range of government partners in delivering services. In the coming year it will be critical for us to work effectively with colleagues in local government, both at the strategic and at the operational level. We welcome the opportunity to work with local government colleagues, particularly in contributing to area plans.

We will also build further on the existing strong working relationships which exist within the UK and with the Republic of Ireland, both directly with the relevant departments in London and Dublin and through the British Irish Council and North-South Ministerial Council arrangements.

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*“ Supporting the economy  
by planning, developing and  
managing safe and sustainable  
transportation networks”*

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### 3. Balanced Scorecard

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The Balanced Scorecard sets out our objectives and targets for the year. The advantage of using this methodology is that it helps focus on not only external outcomes, but also internal operations that allow these outcomes to be achieved.

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Our objectives and targets are set out in four quadrants:

- **Results** - key policies and deliverables;
- **Customers** - focusing on improving service delivery to our customers and relationships with key stakeholders;
- **Organisation and People** - covering the important work we undertake to lead, manage and develop our people, as well as development of our organisational structure; and
- **Processes** - improving our systems and working arrangements, including managing and accounting for our financial resources.

Our balanced scorecard contains references, highlighted in **bold text**, to our six Programme for Government commitments. The Programme for Government is currently subject to review to take account of the extended Assembly mandate. Consequently, subject to decisions by the Northern Ireland Executive, some of our commitments and associated milestones for 2015-16 may change.

## BALANCED SCORECARD – ANNUAL OBJECTIVES

Results (to deliver the Department's Programme for Government Commitments)	Customers
<p><b>Objectives</b></p> <ol style="list-style-type: none"> <li>1. Plan, develop and manage safe and sustainable transportation networks.</li> <li>2. Enable the delivery of high quality and sustainable water and sewerage services.</li> <li>3. Enhance the competitiveness of the regional economy and support strong sustainable growth for the benefit of all parts of Northern Ireland.</li> <li>4. Enhance the role and economic contribution of the North West Gateway.</li> </ol>	<p><b>Objectives</b></p> <ol style="list-style-type: none"> <li>1. Ensure the Department and its Arms Length Bodies communicates effectively with customers to promote better understanding of service provision.</li> <li>2. Work constructively with the Department's key stakeholders to support the delivery of services.</li> </ol>
Organisation and People	Processes
<p><b>Objectives</b></p> <ol style="list-style-type: none"> <li>1. Develop and implement a revised organisational structure to ensure the Department is fit for purpose following the implementation of the NI Civil Service Voluntary Exit Scheme.</li> <li>2. Manage and develop our people so they are flexible, resilient and sufficiently skilled to deliver our business objectives within the changed organisational and financial context.</li> </ol>	<p><b>Objectives</b></p> <ol style="list-style-type: none"> <li>1. Ensure effective management of the Department's budget, assets and corporate governance arrangements.</li> <li>2. Improve the resilience of the Department and its Arms Length Bodies in responding to emergencies.</li> </ol>



## RESULTS

Objectives		Targets		Owner
R1	Plan, develop and manage safe and sustainable transportation networks.	R1a	Invest <b>£130 million</b> <sup>4</sup> to support the growth of <b>sustainable modes of travel</b> (throughout 2015-16). <b>(PfG Commitment)</b>	John McGrath & Andrew Murray
		R1b	Increase the number of <b>children walking and cycling to schools</b> participating in the Schools Active Travel Programme by 20% (by 31 March 2016). <sup>5</sup> <b>(PfG Commitment)</b>	John McGrath
		R1c	Develop a draft Belfast Bicycle Network Plan (by 30 September 2015).	Tom Reid
		R1d	Implement three cycling infrastructure schemes in Belfast city centre (by 31 March 2016).	Tom Reid & Kevin Monaghan
		R1e	Achieve 80.5 million passenger journeys for bus and rail transport, of which 44.8 million are fare paying passengers (by 31 March 2016).	Ciaran Doran
		R1f	<b>Improve the Strategic Road Network</b> by completing key road projects on the A8 Belfast to Larne and the A2 Shore Road, Greenisland (by 31 March 2016). <sup>6</sup> <b>(PfG Commitment)</b>	Andrew Murray
		R1g	Invest in the motorway network so that at least 70% is in satisfactory structural condition (by 31 March 2016).	Andrew Murray
		R1h	Invest in the trunk road network so that at least 70% is in satisfactory structural condition (by 31 March 2016).	Andrew Murray
		R1i	Reduce energy requirements by completing a programme of LED retrofitting of approximately 20,000 street lights and traffic signals (throughout 2015-16).	Andrew Murray

<sup>4</sup>Draft Refocused PfG Commitment is "Invest over £630 million to promote sustainable modes of travel by March 2016". This target reflects the investment in 2015-16 under this PfG Commitment.

