

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 9.30am on 22nd September 2011 at
Clare House,
303 Airport Road West, Belfast

Present: David Dobbin (DD) – Chairman (1 and 2 only)
Frank Hewitt (FH)
Bro McFerran (BM) (1-3 Only)
Denis Rooney (DR)
ChrisThompson (CT)
Brett Hannam (BH)

In Attendance: Martin Spollen
Scott Wilson
Gregor Hamilton (GH) – Company Secretary

Apologies: Geraldine McAteer

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

1. Minutes of Previous Meeting

The minutes of the August board meeting were agreed.

With reference to the actions arising BH explained that Bryan Gregory would attend the next board meeting to discuss the MAC, and that discussions had taken place as to means of communicating opportunities to the market. He noted that SIB would be represented at a forthcoming 'meet the buyer' conference in Dundalk.

DD welcomed the return of MS and SW. He noted that although FM/dFM had been unable to attend the meeting as planned, their attendance would be rescheduled and interest continued in finding new ways of funding infrastructure spending.

2. Interim Chief Executive's Report

BH spoke to the interim Chief Executive's Report. The board noted and discussed in particular:

- a constructive meeting with Simon Hamilton and Allan Ewart;

- the affordability issue in respect of the Arc 21 waste PPP, and the difficulties faced on the SWaMP waste PPP as a result of the changes in the bidding consortium;
- the Gateway Review of the Stadium Programme (DD having declared interest in respect of his involvement with Ulster Rugby);
- a recent meeting with NI Water;
- a recent meeting with the Permanent secretary at DCAL;
- the Scottish Water model – BH noting that this might be a more politically palatable model than the Welsh Water model. DD commented that mutualisation should still be kept in mind as an option even if there is no enthusiasm for it at the moment;
- Derry Culture Company’s progress in finding state and commercial sponsors (FH having declared interest in respect of involvement with ILEX);
- bus services to Belfast Metropolitan College/Titanic Quarter (FH having declared interest in respect of involvement with NI Transport Holding Co).

SW updated the board on progress with the AMU. He explained that the first target was to raise capital of £10m in the remainder of this financial year and that the focus was on finding surplus assets within the system, although there are also other contingencies such as renegotiation of existing leases. DD requested a paper from SW explaining the AMU’s strategy going from short to medium term.

There was a discussion around the operation of the AMU Committee, and it was agreed that the Committee should handle detailed work but the board will be kept involved on the bigger issues. SW will attend all board meetings as well as committee meetings. Ed Vernon will attend committee meetings.

DD left the meeting and DR took the chair.

3. Topics for discussion with First Minister and deputy First Minister

BH suggested that it would be helpful as a starting point to update ministers as to the progress of the various projects already in the pipeline.

It was agreed that the work of the AMU would be a key topic, along with other funding and financing options.

MS explained that three major spending departments had expressed concern that the capital allocated to them for the 2015-21 period was insufficient to meet their needs. The potential to borrow money by issuing bonds was discussed and MS explained that the Executive's borrowing powers were limited to borrowing c£200m pa from Treasury under the RRI scheme.

MS made the point that best value from capital investment would be obtained if it was made in the context of wider programmes of rationalisation in public service delivery, rather than simply the replacement of existing facilities.

DR queried whether there had been any systematic assessment of value for money from PPP schemes. BH and MS noted that although individual projects had been audited, and there had been general reports on PPP in the UK as a whole, there had not been any generalised study of PPP in NI. BH noted that it would be difficult to ensure a proper comparison between different types of project with different maintenance regimes.

BM left the meeting.

4. Draft Investment Strategy: Additional Proposals

The board discussed the Investment Strategy briefing paper circulated in advance. There was agreement with the direction of travel as set out in the document and reiteration of the importance of raising with Ministers the requirement for increased resource DEL if Capital Expenditure aspirations are to be met.

5. Arrangements for Board Self-Assessment

BH explained that this was an assessment of the overall effectiveness of the operation of the board, distinct from the assessments carried out in respect of the individual members. FH indicated he had been involved with similar processes at NISP and ILEX, and would forward a template to BH. BH agreed to circulate a draft document to board members.

6. Finance & Media Reports

The Finance and Media Reports were noted.

Chairman.

SEPTEMBER 2011 BOARD – SUMMARY OF ACTIONS

Action	Owner	Status
Note on AMU Medium Term Aims	Scott Wilson	
Circulation of draft Board Self-Assessment document	Brett Hannam	