

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 11.00am on Tuesday 17th April 2012 at
Clare House,
303 Airport Road West, Belfast

Present:	David Dobbin (DD) – Chair Frank Hewitt (FH) Bro McFerran (BM) Brett Hannam (BH) Geraldine McAteer (GM) (Except items 1 and 2) Denis Rooney (DR) Mary McKee (MM) (Item 3 only) Kenny Knox (KK) (Item 3 only)
In attendance:	Scott Wilson (SW) Gregor Hamilton (GH)
Apologies:	Chris Thompson Martin Spollen

The non-executive directors held a private meeting in advance of the main meeting.

Declarations of Interest: DD declared interests in respect of his involvement with Ulster Rugby and Belfast Harbour Commissioners. BM declared interests in respect of his involvement with ILEX and City of Culture 2013. FH declared interests in respect of his involvement with ILEX and NI Science Park.

1. Minutes of Previous Meeting

The minutes of the March 2012 board meeting were agreed, subject to some minor corrections - FH has no interest to declare in Belfast Harbour Commissioners, and FH is the Chair of the remuneration committee, not CT.

2. Chairman's Business

DD noted that he had received positive feedback from various customer departments/bodies and key officials commenting favourably on the services being provided by SIB and noted that SIB's services were increasingly in demand. However he also noted concern that the organisation was increasingly used on an *ad hoc* basis by departments and other bodies, particularly for "firefighting" on projects which were perceived to have run into difficulties. He invited discussion as to the proper role of the organisation.

DR expressed concern increasing demand of this type could lead SIB to develop into a general public sector consultancy and find its resources stretched. It could also displace work from private sector consultants and adversely affect the long term capability/capacity in the market. He expressed the view that this fire fighting function may not be consistent with the "strategic" role which the organisation had been set up to perform.

BM said whilst there was a risk of SIB getting too involved in operational rather than strategic issues his view was that SIB could hardly refuse to give assistance where a major project was going to suffer as a result, and that possibly SIB could provide a "triage" service to identify how serious the problem was and help sign post the party seeking help to a more appropriate solution provider.

BH noted the amount of ad hoc work was small in relation to SIB's overall workload. He noted that any matters which involved deployment of substantial resources would always go through the Programmes and Projects Committee. As the committee only meets quarterly, there may need to be some arrangement made to deal with urgent work requests.

DR expressed view that some clear guidance would be beneficial as to which requests for assistance SIB should feel able to refuse. DD observed that he was aware of a number of occasions when the organisation had turned down work which was viewed as being outside its core remit, but that some further discussion about this at both at the Projects Committee and Board level should take place. DD said he would also consult with OFMDFM on this matter. BH noted that a paper had previously been submitted on this topic, but a response had not been received.

In response to a query from DD, BH noted that he was content that he and the organisation had the flexibility to respond as necessary to requests for assistance. He noted that the great

majority of SIB's resource continued to be expended on core strategic projects where SIB had been involved from inception.

FH agreed that the potential risk of moving from "strategic" to "tactical" should be raised with OFMDFM.

3. "Associate Advisers" Report

MM and KK joined the meeting, and gave a brief presentation on the evaluation of the pilot implementation of the Associate Adviser model in relation to social benefits in capital projects.

The board noted and welcomed the positive outcome of the evaluation.

DD queried whether the increased demand for the services of the Associate Advisers was related to the tendency of departments to use SIB as a speedier substitute for the appointment of external consultants. MM noted that it was certainly true that it was quicker to use the associate advisors than to appoint consultants, but to some extent this was why the model had been set up and that the associate advisers were all, as individuals, specialists in the field of social benefits, and the associate adviser model was the best way of delivering such specialist expertise in a timely and at lower cost manner (in addition to delivering a greater sense of commitment).

FH queried the mechanism for quality control, and MM noted that this could be ensured in same way as would be the case with any other employees.

GM noted that a similar model had been used successfully by NICVA and a number of other bodies.

DR observed that would be important to ensure that SIB was aware of the full scope of employment rights which followed from the associate advisor appointments.

GH noted that it was equally important to ensure that the model was not used (or perceived as being used) as an artifice for subverting the normal procurement rules which apply to appointment of consultants. BH noted that the advisor appointments had been openly advertised.