<sup>5</sup>Draft Refocused PfG Commitment is "By 2016 increase the percentage of children walking and cycling to schools participating in the Schools Active Travel Programme". 2015-16 milestone is "An average increase of 20% in the number of children travelling actively to school where intervention has taken place"

<sup>6</sup>Draft Refocused PfG Commitment is to "Continue to improve the Strategic Road Network". 2015-16 milestone is to complete the two schemes above.

Objectives		Targets		Owner
R2	Enable the delivery of high quality and sustainable water and sewerage services.	R2a	Subsidise Northern Ireland Water (throughout 2015-16) to fulfil the Executive's commitment to <b>for households, ensure no additional water charges during this Programme for Government.<sup>7</sup> (PfG Commitment)</b> .	John McGrath
		R2b	<b>Maintain a high quality of drinking water (99.79%) and improve compliance with waste water standards (98.08%) by investing £140 million in water and sewerage infrastructure<sup>8</sup></b> (throughout 2015-16). <b>(PfG Commitment)</b>	John McGrath
		R2c	Finalise Long Term Water Strategy (by 30 September 2015) and publish Strategy Implementation Plan (by 31 December 2015).	Linda MacHugh
		R2d	Complete the legislative process for the Water Bill, which includes extending the Department's power to subsidise NI Water in lieu of household water charges (by 31 March 2016). <sup>9</sup>	Linda MacHugh
		R2e	Develop a strategic plan to protect the environment and address flood risk, through the Strategic Drainage Infrastructure Programme Board (throughout 2015-16).	Linda MacHugh
		R2f	Improve surface water drainage and help address flooding by implementing an enhanced programme of Sustainable Drainage Systems projects (throughout 2015-16).	Linda MacHugh

<sup>7</sup> Draft Refocused PfG Commitment remains as worded in PfG 2011-15 (ie bold text above). Milestone is to pay subsidy.

<sup>8</sup> Draft Refocused PfG commitment is to "Ensure a high quality of drinking water and maintain compliance with waste water standards".

<sup>9</sup> Subject to Executive and Assembly approval.

Objectives		Targets		Owner
R3	Enhance the competitiveness of the regional economy and support strong sustainable growth for the benefit of all parts of Northern Ireland.	R3a	Progress the delivery of the Belfast Transport Hub project to enhance the role of Belfast as a driver of economic growth, including the development and approval of an Outline Business Case (by 30 November 2015).	John McGrath
		R3b	Work with Translink to develop a Bus Strategy to support sustainable growth and modal shift (by 31 August 2015).	Ciaran Doran
		R3c	Develop a Strategic Framework for Ports to set out their contribution to the Northern Ireland economy (by 31 December 2015).	Tom Reid
R4	Enhance the role and economic contribution of the North West Gateway.	R4a	Progress delivery of the project to <b>Upgrade the Coleraine to Derry/ Londonderry railway line</b> within timetables set out in procurement contracts (throughout 2015-16) <sup>10</sup> . <b>(PfG Commitment)</b>	John McGrath
		R4b	Secure funding from the European Regional Development Fund for the proposed Londonderry Transport Hub project (by 31 March 2016).	Tom Reid
		R4c	Agree key strategic priorities and associated investment/policy priorities for the North West, through North South Ministerial Council structures (by 30 September 2015).	Tom Reid

<sup>10</sup> Draft Refocused PfG Commitment remains as worded in PfG 2011-15 (ie bold text above). The 2015-16 milestone is "Phase 2 - Detailed design of signalling completed and signalling installation work underway to allow project completion by end 2016".

