

**Minutes of a Board Meeting of
Strategic Investment Board Limited**

Held at 9:45am on Tuesday 16th October 2012 at
Clare House,
303 Airport Road West, Belfast

Present: David Dobbin (Chair) (DD)
Geraldine McAteer (GM)
Chris Thompson (CT)
Frank Hewitt (FH)
Brett Hannam (BH)

Apologies from: Martin Spollen (MS)
Gregor Hamilton (GH)
Bro McFerran (BM)
Denis Rooney (DR)

In attendance: Anna Gray (AG)
Scott Wilson (SW)
Tim Losty (TL) (attended from 10.30 -12)
DCAL Ministerial Advisory Group for Architecture and the Built Environment -
joined for item 1 only (Arthur Scott (AS), Richard Lutton (RL), Alan Strong (ASt))
(The MAG)
Ed Vernon (joined for item 6 only) (EV)
Paul Priestley (joined for item 7 only) (PP)

Declarations of Interest:

FH declared his interests in respect of his involvement with ILEX, NI Transport Holding Company and NI Science Park. DD declared his interests in Ulster Rugby and Belfast Harbour Commissioners. No discussion relevant to these interests was expected.

1. Presentation by The MAG

The MAG representatives provided an overview of their role and the activities/projects that they are involved in. The MAG stated that the DCAL Minister, Carál Ní Chuilín, is proactively encouraging the use of their services including, in particular, design reviews. These provide an independent appraisal of projects by experts at any stage from pre-briefing to design, detailing and post-occupancy assessments. They can be requested by the promoter, the design team or the planning authority.

MAG noted that it had made presentations to thirteen local Councils and following this work, The MAG was now linking, in partnership with DSD, to six of those Councils in relation to specific projects. MAG also emphasised the benefits of working in parallel with similar projects across the UK and sharing information. For example, the eco-town that is currently being developed in Whitehill Bordon, England was currently piloting a number of concepts that would be of relevance to the Colin Town Centre Project and, equally, there were concepts that were being explored in the Colin Town Centre Project that are of interest/relevance to Whitehill Bordon.

CT asked whether arrangements were being put in place to ensure that The MAG was aware of and, where applicable, involved in relevant SIB projects. BH confirmed that The MAG had made a similar presentation to the SIB team meeting and was already involved in projects such as the Colin Town Centre Project where Brenda Burns (SIB Strategic Adviser) was liaising closely with The MAG.

GM asked whether the PSNI had been consulted in connection with the design of communities in order to prevent crime. MAG commented that the PSNI are being consulted in connection with the Colin Town Centre Project but it was anxious to ensure that design was not just focused on security. A joined up, integrated approach between all parties (e.g. public sector employees such as litter wardens and the private/voluntary sector including community safety wardens, private security firms etc) would be required. GM also raised the issue of whether MAG had considered the collapse in the retail sector in town centres and whether thought had been given to using town centres for something other than retail. MAG said that it had and gave the example of providing a band in the bandstand in Ballymena Town Centre on Saturday's during August in order to attract shoppers and boost the retail sector. The issue of how people get there (in a car or on public transport) was also an issue for consideration.

FH asked whether the powers of local Councils were sufficient to force private retailers to "spruce up" dilapidated units. MAG pointed to the fact that Councils appeared to be nervous about using their powers under the Pollution Orders to threaten action against such retailers. However, Belfast City Council has used these powers to good effect. It appears that an initial letter threatening action often prompted such

retailers to carry out repairs, which meant that no further action was required by the Council. MAG observed that co-operation with property owners to promote 'meanwhile uses' (e.g. charitable use of an empty building for 2 – 3 months) appeared to deliver results. Property owners appeared to want to co-operate because, for example, such use may increase the attractiveness of adjoining units and possibly increase trade and/or the opportunity to apply for rates relief.

DD concluded by asking The MAG whether there was anything else that it wanted SIB to do. MAG stated that as it was an independent body at arms length from DCAL, it hoped that benefits would be realised by involving The MAG in commissioning independent design reviews at an early stage in large projects. DD thanked The MAG and all of its members.

2. Minutes of Previous Meeting

The minutes of the September 2012 board meeting were approved.

GM requested clarification on the Community Consultation Project discussed at the last board meeting. BH explained that the work (developing a toolkit identifying best practice for carrying out community consultations) originated from the good work carried out by Brenda Burns and her team in connection with the Colin Town Centre Project. BH noted that similar work was also being carried out in England. BH further stated that the project was at an early stage and Brenda was currently writing the business case to justify it. Board members suggested that BH check that SIB is not duplicating work that may have already been completed elsewhere.

3. Chairman's Update

DD informed the board that each member would receive a board assessment using an OFMDFM template.