On the basis of the positive outcome of the evaluation of the board agreed (subject to checking that there are no adverse legal consequences): 1. to continue with the associate advisor

programme in 2012/13; 2. to modestly expand the capacity of the team of associate advisors dealing with social regeneration. The use of the model in other areas would be considered.

4. Interim Chief Executive's Report, ISNI Report and AMU Report

BH updated the board on the status of the ISNI, noting that the indicative allocations among departments remained to be finally agreed.

BH spoke to the Chief Executive's Report. He drew the board's attention in particular to the following:

- the change in governance arrangements for the stadium projects and the appointment of Noel Molloy;
- Lisanelly: BH expressed concern that the business case and initial design processes had gone as far as they could without closer engagement with the schools themselves. He sought approval from the board to press DE to obtain engagement from the schools. The board shared his concern and approved such an approach to DE. DR noted that he and other members of the board had previously questioned the amount of resource being committed to the project in the absence of commitment from the schools. BH expressed view that with full engagement of DE the schools could still be brought on board without further delay to the project.
- MLK: BH noted that the offer of SEUPB funding for the PbCRC had been accepted, and the RUAS heads of terms signed, although there had been no public ministerial announcement of the fact.
- Belfast Rapid Transit: BH drew attention to his concern over the absence of sufficient budget funding to carry out the entire project. Although consideration was being given to reducing the scope of the project to a single line, it was unlikely to be sensibly scalable. BH had expressed this concern to the Gateway Review and proposed that DRD be encouraged to use the publication of the Gateway Review report as an opportunity to formally assess whether it is sensible to continue with the project in its current form. The board agreed with this approach.

SW updated the board on the AMU. He noted that the allocation of £90m of additional capital over the budget period had been agreed and that AMU were now working with departments to (and LPS and DSO) to develop programmes to ensure the target is achieved. The target for this year is £22.5m. SW noted that the ePIMS implementation was on schedule and the Asset Management Plan process was progressing.

SW explained that discussions with The Housing Finance Corporation had shown that concern over weak regulation in NI and over proposals to pay housing benefit to tenants rather than directly to landlords were disincentives to investment of external capital.

5. Programmes and Projects Committee Report

BM reported on the matters discussed at the Programmes and Projects Committee meeting (to extent not already discussed at 4. above).

It was noted that SIB was performing a co-ordination function by providing Patrick McMeekin's time to the Safety Centre project.

It was noted that the e-Cars project had obtained a 100% increase in its funding for the next year.

6. Finance Report

BH reported an under spend for the year of £53K (slightly lower than previously expected).

BH also drew attention to the increase in number of Assembly Questions over previous years.

7. Staff Appointments

The board approved the delegation of the Remuneration Committee functions in respect of junior staff appointments to the Interim Chief Executive.

8. Other Business

BH reminded board members of requirement to return Register of Interests forms.

DR queried whether CPD are subject to audit procedures. BH agreed to establish the position.

The Media Update was noted.

9. Draft Business Plan

The board discussed the draft Business Plan.

FH and DR complimented BH on the overall quality of the draft.

It was noted that the plan was ambitious and that there was a risk (already identified in the report) that delivery could be adversely affected if resources were diverted to deal with requests for assistance of the type discussed earlier. It was agreed to make express reference to SIB's "triage" function in the roles and responsibilities section of the Business Plan.

There was a discussion around the need to proactively identify opportunities to utilise private capital. DD noted that that the strategy Committee had discussed conducting or commissioning a study of the matter. DR suggested that opportunities could be identified on a project by project basis in the course of preparing the ISNI. BH confirmed that certain projects had been identified as suitable for private finance.

It was noted that OFMDFM had requested the AMU business plan to be annexed to the SIB plan.

DD thanked BH and the Executive for all of the hard work that had gone into developing the business plan and congratulated the team on the quality of their work.

10. Next Meeting

The date and time of the next meeting was agreed as Friday 25 May at 8.30am.

DD agreed to circulate dates for the away day once the pending CEO interviews were completed.

<i>Ref</i>	<i>Action</i>	<i>Owner</i>	<i>Status</i>
1	Circulation of dates for away day	DD	For discussion
2	Amendment of Draft Business Plan	BH	Complete