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## CUSTOMERS

Objectives		Targets		Owner
C1	Ensure the Department and its Arms Length Bodies communicates effectively with customers to promote better understanding of service provision.	C1a	Develop and implement enhanced internal and external communications to take account of the significant financial, organisational and service delivery changes (by 30 June 2015 and 31 March 2016 respectively).	John McGrath
		C1b	Ensure clear information is available to service users from the Department and its ALBs about service delivery as a consequence of the budget (by 31 March 2016).	Andrew Murray, Ciaran Doran & Linda MacHugh
C2	Work constructively with the Department's key stakeholders to support the delivery of services.	C2a	Engage with new local councils to agree working arrangements which take account of changes in responsibilities (throughout 2015-16).	Tom Reid

**ORGANISATION AND PEOPLE**

Objectives		Targets		Owner
OP1	Develop and implement a revised organisational structure to ensure the Department is fit for purpose following the implementation of the NI Civil Service Voluntary Exit Scheme.	OP1a	Establish a revised organisational structure and manpower model that reflects business need and enhanced capability (by 31 August 2015).	John McGrath
		OP1b	Take necessary management actions to implement the NI Civil Service Voluntary Exit Scheme in DRD and maintain business continuity (by 31 March 2016).	Michaela Glass
		OP1c	Lead the project to create the new Department for Infrastructure to ensure that the organisation is ready to operate from day one and service delivery is maintained (by 31 March 2016).	John McGrath
OP2	Manage and develop our people so they are flexible, resilient and sufficiently skilled to deliver our business objectives within the changed organisational and financial context.	OP2a	Enhance staff capability, skills and flexibility through the actions contained in the Department's People Plan (throughout 2015-16).	Michaela Glass

## PROCESSES

Objectives		Targets	Owner	
P1	Ensure effective management of the Department's budget, assets and corporate governance arrangements.	P1a	Manage the 2015-16 budget to optimise service delivery, identify further efficiencies and manage risks of an overspend effectively (by 31 March 2016).	Peter May
		P1b	Deliver from the Budget 2016-19 process an outcome which enables core services to be delivered (by 31 March 2016).	Peter May
		P1c	Review the governance and monitoring arrangements associated with major capital projects across the Department and its Arms Length Bodies to ensure they are fit for purpose (by 31 May 2015).	John McGrath
		P1d	Maximise the Department's drawdown of competitive EU funds to support delivery of the PfG Commitment to increase drawdown (by 31 March 2016).	Tom Reid
		P1e	Review levels of oversight between the Department and its Arms Length Bodies to ensure a consistent and proportionate framework is in place (by 30 September 2015).	John McGrath
P2	Improve the resilience of the Department and its Arms Length Bodies in responding to emergencies.	P2a	Ensure TransportNI, NI Water and Translink review and update their preparations for winter resilience (by 30 September 2015).	Andrew Murray, Ciaran Doran & Linda MacHugh

## Annex

### DEPARTMENTAL STRUCTURE

#### Our Structure

The Department operates under the direction and control of the Minister for Regional Development. Civil Servants are accountable to the Minister and the Minister is accountable to the Assembly.

The Permanent Secretary is the Accounting Officer for the Department and the Minister's principal adviser.

We comprise two Core Groups, each led at Deputy Secretary level:

- Governance, Policy and Resources Group; and
- TransportNI.

Our senior management structure is shown at Figure 1.

We play an important role in relation to two arm's length bodies: NI Water and the Northern Ireland Transport Holding Company.