DD noted that NICS was developing new guidelines on public appointments and requested an update from TL. TL explained that this guidance was fully developed and he expected that it would be released shortly. DD noted that this would be relevant to the appointment of a new SIB board chair and directors.

The Board noted that DD would stay on as chair until at least January 2013, however, the process to recruit a new Chair would begin now and take account of any new NICS guidance on public appointments.

4. Chief Executive's, ISNI & AMU Reports

BH reported that ISNI, after being debated in the Assembly, had been published on 8th October. BH noted that he had a DVD and a transcript of the debate and board members were welcome to have copies if they wished. BH also noted that while there had been relatively little press coverage, that coverage had been positive.

BH updated the board on the last BRG meeting. He noted that there appeared to be a shift away from discussion around the merits of PPP/RFI to discussion on how best to implement it. Board members queried whether there was support for the programme within DFP. BH stated that it would be difficult to proceed with such a programme without the Finance Minister and DFP's support. BH confirmed that the programme had been "approved in principle" by government and that SIB had been cleared to proceed with preparing the programme and related procurements. However, formal decisions on individual projects may not be made for some years.

BH mentioned the unwelcome press attention in respect of the City of Culture as outlined in the board papers. The PfG oversight group had raised concerns, which were expressed to DCC through DCAL, regarding the management of the City of Culture programme. SIB was subsequently asked by DCC, with the agreement of OFMDFM and DCAL, to provide it with a range of support. This would be in three main areas: (i) communications support to be provided by Fiona Kane (who has the confidence of both the Chief Executive of Derry/Londonderry City Council and the Culture Company); (ii) programme management for those non-cultural activities; and (iii) events planning. BH noted that this was a substantial commitment, particularly as there is less than two months left before the first event is due to take place. OFMDFM has approved the required single tender actions.

TL stated that the City of Culture needed to be a success and to ensure this it was necessary to bring in SIB to provide extensive support. Departments are aware of the large scale of resources that would need to be invested to make City of Culture a success. TL stated that it was particularly helpful to see Fiona Kane now leading the marketing effort. The board members also expressed confidence in Fiona. TL stated that it had been made clear to Derry/Londonderry City Council and Culture Co that SIB staff (i.e. Fiona) were there at the request of ministers. Board members queried who was ultimately accountable for the work of the Culture Company. BH and TL confirmed that this was Sharon O'Connor (Chief Executive of Derry/Londonderry City Council) i.e. not SIB.

BH commented on the Investment Strategy Report and noted that strategic planning support was being provided to the Education Department. DD asked that a meeting of the Strategy Committee be organized.

BH noted that work on the Delivery Tracking System (DTS) was continuing. He drew attention to the report in the board papers from the GIS clerk (Gareth Young) who provides mapping support to projects and programmes. Board members noted that the report had been very useful in demonstrating the utility of this work.

SW provided an overview of the work of the AMU. In respect of the Disposal Programme, the focus was on completing sales. SW noted that seven key assets accounted for £6.2 million, which would bring the AMU nearly to its target. SW stated that he had written to DFP with details of the areas that Departments needed to focus on. This appeared to have prompted some further progress within Departments. SW noted that the E-PIMs exercise was almost complete and the AMU team was currently analysing the returns including, for example, when leases expire. SW estimated that within five years a large number of leases would expire and decisions would be needed as to how to take these forward. SW also noted that at the BRG all his proposals had been accepted. SW commented that a new and extensive project would need to be undertaken regarding the re-structuring of NIHE. It was likely that a dedicated team would be needed to undertake this and SIB could assist NIHE by putting together an appropriately skilled team. SW intended to speak to Baroness Ford regarding her experience of the Glasgow Housing Associations re-structuring and the skills that were included in her team.

CT queried the use of Dundonald House after DARD moved to Ballykelly. SW stated that until the business case for the move has been approved alternative uses could not be formally considered by the AMU. It would, of course, need to form part of DARD's estates plan but SW understood that thought may have already been given by the Department regarding the future use of the building.

SW noted that the centralisation of all information on office accommodation and land within DFP was an important exercise and that Northern Ireland was ahead of the rest of the UK in this respect.

5. Report on Board Away Day

DD noted that the report had had been provided to members as part of the board pack and summarised the key conclusions. BH discussed the Action Plan i.e. to take stock of what we have in terms of infrastructure and funding; re-engineering (e.g. The MAG today); the need for strategic investment planning models; project mentoring; and structured engagement with Departments. BH also highlighted the need to recruit a new infrastructure economist for ISNI and that a business case for this appointment would be considered shortly. BH stated that he would request that MS make a presentation to the board at the next meeting. DD requested that the board be included in discussions with important third parties at an early stage and that a process be put in place to identify the best board member (with appropriate expertise) to attend any such meetings.

