

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.00am on Tuesday 12th May 2015 at
Carleton House
Gasworks Business Park
1 Cromac Avenue
Belfast

Present: Brett Hannam (BH)
Gerry McGinn (GMcG)(Chairman)
Bro McFerran (BM)
Marie Therese McGivern (MTM)
Frank Hewitt (FH)
Chris Thompson (CT)

In attendance: Gregor Hamilton (GH)
Scott Wilson (SW)
Richard Rodgers (RR)(Item 16 only)
Roy Bell (Item 16 only)
Hazel Jones (Item 17 only)
Jennifer Morgan (Item 17 only)
Fiona Kane (Item

Apologies: Duncan McCausland (DMcC)
Martin Spollen (MS)

1. The usual declarations of interest were taken as read. FH particularly noted his interests in NI Transport Holding Co in light of potential discussions arising from the items on the agenda.

Minutes of Previous Meeting

2. The minutes of the April 2015 board meeting were approved.

Chairman's and Directors' Business

3. FH confirmed that as agreed at the April board he had contacted Sir John Elvidge, who had agreed to attend the October board meeting. GMcG agreed to formally invite him. It was agreed that Sir John would also address staff at a lunchtime seminar (assuming he was happy to do so).

4. GMcG reiterated the need to make the board's views on changes to SIB's sponsorship clear at an early stage.

5. GMcG reported that adverts had been placed and a timetable set for the process to appoint new non-executive directors.

6. CT noted that the assessments of board members would require to be carried out within the next couple of months, and GMcG confirmed he would be starting this process shortly.

7. GMcG asked board members to let him know if they had any specific requirements for training. FH noted that some other boards maintained "training logs" to record the training provided for their members. He noted that it was useful to formally record the consideration of training requirements, even if the actual requirements were limited due to the experience of the board. CT said he had found the training exercise carried out last year to be useful insofar as it had brought the whole board together to consider matters in the specific context of SIB, even if board members were already generally informed on the topics covered.

Chief Executive's Report, ISNI Report and AMU Report

8. BH spoke to the Chief Executive's report. In particular:

- Urban Villages: BH noted that there was no agreement on arrangements between DSD and OFMdFM for transferring the appropriated funds to SIB for this project. He would be meeting Mark Browne to try to progress this.

- Islandmagee Gas Storage Project: BH explained that the private sector contractor had eventually found private bridging finance for the project, having concluded that FTC money could not be made available within a timescale consistent with the drilling programme. SW noted that in other cases FTC money had been made available without protracted approvals procedures.

- Casement Park: BH noted that there was no suggestion of any inappropriate action on the part of SIB staff in the recent controversy over health and safety at the stadium. The external review of the matter was viewed as a welcome development.

-Arc 21: BH reported that planning permission was expected before the end of May.

- Staff Conference: BH reminded board members that the staff conference was to take place on 21st May and they were welcome to attend. Unfortunately Simon Hamilton would not be able to attend as planned, and it was unclear if the new finance minister would be able to do so

9. GMcG asked if there had been any further developments in relation to the discussions with the Civil Service Commissioners concerning access to records. BH said there hadn't been.

10. GMcG asked if the recommendations of the report on improvement of procurement processes were starting to be implemented. BH explained that to some extent they were – particularly in relation to social clauses and business cases. CT suggested that it would be beneficial for the board to receive a formal report at some point with regard to the extent the recommendations had been implemented. It was noted that there remained concerns in the market over the issues which had led to the preparation of the report.

11. SW drew the board's attention to certain specific items from the Asset Management Unit Report. In particular he noted:-

- Progress had been made in resolving a number of financial issues in respect of the Social Housing Reform programme.

-Derek Kennedy had joined the Reform of Property Management team for one day per week as Transformation Director. RPM was currently going through Gateway 0 of the Gateway review process, and SW expressed the view that this would be a worthwhile exercise.

- AMU had managed to identify a list of projects which could be used to meet the Capital Receipts target. These largely comprised (a) use of FTC to refinance Housing Association debt and to create a "pot" for future borrowing (b) surplus assets (c) a potential portfolio sale by INI and (d) potential sales of income generating DRD assets.

- Work continued with DFP on the reform and Restructuring proposals, and a proposed street lighting project was being discussed with DRD.

- Three more invest to save projects were being put together, including a reconfiguring of the Stormont estate.

12. In the absence of MS the ISNI report was taken as read. BH noted that MS had attended an Innovation Lab run by DFP on the uses of government data, and that SIB's work in this field had been recognised as being ahead of other parts of government.

13. BH updated the board on progress with the Deloitte report to DFP on the potential for creating an Infrastructure Fund.

Report from Audit Committee

14. CT reported on the Audit Committee meeting which had taken place earlier in the day. In particular:

- The committee had considered the draft annual report and accounts, which had been completed on time and passed to the auditors ahead of schedule. The audit was ongoing, but no significant issues had been identified, and the process should be completed in time to allow the board to approve the annual report and accounts at the June board meeting, allowing OFMdfM to lay the accounts before the Assembly in advance of the recess. In response to a query from GMcG, CT confirmed that the accounting treatment of FTC had been identified as a risk and specifically considered.

- The committee had considered a "whistleblowing allegation" which was in reality more of a complaint about the nature of public information than whistleblowing. Nevertheless the whistleblowing process was being followed and any appropriate steps would be taken.

15. BM asked if consideration had been given to risks arising from SIB's involvement with OFMdfM's office in China.. BH said this hadn't been raised as an issue in the context of the accounts, but he would check on the current position.

HEaT Project

16. Richard Rodgers and Roy Bell joined the meeting and gave a presentation on the EnergyWise project (formerly known as HEaT). RR explained the history and objectives of the project (lower bills, lower emissions and the creation of jobs), and outlined the timetable for the approval and

launch of a pilot scheme followed by the FBC and for launch of the full scheme. RB explained the structure of the scheme and the roles of the Managed Service provider and Loan Administrator. The board noted the role played by SIB in bringing the project forward, and in particular the part played in coordinating the activities of different departments.

Lisanelly Shared Educational Campus.

17. Hazel Jones and Jennifer Morgan joined the meeting. They updated the board on progress with the Lisanelly project explaining in particular that there were six “sub-projects” within the overall scheme, including (in addition to projects for construction, decant etc) a sub-project to design the Campus Educational Model. HJ explained that after some initial opposition and reluctance, all of the schools were now signed up for the project. However she acknowledged that one of the biggest risks the project faced was the withdrawal of support from one of the schools or their governing bodies. Aside from withdrawal of stakeholder support, HJ identified traffic/transport issues and procurement as potential risks. FK explained the work being carried out to develop a brand, which was considering even the name of the campus. JM explained that a procurement process was underway for a design team to take the project to the next phase, and that the actual construction would be done under an advanced works contract followed by a single D&B construction contract. CT asked if there was a risk that the schools might collocate on a single campus but otherwise operate as separate entities, thwarting the intention of bringing about integration. HJ acknowledged the risk but explained that sharing would be an incremental process, starting with co-ordination of timetables and moving on from there. She noted that the school Principals were all generally pulling in the direction of greater sharing. HJ explained that the project could not necessarily be seen as a template for sharing of education more widely, since there were unlikely to be other schemes as large or as comprehensive – other projects would have different mixes and issues, and sharing could mean different things in different contexts.

Media Pack

18. The contents of the media pack were noted.