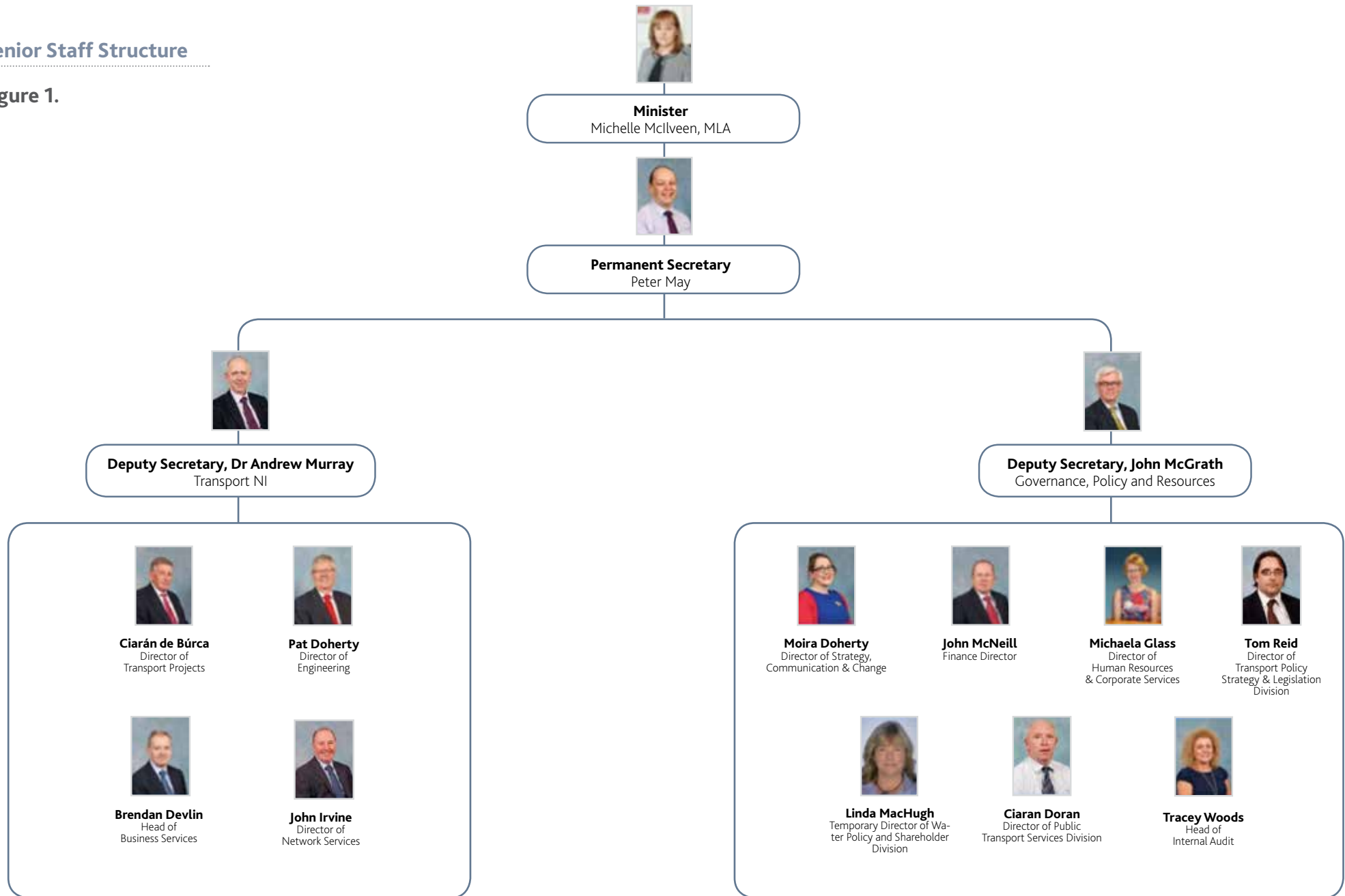
Within the strategic policy and resources framework set by the Minister, our Board provides corporate leadership to the organisation as a whole; takes responsibility for our performance; provides support to the Permanent Secretary; and provides advice to our Minister.

Our Board is chaired by the Permanent Secretary. The executive members of the Board include: the heads of the two Core Groups, the Director of Finance and the Director of Human Resources and Corporate Services. We have two non-executive Independent Board Members, David Gray and Robert Gilmore, who provide external advice, challenge and business expertise to the Board in the efficient management and running of the Department.

*“Contributing to the health and well-being of the community”*

## Senior Staff Structure

Figure 1.





The Board has three sub-committees: the Departmental Audit and Risk Assurance Committee, Finance Sub-Committee and Major Projects Sub-Committee.

### **Core Groups**

#### **Governance, Policy and Resources:**

Responsible for Public Transport budgets, performance monitoring, Accessible Transport and the Department's governance and sponsorship role of NITHC/Translink. Also responsible for regional development and transport policy and planning, sustainable transport, including the Cycling Unit, transport legislation and air and sea ports. This includes responsibility for coordinating and monitoring the implementation of the Regional Development Strategy and the New Approach to Regional Transportation.

The Group also has responsibility for water policy, management of the Department's shareholder interest in NI Water and a range of corporate services. This includes support for the Minister, human resources, strategic planning, information systems, finance, internal audit, equality issues and

organisational development, including preparation for NI Civil Service restructuring.

