

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.00am on Tuesday 12th April 2016 at
HMS Caroline Site Office
Alexandra Wharf
Queen's Road Belfast

Present: Gerry McGinn (GMcG)(Chair)
Frank Hewitt (FH)
Marie Therese McGivern (MTM)
Chris Thompson (CT)
Kathryn Thomson (KT)
Duncan McCausland (DMcC)
Brett Hannam (BH)
Alan McVicker (Item 17 only)
Jonathan Porter (Item 22 only)

In attendance: Gregor Hamilton (GH)
Martin Spollen (MS)
Scott Wilson (SW)

Apologies: Danny McSorley (DMcS)

Declarations of interest

1. The usual declarations of interest were taken as read. In the light of the items potentially open for discussion: FH particularly noted his interest in NI Transport Holding Co; KT noted interest in NMNI and MTM noted interest in Bombardier.

Minutes of Previous Meeting

2. The minutes of the March 2016 board meeting were approved (subject to minor amendment to item 12).

Chairman's and Directors' Business

3. GMcG explained that he would be holding one to one meetings with board members shortly.

Chief Executive's Report, ISNI Report, AMU Report

4. BH updated the board on some of the projects referred to in the Chief Executive's Report. In particular:

Arc21: BH noted the position of various councils.

Urban Villages: BH reported on recent developments.

Procurement Review: BH explained that he had met the review team.

ESA10: BH explained that he had met with the Lions' Group, and that it was becoming clear that EUROSTAT's interpretation ESA10 could prevent new PPP projects being off-balance sheet, and possibly require the reclassification of existing projects. MS noted that this was very much a live debate.

Construction Cost Inflation: BH noted the figures provided by CPD in respect of construction cost inflation, which would impact on projects whose business cases had been completed in more benign times.

SIB Business Plan: BH explained he would report next month on the minor amendments proposed by OFMdfM to the business plan.

Civil Service Commissioners: BH explained that he had met with the consultants employed to review procedures for filling skills gaps in NICS, and had explained SIB's perspective. FH asked if SIB routinely carried out skills audits. BH explained that this was not generally necessary since our model was to find qualified people in response to requests to fill specific roles. FH noted that it was important that CSC understand the value of this flexibility.

DMcC noted the proposed increase in the waste treatment capacity of the Bombardier facility from 120kta to 180kta. He asked if this would have a negative implication for the Arc 21 project. BH explained that it should not, since SIB's capacity analysis indicated that there would be a requirement for both of the facilities and at least one more.

5. MS updated the board on the work of the ISNI team. He explained that they were preparing a retrospective report for the Assembly on progress in 2015/16 (including a comparison with the plan), and that the main focus was now the preparation of ISNI 4 (to be discussed later). He noted that Minister Bell had formally announced the Digital Catapult and that the first programme under the scheme would be launched imminently. GMcG asked if there was any indication yet as to the content of the new Programme for Government. MS explained that current indications were that it would be a fairly brief document which would certainly reference investment in infrastructure, but which would not present difficulties in term of co-ordination with the ISNI.

6. SW delivered the AMU report with reference to the 2016/17 Action Plan. He noted in particular:

PPP Reviews: AMU had provided a report to NI Water identifying efficiencies which could be gained from better use of sludge to create energy, and they awaited a response.

Alternative Operating and Funding Models: Work had commenced to conduct a review of mapping and land registry with LPS.

Invest to Save: AMU's principal role would be in ensuring that the available Invest to Save budget was properly utilized.

Capital Receipts: AMU were inputting to the 2017-21 Budget Guidance document with regard to capital receipts.

Energy Projects: An OBC was being considered by DARD to allow grid applications to be submitted for wind farms on the forest estate.

Departmental Asset Management Plans: Work was progressing with the AMPs. The particular focus was on control of maintenance spending.

SW noted that the Action Plan itself had been submitted for approval to FM/dFM.

DMcC noted the street-lighting project as a good example of infrastructure investment could benefit the public purse.

Quarterly Reports and Dashboards, Progress against Ministerial Letter of Expectation

7. The Quarterly Reports were taken as read.

8. With regard to the Alternative Finance Programme, DMcC asked if it would be possible to transfer excess CDEL to the Investment fund (in addition to FTC). BH explained that it was possible though unlikely.

10. DMcC said it would be useful to receive a presentation on the circular economy.

11. DMcC noted the increase in the budget for HMS Caroline. BH confirmed that this was properly accounted for as a budget increase

12. BH summarised the position on those projects where the dashboards showed amber or red.

DMcC noted that risk 10 could be deleted from the risk register. GMcG said the Audit Committee would pick this up.

13. The report on progress against the Ministerial Letter of Expectation was taken as read. The Board agreed that twice a year it would devote an hour to the discussion of Quarterly Reports and thirty minutes on the other two occasions.

Report from Communications Committee

14. MTM reported on the discussions of the Communications Committee. She noted that they had discussed:

Stakeholder Engagement: the committee would meet again post election to discuss this in the light of the results.

Report on Internal Communications: Very positive feedback had been received on the staff conference, and plans were underway for the next one. An audit was being conducted on the website. Feedback had also been good on the lunchtime speaker programme and the new

website. MTM noted the broad range of work done by the communications team on individual projects.

15. FH noted the positive communications impact of the board actually meeting at project locations.

16. GMcG stressed the importance of getting on the front foot post election with the new intake of MLAs to brief them on SIB's role.

SIB Support to Local Authorities

17. Alan McVicker joined the meeting and gave a short presentation with reference to his paper on SIB's support for local authorities. He explained the policy rationale (with reference to local government reform, previous board approval and the ministerial letter of expectation) and the legal background (including vires and procurement issues).

AMcV explained the discussions which he had held with Councils and certain common themes which had emerged, and identified some of the projects where SIB assistance was being provided.

18. The board discussed the options.

CT also agreed with the general approach.

MTM agreed with the proposed approach.

DMcC agreed with the hybrid approach.

BH read out an e-mail from DMcS which expressed his general support for the Support to Councils paper.

GMcG summed up the consensus correct approach, but that the matter should be kept under review.

Finance Report and Media Pack

19. The Finance Report and Media Pack were noted.

Update on Draft ISNI

21. MS gave the board an update on progress in developing ISNI4. He explained that some departments were further down the line than others, but all were signed up for the process and had provided the ISNI team with suitable contacts for discussions.

MS noted that unlike the process on previous iterations, the ISNI team were collating their own evidence base for the departments to engage with, rather than relying on the departments to provide their own.

The starting point for the process was the list of commitments already made. For each sub-pillar the ISNI would set out the strategic policy context within which projects lay, what has already been achieved, what is currently in the pipeline, and what would come next.

The ISNI would not list every project to be carried out, only the main flagship projects for this budget and beyond. There would be a particular focus on innovation – looking at new models for provision rather than just replacing old facilities with new ones.

Consultation meetings were being with all of the usual stakeholders and the document would be coordinated with the PFG. The current proposal was for the draft to be issued for consultation in September to allow the budget to go out for consultation in December.

Other Business

20. GMcG updated the board on the position re board appointments. He explained that OFMdFM officials had taken steps to try to ensure that the matter was progressed as quickly as possible after the election, and the expectation that someone with relevant commercial experience should be amongst the appointees.

HMS Caroline

22. Jonathan Porter joined the meeting and gave a brief presentation on the HMS Caroline project, setting out the timetable for completion, the characteristics of the eventual finished project and a number of the problems encountered and lessons learned.

23 The Board toured HMS Caroline.

Chairman