

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.00am on Tuesday 9th June 2015 at
Allstate
9 Lanyon Place
Belfast

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

In attendance: Gregor Hamilton (GH)
Scott Wilson (SW)
Martin Spollen (MS)
John Green (JG) (Item 16 only)
Anita Gardiner (Infrastrata)(AG)(Item 16 only)
Irene Breen (IB) (Item 17 only)

Apologies: Duncan McCausland (DMcC)

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 May 2015 board meeting were approved.

Chairman's and Directors' Business

3. GMcG briefly reported on the recent infrastructure conference organized by Agenda NI, which he had attended and spoken at.

4. GMcG noted that Board member reviews would be circulated within the next few days.

5. GMcG reported on the Staff away day held at RADAR on 21st May. BH explained that following the presentations at the away day concerning RADAR itself, he had commissioned a review of options to put the facility on a sustainable financial footing once current arrangements expired.

6. GMcG noted that there had been 55 applications for the 2 advertised non-executive posts, and that these had now been reduced to a short list of 8. In response to a query from FH he explained that recent relevant financial experience (but not an actual accountancy qualification) had been a requirement for one of the posts in accordance with current guidance, and that candidates had been permitted to apply for either or both of the positions. The shortlist had now been submitted to OFMdfm.

7. GMcG explained that a meeting with FM and DFM had been requested but that it might be some time before it took place.

Chief Executive's Report, ISNI Report and AMU Report

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

Desertcreat: BH explained that Ministers had set a 3 month timescale for a revised business case to be prepared for them to bring to the Executive. The OFMdfm ministers had also reiterated their support for a cross-service college at Desertcreat. The expected outcome was still a shared training facility, but smaller than previously proposed, notwithstanding speculation to the contrary.

Urban Villages: BH noted that following a meeting with Mark Browne and SpAds to discuss this project, it was likely that responsibility would be transferred from DSD to OFMdfm.

Arc 21: BH drew attention to the summary note provided with the board papers regarding the planning position for this project.

Stadiums: BH noted that Rory Miskelly had appeared before the assembly committee and that his evidence was likely to be significant in its deliberations.

The Mac: BH explained that building defects had emerged at the Mac and that steps were being taken to resolve the problem and pursue the available legal remedies.

Review of Commissioning and Procurement: BH explained that progress had been made in implementing the recommendations of the review and he would be reporting fully to the board at the August board meeting

“Whistleblowing” matter: The matter reported to the board at the May meeting had now been concluded.

9. The Board discussed the transfer of SIB to the Department for Infrastructure.

10. 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 had not.

11. CT asked when a decision was likely to be taken to proceed with the Belfast Rapid Transit project. BH explained that the bulk of the expenditure required to carry it out would be required in the next spending round, and DRD would be bidding for it. FH note that Translink had determined the specification of the vehicles, and would be ready to complete procurement as soon as availability of money was confirmed.

12. CT asked if, in the light of the general uncertainty around the Executive’s budget, SIB was considering contingency plans for the event of another substantial budget cut. BH confirmed thought had been given to this, and outlined a number of ideas which had been considered. MTM agreed that it was necessary to consider the possibility of further substantial cuts.

13. MS spoke to the ISNI Report. He noted that the procurement guidance note requiring all projects over £500K to be put on the DTS had now been issued, and noted a substantial improvement in the quality of information as a result. MS noted that the procurement pipeline document was now with OFMdfM for approval prior to publication, following a great deal of consultation. The DTS itself included 113 projects, most of which would start on site within the next year.

14. MS explained that Deloitte had now completed the updated draft of the report on the potential for an NI Investment Fund. This had identified £1.5bn-£2.2bn of potential projects in which such a fund might potentially invest. BM asked if these projects were “packaged” in a manner that they could readily be invested in by such a fund. MS acknowledged that this was one of the problems identified within the report.

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

The OBC for the Social Housing Reform programme would be submitted on 22 June: The major issues remained historic debt, and the potential VAT issue, although the case was being made that the VAT issue was neutral to the public finances.

The recommendations of the gateway review report in respect of the reform of Property Management programme: SW noted that discussions were taking place with DFP with a view to agreeing a long term funding arrangement for the programme.

16. SW noted the salient points from the infographic summarising surplus asset disposals 2011-2015.

Islandmagee Gas Storage Project

17. JG and AG joined the meeting. AG explained the technical and commercial background to the Islandmagee Project, and outlined the potential economic benefits to Northern Ireland. These included security of gas supply and price smoothing, a reliable source of electricity supply to complement renewable capacity, reduced burning of coal and distillate, and the creation of jobs in the course of construction and subsequent operation. AG outlined the current status of the project and answered a number of questions from the Board concerning the commercial model being used to implement the project, the potential sources of finance, and the manner in which environmental issues had been addressed.

SIB Staff Attitude Survey

18. IB joined the meeting and gave a presentation of the findings of a staff attitude survey she had carried out. She noted that this had been conducted as part of an MBA project on the “Elite

Precariat”, not commissioned specifically for SIB. It was noted that the auditors had recommended that a staff survey be carried out, and acknowledged that this could be a useful tool for flagging up potential issues, and to allow comparisons to be made over time. CT noted the low response rate to IB’s survey - it would be important to get a better response for SIB’s own survey, and to be focused on specific issues. BH agreed. Consideration was being given to the “what we want to know”, and only then would we be able to address “how we find it out”. He suggested there might be a pilot carried out in advance of the main survey. The Board was content with this approach.

Report from Audit Committee

19. CT reported on the Audit Committee meeting which had taken place earlier in the day. He explained that the Committee had discussed the NIAO report to those charged with governance and the draft annual report and accounts. He explained that NIAO were content that no corporation tax implications arose from the appearance of the FTC loan to Ulster University on SIB's accounts. He explained that the NIAO had identified a possible misstatement of about £12k, but that having considered the detail the committee agreed no change would be made to the accounts. The committee had also noted an excess spend of about £7K against the ring-fenced money drawn down for specific projects, but that this would be recovered in due course 2015-16. The committee had also noted that the level of deferred income in the accounts was higher than normal, although again this was a timing matter which would resolve itself in due course. CT presented the Audit Committee's Annual Report to the Board, which was noted.

20. CT explained that the recommendation of the Audit Committee was that the board should approve the annual report and accounts, and the board duly approved them. CT explained that the accounts would be laid before the assembly before the end of the month. He noted that the internal audit plan for 2015-16 was already in place.

Finance Report and Media Pack

21. The contents of the finance report and media pack were noted.

Other Business

22. BH noted that the next meeting would be on 11 August. MTM made apologies in advance of that meeting.