DD suggested that the Board may wish to look at dropping the AMU committee (as SW now attended board meetings) and replace it with something else. DD raised the question of whether it would be useful to form a communications committee potentially chaired by GM. It was decided that this would be put on the agenda for a later board meeting.

BH suggested that the board may wish to follow an approach used in New Zealand known as the “Letter of Expectation”. This would be a direction from OFMDFM Ministers setting out their priorities for SIB. It would provide a useful mandate and strategic direction for SIB and form the basis for further discussion with FM and dFM. FH stated that this was an interesting idea and it would, for example, be useful to receive guidance from OFMDFM on the timeframe for, and scope of, the next reiteration of ISNI. The board asked BH to prepare a draft letter and bring it to the board for further consideration.

GM then queried whether there was a central place for finding best practice on social clauses and if there was any way for SIB to be more pro-active on this issue? BH noted that CPD would see themselves as the champion of social clauses although SIB could collate information and report back. BH agreed to speak to Mary McKee about whether there was more SIB should be doing in this area.

6. Annual Report to Ministers on AMU – Discussion with Ed Vernon

EV noted that the Executive is keen to promote efficiency and that the Permanent Secretaries are now supportive of the AMU plans. EV mentioned that it was essential to keep DFP on board and that he would also schedule a meeting with the senior special advisors. EV identified some key issues in respect of the project, including: the risk of scope creep; the potential for SIB to promote other issues e.g. restructuring

of the NIHE; the need to ensure that SIB has the internal capacity/resources to provide assistance; and progress towards the £100 million target.

DD queried the status of the asset register and SW confirmed that Jacqueline Fearon was responsible for this and that the team was 50% there in terms of collating the information, however, the 50% that has been collated represents 100% of the information that is needed to make asset management decisions. SW stated that although work will continue on to collate the remaining 50%, this would be useful information rather than material information needed for the AMU's work. EV concluded that a draft of the management strategy would be prepared by December in order that it could be up and running by April 2013. This would be a strategy for the 24 month period to the next CSR. After this, EV explained that a more comprehensive strategy for 2015 and beyond would be developed.

7. Strategic Review of Procurement – Presentation by Paul Priestly

PP gave a presentation to the board outlining plans for the strategic review and sought approval to proceed. In discussion the following points were made:

DD said SIB ought to make continuing efforts to ensure that Ministers are on board, especially for any proposals for radical change coming out of the review. CT agreed strongly about the need for external representation on the Project Board. He also noted the need for a mechanism to ensure linkage and coherence between the strategic review and the separate CBI/CPD review of supplies and services procurement. These points met with general agreement by the board and DD asked that: (i) BH and PP speak with Will Haire about the need for coherence between the two reviews; and (ii) the board be kept informed of the terms of reference and timescale for the CBI/CPD review.

GM asked whether the review would focus on the implementation of social clauses in works contracts. After some discussion it was agreed that the review might identify where such clauses are working well, and any difficulties and issues and how they might best be addressed, within a framework of trying to make social clauses as enlightened and workable as possible.

All board members could see the difficulties of setting boundaries around the proposed review. In discussion, DD and GM said there were important works contracts below the EU threshold; CT said there were supplies and services contracts – especially for ICT – which cost tens of £m; and GM thought all types of procurement could benefit from the sort of analysis proposed in the strategic review. SW suggested it might be better for the project to focus on OJEU (i.e. above threshold) 'capital projects' or 'those referenced in the Programme for Government.

The project was authorised by the board.

8. Requests for SIB Support

BH reported that a number of requests for SIB support had been made and that these had been documented in the relevant Board paper. They included:

Sponsor/Customer	Project	Nature of Support
Derry City Council	City of Culture	Marketing & Communications Manager Programme Manager Project Planning Support
OFMDFM/Ilex		Support to recruitment of Chief Executive
DARD	Relocation of DARD HQ	Project Manager
DoJ/PSNI	Police Museum	Project Director
DoJ		Asset Director
NIPS		Support to recruitment of NIPS Director or Policy/Operations
NI Screen		Support to recruitment of Chair of NI Screen
DETI	Chicken Litter Disposal	Project Manager
DETI	Digital Village	Digital Infrastructure Adviser

These requests were approved.

The Board discussed two requests from councils for project management support. The Board agreed that these projects did not meet the criteria for SIB support as they were not of sufficient regional or sub-regional importance. The Board was, however, content for SIB to provide the Councils with advice and guidance on how to recruit their own project managers.

9. Finance Report

The Finance Report was noted.

10. Other Business

The next board meeting is to be moved to Tuesday 27th November.

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Chairman