

From: [Smith, Rae](#)
To: [Private Office DETI](#)
Cc: [Cooper, Trevor](#); [McFarlane, Iain](#); [Murphy, Shane](#); [Hawthorne, Jill](#)
Subject: INVEST NI MINISTERIAL SUBMISSION - SUSTAINABLE PRODUCTIVITY PROGRAMME
Date: 17 July 2012 16:59:39
Attachments: [Ministerial Submission Summary Sustainable Productivity Programme.DOC](#)
[Sustainable Productivity - INI Ministerial Submission.pdf](#)
[Addendum to EA for Invest NI's Sustainable Productivity Programme 2012.docx](#)
[FINAL REPORT - Economic Appraisal of the Sustainable Productivity Programme.pdf](#)
[Signed Invest NI SPP Board Casework.pdf](#)
[Final Minutes - INI-DETI Casework Committee Sustainable Productivity Programme.doc](#)

Please see below from Bernie Brankin, Acting Head of Finance, Ministerial submission and attachments for onward transmission to Minister Foster.

Thanks

Rae

Rae Smith

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The new website for the European Sustainable Competitiveness Programme for NI is now available - visit www.eucompni.gov.uk

www.ni2012.com

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From: Bernie Brankin

Date: 17 July 2012

To: 1. Andrew Crawford, Special Adviser
2. Arlene Foster MLA

INVEST NI MINISTERIAL SUBMISSION – SUSTAINABLE PRODUCTIVITY PROGRAMME

1. Invest NI has submitted the above case and attached papers, as the proposed support falls outside Invest NI's delegated limits. I am content that the case is put forward for the Minister's consideration.
2. The proposal has been approved by the **Invest NI Board Casework Committee** and the **Invest NI – DETI Casework Committee**.
3. The **Invest NI Chief Executive**, has confirmed that:
 - the submission accurately reflects the case being presented for approval; and
 - the appropriate approvals are in place and that these are consistent with the relevant delegated limits.
4. The proposed programme has been subject to an **independent economic appraisal**, which was completed in March 2011.
5. **DETI Economists have reviewed the 2011 economic appraisal and provided economic advice on** market failure, additionality, displacement, risk, options, monetary/non-monetary benefits and value for money.
6. As highlighted in the Invest NI submission, Invest NI had planned to complete the economic appraisal well in advance of the end of the 2010/11 financial year, leaving sufficient time to ensure approvals could be sought and obtained before commencing delivery of the new programme from 1 April 2011. However, delays arising from the complexity of the programme resulted in the appraisal not being completed within the timescale originally envisaged.

7. This delay resulted in a number of practical issues which resulted in Invest NI having to put in place a series of interim measures during 2011/12 to ensure that there were no gaps in the portfolio of support for businesses during a difficult economic period in which demand for services remained high.
8. Invest NI has confirmed that expenditure relating to interim measures put in place during the 2011/12 financial year was approved at the appropriate delegated level and is therefore not included in this request for approval.
9. Invest NI has completed an addendum to the 2011 economic appraisal, which outlines the current position and provides clarification on the approvals sought over the duration of the proposed 2012-15 programme. DETI economists have confirmed that they are content that the 2012-2015 Programme, for which approval is being sought, appears to be in line with that appraised and previously endorsed.
10. DETI economists are also content that although the amount for which approval is being sought differs from the appraisal, due to the inclusion of VAT and the exclusion of existing internal staff resources, the value for money judgement provided in respect of the 2011 economic appraisal is not affected.
11. **Invest NI's Director of Innovation, Research and Technology Division** has confirmed that sufficient budget cover is in place.
12. **DFP approval** for the programme has been obtained.
13. The Invest NI submission notes **the programme's alignment with** Priority 1 of the Programme for Government – 'Growing a Sustainable Economy and Investing in the Future', which seeks to develop the Green economy.
14. **In relation to the VFM of the project**, the submission notes that the Net Present Value (NPV) of the preferred option is estimated at £34.09m over three years, using a 10% discount rate. If carbon savings are included (using the DECO price of carbon) the NPV has been estimated at £123.32m over three years.
15. The economic appraisal identifies a number of potential wider benefits associated with the programme, as follows:
 - environmental benefits:
 - Reduction in CO2 emissions
 - Waste diverted from landfill
 - Reduction in the use of virgin/raw materials
 - Reduction in water usage
 - improvements in business competitiveness; and
 - provision of implementation support.

16. **Invest NI** and **DETI** are content that the proposed programme represents Value for Money.
17. **DETI** is content that the appropriate Invest NI approvals are in place and that the INI submission covers all key areas relating to the project.

Bernie Brankin

BERNIE BRANKIN

cc Trevor Cooper
Iain McFarlane
Shane Murphy
Jill Hawthorne