

**Minutes of SIB Board meeting
Held at MLK on 20 March 2012**

Present:

David Dobbin (DD)
Brett Hannam (BH)
Frank Hewitt (FH)
Bro McFerran (BM)
Chris Thompson (CT)

In attendance:

Martin Spollen (MS)
Scott Wilson (SW)
Kyle Alexander (KA) (item 5 only)
Mary McKee (MM) (item 5 only)

Apologies:

Geraldine McAteer (GM)
Denis Rooney (DR)
Gregor Hamilton (GH)

2. Opening & Welcome

The Chair opened the meeting by welcoming Board members and those in attendance. Apologies received were noted.

Declarations of Interest

The Chair invited declarations of interest. FH declared interest in NI Science Park, Belfast Harbour Commission, ILEX and the NI Transport Holding Company. BM declared interest in NI Science Park, and Derry~Londonderry City of Culture. CT declared an interest in G4S and justice sector. DD declared an interest in Ulster Rugby and Belfast Harbour Commission.

2. Minutes of the previous Board meeting

The minutes of the previous Board meeting were approved.

3. Chairman's Business

DD reported on the inaugural meeting of a Working Group comprising DRD, Belfast Harbour Commission (BHC), InvestNI and SIB to explore the options to release value from BHC to support the Executive's published spending plans. He reported the positive commitment of all parties to find an agreed way forward.

DD also reported on positive feedback he received from a number stakeholders on the support provided by SIB towards the successful delivery of key projects and programmes.

4. Interim Chief Executive's Report

BH provided a verbal update on work done and issues arising in the past month, complementing the written update circulated to members. He specifically highlighted progress on Waste Infrastructure, Stadia Programme, support to NI Prison Service and City of Culture.

BH advised members that the Budget Review Group (BRG) has accepted the recommendations of a paper by SIB on raising Alternative Finance to fund infrastructure investment going forward. CT commended the work done to secure this positive outcome. Drawing on his experience from managing the Executive's Asset Management Unit, SW suggested that a steering group comprising key stakeholders from relevant departments should be convened to ensure all parties contribute to the successful delivery of the targets for alternative finance.

BH advised the Board of a challenge received during the Alcatel period from an unsuccessful bidder to the outcome of a recent procurement for consultancy services. The decision is currently under independent review and the procurement is on hold pending the outcome. BH advised the Board that the delay will cause a projected underspend of £60k against SIB's enabling budget for the year. Board members sought assurances that all steps are being taken to minimise the level of underspend at the year end and that OFMDFM has been informed of the issue. BH confirmed that this was the case.

ISNI

MS provided an update on finalisation of the Executive's Investment Strategy (ISNI). He advised the Board that the First Minister and deputy First Minister are at present considering the draft document and that it is likely to come before the Executive for endorsement soon. He pointed out that Ministers decided to 'decouple' the launch of ISNI from that for the Programme for Government. This will provide an opportunity for debate and subsequent launch with a singular focus on ISNI.

In the last week, the Minister for Education has written to request a higher allocation for the schools programme than the amounts agreed in the draft ISNI published by the Executive in November. DD asked what support SIB was providing to our Ministers in response to this request. MS confirmed that SIB is supporting FM and dFM and their Special Advisers with analysis and options to inform discussions towards a political agreement on the matter. Members were content with this approach.

AMU

SW provided the Board with an update on work by the Asset Management Unit (AMU). He confirmed that £90m of the £100m AMU target for value release has been identified and that the specific assets and value release proposals have been approved by the BRG on foot of a paper

submitted to it by the AMU. SW noted that some of the assets identified are currently income generating (e.g. car parks), and that any subsequent disposal would result in a loss of recurrent income for the departments affected. BRG requested AMU and DFP to prepare a paper on options to address this problem.

DD enquired if AMU was aware of the potential impact of these plans on the proposed investment projects by the Northern Ireland Transport Holding Company (NITHCo). FH offered to withdraw from the meeting while this item was discussed, but this was judged unnecessary by the Chair. SW confirmed that AMU is fully aware of the issues involved and that this was discussed by Ministers at the BRG.

