

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

Held at 12.15pm on 20th January 2011 at  
Clare House,  
303 Airport Road West, Belfast

- Present:** David Dobbin (DD) – Chairman  
Geraldine McAteer  
Denis Rooney (DR) (Item 1 only)  
Bro McFerran (BM)  
Frank Hewitt (FH) (Not Item 1)  
Brett Hannam (BH)
- In Attendance:** Peter Robinson (First Minister) (Item 1 only)  
Martin McGuinness (Deputy First Minister)(Item 1 only)  
Richard Bullick (Item 1 only)  
Paul Kavanagh (Item 1 only)  
Noel Lavery – OFMDFM(Item 1 only)  
Martin Spollen (MS)  
Gregor Hamilton (GH) – Company Secretary
- Apologies:** David Waugh  
Chris Thompson

*There were no declarations of interest.*

### **1. Meeting with First Minister and Deputy First Minister**

The Chairman welcomed the First Minister and Deputy First Minister and their respective advisers. He indicated that he hoped this would be the first of a series of regular meetings. He noted the completion of the draft ISNI and stressed the availability of SIB to assist both Ministers and their advisers. He identified key issues which the board wished to raise with Ministers as being the AMU, which was being asked to raise £100m from disposals but was in danger of being under-resourced, and the potential to explore alternative models for funding or financing capital expenditure.

DR expressed the view that SIB was a valuable asset available to Ministers, and it was important that it should be fully utilised.

The First Minister assured the board that he and the Deputy First Minister were keen to engage with SIB. He expected that greater involvement would be needed in the current financial climate, as “more for less” would be a key priority for the next four years.

The Deputy First Minister agreed that it would be appropriate to meet with SIB more often given current circumstances, and suggested three meetings per year. He observed that there was a need to explore all possible avenues to unlock resources. However, he stressed the importance of controlling the costs of the AMU.

The Chairman drew attention to the extensive work already carried out in order first to identify and thereafter dispose of assets which were surplus or underutilised. In response to a question from the First Minister he identified cash generating assets (eg. car-parks) and land swaps as areas where effort might be concentrated initially in order to unlock value in a depressed property market.

BM suggested that while realising value from the disposal of surplus assets was important, there was also scope for more radical or imaginative ways of addressing the shortfall in available capital funding – for example the mutualisation of water or the private operation of roads on the model used in the Irish Republic.

The First Minister observed that there was no public or political appetite for water charging, and therefore no real potential to raise money from mutualisation or privatisation in that sector. He observed, in the light of recent events around NI Water, that Ministers will always be held responsible by the media irrespective of the degree to which management of the industry was controlled by them or devolved to a separate body. Nevertheless, he was happy for SIB to consider and propose alternative ways of raising capital.

Paul Kavanagh noted that SIB is responsible to FM and DFM, and that there was, therefore, no requirement to clear advice with other parties or officials before submitting it to Ministers and their advisers.

### *DR left the meeting*

There was a discussion as to whether it would be desirable to publish the ISNI in advance of the election or delay publication. It was agreed that although the new executive would have its own Programme for Government, which would necessarily inform the ISNI, the outgoing executive might wish to publish something for consultation - even if not a full ISNI – to show what progress had been made during its tenure.

BH briefed the ministers on the need to reach a quick decision on the future of the AMU. The head of the unit and the other full-time SIB adviser had resigned and the unit was now staffed only by temporary part-timers. SIB hoped the Executive would consider and approve the paper drafted by OFMDFM that followed the presentations made to the BRG by Ed Vernon. Ministers undertook to discuss the matter further after the meeting.

There was a brief discussion of staff terms and conditions in the light of recent departures. BM observed that it was necessary to pay properly in order to attract “best of breed” advisers. The First Minister pointed out that there was need to be aware of the economic climate in which such appointments would be made.

### *The Ministers and their advisers left the meeting.*

The Board agreed that the meeting with Ministers had been positive, particularly the suggestion of 3 meetings per year. It was agreed that an invitation should be extended to attend the June board meeting.

## **2. Minutes of Previous Meeting**

The minutes of the December board meeting were agreed (subject to one amendment).

## **3. Interim Chief Executive’s Report**

BH delivered the report and drew attention in particular to:

- the submission of the funding application to SEUPB for Maze/Long Kesh;

- Lisanelly, in respect of which BH had met with John McGrath – the message from Department and from the Minister herself being that there is full commitment to the project and that SIB should press ahead with the work it was doing;
- Agreement reached with DE that an SIB strategic advisor should go into DE. Provision for this would be included in the revised business plan;
- the potential impact of DoE's reduced capital allocation upon the waste management projects; and
- uncertainty over the future of the Rapid Transport project in the light of draft internal capital allocations made by DRD.

#### **4. Budget for 2011-15 and Finance Report**

BH noted that money had been given back during February monitoring in any circumstance where there was less than 100% certainty that it would be spent.

BH took the board through key points in the draft budget.

He explained that the budget cut was 23.5% across both enabling and operating budgets for next year and 28% across 4 years. Although this appeared dramatic it equated to about a 2% cut on top of the average underspend in previous years.

He noted that the size of the budget for 2011-14 was essentially now fixed, unless SIB was successful in bidding for "Invest to Save" money.

*BM left the meeting*

#### **5. Report from Audit Committee**

GM reported on proceedings of the Audit Committee. She drew attention particularly to an issue which had arisen in respect of a whistle blowing allegation made in connection with a project supported by SIB.

It was agreed that the Board should invite the Audit Committee to appoint the internal auditor to investigate the matter and that BH should draft appropriate terms of reference.

**6. Board Business Plan for 2011**

The Board Business schedule for 2011 was approved. It was agreed that BH should update it to show more frequent meetings with Ministers.

**7. Other Business**

The media update was noted

Chairman.

## JANUARY 2011 BOARD – SUMMARY OF ACTIONS

Action	Owner	Status
Invite FM and DFM to attend June board meeting, and update Board Business schedule accordingly	Brett Hannam	Awaiting outcome of Assembly Election.
Prepare a paper on innovative funding mechanisms.	Brett Hannam	Complete
Draft terms of reference and invite internal auditor to investigate allegations of inappropriate use of consultancy	Brett Hannam	Complete