

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.30am on 17th May 2011 at
Clare House,
303 Airport Road West, Belfast

Present: David Dobbin (DD) – Chairman
Geraldine McAteer (GM) (Not Item 8)
Bro McFerran (BM) (Not item 8)
Chris Thompson (CT)
Denis Rooney (DR)
Brett Hannam (BH) (Not item 5)

In Attendance: Noel Lavery (NL) - OFMDFM
Gregor Hamilton (GH) – Company Secretary (Not
Item 5)
Bryan Gregory (Item 3 only)
Mary McKee (Item 6 only)
Kenny Knox (Item 6 only)
Alan McVicker (Item 7 only)

Apologies: Frank Hewitt
David Waugh

There were no declarations of interest.

1. Minutes of Previous Meeting

The minutes of the April board meeting were agreed.

2. Interim Chief Executive's Report

BH delivered his report. The board discussed in particular:

Lisanelly: It was noted that £200k of decontamination works had been delayed at DE's request.

Concern was expressed that SIB did not wish to expend large sums on a project if there was a risk that it would ultimately be abortive. BH noted that DE intended to appeal the recent judicial review decision and the project's business case was still viable if one, or even two, of the schools were removed from its scope.

Desertcreat: It was noted that the Probation Service and the Courts Service had expressed an interest in using the college. This would further strengthen the project's business case.

Maze Long Kesh: It was noted that there was likely to be some further delay in appointing the board of the Development Corporation.

Meeting with Ministers: The request to meet FM and DFM in June was noted. It was agreed that it would be useful if a "Department by Department" list of key issues could be provided to members of the board.

Action: BH to provide non-executive directors with a key issues aide memoire.

3. Titanic Signature Project (TSP)

Bryan Gregory gave a presentation on progress with the TSP.

The board discussed the difficulties of co-ordinating the activities of the various asset holders and other parties with an interest in creating and marketing a successful attraction.

The board discussed the numbers of apprenticeships and LTU recruits arising from the building contract and encouraged the executive to widen the adoption of social clauses in the procurement of major construction projects.

4. Asset Management Unit (AMU)

BH updated the board on appointment of the head of the AMU, and progress with the recruitment of other staff. The board discussed the draft AMU organisational and accountability chart prepared by BH and approved it subject to minor amendment. It was agreed that the requirement for the AMU Committee should be reviewed annually.

The Board were content with the proposed Terms of Reference for the appointment of Mr Ed Vernon.

5. Closed Session

The non-executive members of the board held a closed session with the shareholder's representative; Noel Lavery, OFMDFM. Among the matters discussed were:

- the need to complete the recruitment of a Chief Executive and look at succession planning for the Chairman's post.
- the need to address the risk that the current pay policy may adversely affect the organisation's ability to recruit and retain staff; and
- the importance to SIB of the current consultancy derogation.

6. Social Clauses & Social Investment Fund

Mary McKee and Kenny Knox gave a brief presentation on their work in relation to social clauses. They explained that the initiative had strong political support and recommended that SIB should build its capability in this area. Following discussion it was agreed that the initiative merited continued effort and resource. GM spoke on the Social Investment Fund, explaining its significance and how SIB would be expected to support its implementation. It was agreed that BH should return to the Board with more detailed proposals for supporting these initiatives in due course.

7. Waste Projects

Alan McVicker updated the board on progress with the three waste infrastructure projects. He identified the risks to the successful completion of the projects and the strategies being employed for their mitigation. The Board asked to be kept informed of developments.

8. Report from Audit Committee

CT reported on proceedings of the Audit Committee, noting in particular that:

- the An Droichead internal audit investigation was now complete and the resulting report had been considered by OFMDFM's audit committee. All the report's recommendations would be now be implemented;
- a draft report had been issued in respect of whistle blowing allegations made to OFMDFM in respect of an SIB consultant. The report had found no evidence to support the allegations;
- an overall internal audit rating of "satisfactory" had been achieved for the year;
- internal audit had highlighted the risk that the current pay policy may adversely affect the organisation's ability to recruit and retain staff. It was agreed that this risk should be carefully monitored by the Board; and
- the committee had reviewed the draft 2010/11 accounts and directed that certain changes should be made to their format and content. The final draft would be brought to the June Board meeting for the Board's approval.

8. Finance Report

BH noted that there were no issues arising from the finance report, other than the impact of the delay to the decontamination work at Lisanelly.

Chairman.

MAY 2011 BOARD – SUMMARY OF ACTIONS

Outstanding Actions: None

New Actions:

<i>Action</i>	<i>Owner</i>	<i>Status</i>
Amendment to AMU organisational chart.	Brett Hannam	Complete
Preparation of “Department by Department” list of key issues.	Brett Hannam	Complete