SW briefed the Board on the outcome of a recent property auction in which a number of public sector properties were successfully sold. He noted the brisk interest at the event and the apparent availability of cash buyers with sufficient resources and interest in property acquisition.

5. Maze-Long Kesh Development Corporation – Update from Kyle Alexander

[KA and MM joined the meeting]

The Chair welcomed KA and MM to the meeting and invited them to update to members on work underway for OFMDFM Ministers towards the regeneration of MLK.

KA gave an audio-visual presentation outlining the scale of the site, its history and previous uses and the work underway to develop and implement a spatial plan for the redevelopment of the site to meet Ministers' policy objectives. The location of the site in relation to major transport networks and in the context of surrounding sites ("1000 acres") was noted.

KA updated members on the announcement today that Heads of Terms have been agreed with the Royal Ulster Agricultural Society (RUAS) for it to acquire and develop land on the site as part of the overall redevelopment plan.

MM updated the Board on current plans for a Peace building and Conflict Resolution Centre (PbCRC). She outlined the work done with stakeholders and the successful outcome of the application for SEUPB funding. MM highlighted interest from third parties involved in peace-building and conflict resolution to be involved with the proposed facility – including some international institutions.

Board members expressed approval for the work undertaken to date. DD asked what support the Board might most usefully provide going forward. It was agreed that advocacy for the programme would be most appropriate. DD further enquired if work had been undertaken to identify the potential economic impact of the regeneration. KA explained that this work was part of the business case and that the plans have the potential to support around 5,000 jobs and some £300m of investment with a public-private leverage of around three to one.

KA explained that, at present, he was acting as a Programme Director working directly to OFMDFM but that Ministers have articulated plans to appoint an MLK Development Corporation Board to provide more focussed governance structures. The Board discussed how it might best assist Ministers in this regard.

DD requested that KA forward a short written briefing on the benefits of MLK regeneration that would assist Board members in their interactions with Ministers and other senior stakeholders.

SW highlighted the ongoing development of departmental estates strategies and the window of opportunity to consider MLK as a location option where appropriate as these strategies are being finalised.

DD thanked KA and MM for their work to date.

[KA and MM left the meeting]

6. OFMDFM Internal Audit Report

The Board discussed the contents and findings of a report conducted by OFMDFM Internal Audit into allegations made by a whistle-blower against an SIB adviser. MS highlighted in the report the confirmation by OFMDFM that SIB acted at the direction of Ministers in relation to the appointment. The responses by SIB to the recommendations made in the report were also noted.

It was agreed that BH would write to OFMDFM to conclude this matter.

7. Remuneration Committee Report

CT, as Chair of the Remuneration Committee, gave an update on the work of the Committee. The continuing difficulties and risks arising from the current SIB remuneration arrangements were noted. In response to this, a draft Remuneration Policy is in preparation and will be presented to the Board for consideration in June. This will aim to place SIB's reward strategy on a good practice footing. It was noted that the draft policy will be subject to OFMDFM approval.

The resignation of the NI Prison Service Change Manager a short time after appointment was noted. The job has subsequently been offered to and accepted by a reserve candidate from the recent open competition.

The Interim Chief Executive has been granted devolved authority to make appointments consistent with the recruitment and remuneration policies in force. The Committee will be notified of any appointment so made.

8. Finance Report

Members noted the Finance Report previously circulated. BH emphasised the potential for an underspend against SIB's annual budget that has arisen because of the recent procurement

challenge noted earlier in the meeting. Board members expressed concern together with understanding that the cause of this was outside of SIB's control and there is little opportunity for mitigation given the late stage in the current financial year.

BH again assured the Board that OFMDFM are fully aware of the circumstances.

9. Other Business

The Chair invited members to bring forward any other business not formally listed on today's agenda.

BH highlighted work on the development of the SIB Corporate Strategy & Business Plan. He undertook to circulate a draft copy to members for their comment. SW undertook likewise to circulate the draft AMU Business Plan.

CT raised the issue of ISNI branding. MS assured members that media focus and marketing of ISNI to the public would focus on the Executive and recognition of SIB's involvement would be for industry stakeholders only.

The Chair closed the meeting.

Chairman.