**TransportNI:** Responsible for ensuring that the public road network is managed, maintained and developed, as well as delivery of wider transport projects including Belfast Rapid Transit. TransportNI has a key responsibility in ensuring that measures are taken to implement the roads aspects of both the New Approach to Regional Transportation and the Investment Strategy for Northern Ireland 2011-21. It is responsible for some 25,875 kilometres of public roads, approximately 10,100 kilometres of footways, 5,800 bridges, approximately 283,000 streetlights and 34 Park and Ride and Park and Share car parks.

#### **The Department's Role in Relation to its Arm's Length Bodies**

The Department has an important role in relation to the two following separate organisations each of which, while at arm's length from the Department, has its own Board of Directors and Corporate Governance arrangements:

#### **NI Water:**

NI Water is a Government Owned Company and the statutory water and sewerage undertaker operating at arm's length from central government. NI Water abstracts, treats and distributes around 560 million litres of drinking water every day using a supply chain of 24 treatment works, 340 service reservoirs and around 26,700 km of water mains. It also collects and treats 318 million litres of waste water every day from over 663,000 households and businesses. This involves the maintenance and operation of over 1,000 waste treatment works, 57 sludge management centres, over 1270 pumping stations and the maintenance of more than 15,250 km of sewers.

The Minister is responsible for overall policy and legislation and sets strategic objectives through guidance. The actual delivery of water and sewerage services is, however, the responsibility of the Company, subject to regulatory oversight by the NI Authority for Utility Regulation and environmental regulators.

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The Department monitors NI Water's business performance and engages with the Company Board, Chair and Executive Team on strategic and shareholder matters. The Department is responsible for paying customer subsidy to NI Water, making loans for investment and agreeing the Company's annual budget and operating plan. The Minister is also responsible for making appointments to the Board of NI Water.

**Northern Ireland Transport Holding Company (NITHC):**

NITHC is a public corporation and the parent company of the publicly owned bus and rail companies in the region. These companies, Northern Ireland Railways, Ulsterbus, and Citybus (trading as Metro) operate under the brand name of Translink. NITHC's statutory duties are to manage public transport properties and to oversee the activities of Translink.

The Minister is responsible for appointing the Chair and members of the NITHC Board. We provide financial assistance to Translink as part of the Executive's investment in public transport in

Northern Ireland, in line with the Transport Act 2011. We are also responsible for setting specific targets for NITHC and monitoring the extent to which these targets are achieved. Furthermore, we are also responsible for ensuring that appropriate financial and management controls are in place and that compliance with those controls is effectively monitored.

**The Department's role in relation to the Northern Ireland Trust Ports**

The Department is responsible for ports policy and the legislative framework within which ports operate in Northern Ireland.

There are five commercial ports in Northern Ireland – four Public Trust Ports (Belfast, Londonderry, Warrenpoint and Coleraine) and one in private ownership (Larne).

Public Trust Ports are autonomous, self-financing statutory bodies whose constitutions are set out in legislation. They operate on a commercial basis with the profit generated by their activities re-invested to improve their facilities.

The Minister appoints the Chair and members of the trust ports at Belfast, Londonderry and Warrenpoint.

## RESOURCES

**Strategic Objective:** Supporting the economy by planning, developing and managing safe and sustainable transportation networks; setting the legislative and policy framework for harbour services; enhancing transport infrastructure links to airport and harbour gateways; and shaping the long-term future of the region.

Spending Area: 2015-16	Current £million	Investment £million	Total £million
Roads	182.8	122.2	305.0
Transport	80.0	62.7	142.7
EU Structural Funds	0.5	2.8	3.3
<b>Total</b>	<b>263.2</b>	<b>187.7</b>	<b>450.9</b>

**Strategic Objective:** Contributing to the health and well-being of the community and the protection of the environment by maintaining and developing the policy and regulatory environment which provides sustainable, high quality water and sewerage services.

Spending Area: 2015-16	Current £million	Investment £million	Total £million
Water and Sewerage (NI Water)	178.7	140.5	319.2
<b>Total</b>	<b>178.7</b>	<b>140.5</b>	<b>319.2</b>
<b>Total Departmental Expenditure Limit allocation</b>	<b>441.9</b>	<b>328.3</b>	<b>770.1</b>

Note: Figures may not add due to rounding.

# **BUSINESS PLAN**

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2015/16

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