

## **Minutes of the Board meeting**

### **Strategic Investment Board**

**10<sup>th</sup> March 2015**

**Carleton House Board Room at 10am**

#### **Present:**

Chris Thompson  
Frank Hewitt  
Brett Hannam  
Bro McFerran  
Marie Therese McGivern

#### **In attendance**

Scott Wilson  
Helen McNeill (notetaker)  
Brenda Burns and Julie Harrison (for agenda item 7 only)

#### **Apologies**

Gerry McGinn (Chairman)  
Martin Spollen  
Gregor Hamilton

In the absence of the Chairman, all Board members confirmed that they were content for Chris Thompson (CT) to assume the role of Chair for the meeting.

#### **1. Chairman and Directors' Business**

CT informed the Board that Gerry McGinn had requested that a substantive discussion on the restructuring of Departments as an additional agenda item. The Board agreed that this could be led by the Chief Executive after his report.

GMcGinn had also asked CT to inform the Board that the advertisements for non Executive Board members should be published within the next few weeks.

FH thanked the Chief Executive for the quick and comprehensive report which he had provided in response to his query about a recent SIB complaint. He was content that this concluded the matter.

## **2. Minutes of the previous Board meeting**

The minutes of the meeting were approved by the Board, subject to 2 amendments being made:

1. Paragraph 14: Change the word 'would' to could'.
2. Include a note recording that Bro McFerran left the meeting at 12noon.

In addition, FH wished to record that the presentation which was given at the February Board meeting (on the Forensic Science Transformation Project) was excellent. He asked BH to pass on how impressed the Board were at the successful implementation of this project.

### **Matters Arising**

There were no other matters of business raised.

### **Declarations of Interest**

FH declared his interest in NITHCo, in light of potential discussions around the Belfast Rapid Transit project. There were no other interests which were expected to give rise to a specific need to declare given the items on the agenda.

## **3. Chief Executive's Report**

BH spoke to his report. He brought the Board's attention to the following items contained within the report:

- ***Northern Ireland Community Safety College at Desertcreat***

BH has kept the FM and DFM Spads fully briefed on progress in relation to the procurement ending and a new one beginning. It is likely that HMTreasury will apply conditions to the money they can allocate. The recent Programme Board focused on the change of requirements of the three services, and how this will impact the future maintenance and use of the College.

A delegation from Cookstown Council recently made their case to FM and DFM about their concerns over the question of the College being re-located.

BH confirmed to the Board that the level of SIB involvement (including staffing) of the project remains appropriate.

- ***Lisanelly Shared Education Campus***

BH reported good progress on this project, and is scheduled to brief the DE Minister in the next fortnight. CT asked if there was an agreed definition of 'shared'. BH replied that there is broad agreement on how the shared model would work, and he is encouraged by the effort and resources which DE are allocating to embed this.

- **ARC21**

The 2020 analysis prepared by SIB has gone to the DoE Minister. As yet, no response has been received.

- **Islandmagee Gas Storage Project**

BH drew this to the attention of the Board, as it has not been included in previous reports. This is a private sector project which will possibly make use of FTC.

John Green has been briefing Councillors and MLAs. BH informed the Board that he plans to update them on progress in future Board meetings.

There followed a discussion amongst Board members about the **Belfast Rapid Transit project**. FH asked for clarification on the overall status of the project. BH explained as the implications of the work become clear, opposition is beginning to manifest itself from affected tradeowners. However, the project remains on target and BH reassured that Board that the BRT Project Board are confident that the new vehicles will be ordered on time.

**Staffing** BH asked the Board to note two members of staff have recently decided to leave their employment at SIB. Work is underway to ensure continuity or interim arrangements for the projects affected.

### **3. ISNI report**

The ISNI report was taken as read in the absence of MS.

### **3. AMU report**

SW spoke to the report, commenting on the Social Housing Reform and Asset Disposal Programme.

The NIHE Stock Condition Survey has largely been completed. Investment analysis is well underway and will continue up to submission of the OBC in June. Progress has been encouraging and alignment between NIHE and DSD is developing. SW hopes that longer term analysis can also be undertaken to look at the operating costs within a 5 year framework.

He reported no change from previous reports to the Asset Disposal programme. The target is still £50m. Business cases are currently being prepared for AFBI and DOJ asset disposals.

A meeting submission for the Asset Management Delivery Oversight Group has been received by FM and DFM.

SW's view of AMU's position within the future restructuring of Departments is that accountability for AMU's financial targets would have to be designated, but since the targets cut across Departments, this may difficult in practice.

### **Discussion on the Restructuring of Departments** (Sensitive)

BH outlined how the restructuring of Departments may affect the future sponsorship of SIB.

Firstly, he explained the context of what has been decided and how, informing the Board that the basis of the proposal is that SIB will move from OFMDFM to the new Department of Infrastructure in 2016.

Secondly, he asked the Board to consider how some of the risks might be addressed if SIB should transfer to the newly proposed Department of Infrastructure. The following points were raised in the discussion by the Board:

- The value of SIB working across all Departments.
- How might the Letter of Expectation be worded and from whom?
- How would this change affect staff?
- What would be the oversight role of the Department of Infrastructure in relation to SIB?
- Would there be measures in place to protect SIB's future budget?

The unanimous position of the Board can be summarised as:

1. There are considerable advantages for SIB to remain under the sponsorship of OFMDFM, and the arguments for this to remain the case should remain open.
2. There would be some merit in SIB being transferred to DFP.
3. Should SIB be transferred to the Department of Infrastructure, the Board would seek reassurances.

The Board offered their practical support to BH and GMcG in steering a satisfactory outcome for SIB's future sponsorship arrangements. This included sharing their experiences of previous transitional procedures, looking at possible 'hybrid solutions' and engaging with their contact networks.

BH and GMcG will be meeting with HOCS, and will update the Board with any future developments at the next meeting.

### **4. Report from Audit Committee**

The draft of the final report from internal auditors was considered at audit committee. The draft report concluded 'substantial' assurance was appropriate. The committee also considered the external audit strategy. The three risks identified in the strategy remained the same: (Use of FTC, Procurement risks and ring fenced funding). The Board did not wish to add any further risks. However, BMcF asked that any risks associated with the opening of the [OFMDFM] China Bureau be prepared for inclusion in the next financial year.

## **5. Risk Appetite Statement**

There were no substantive changes to the previous version. The risk appetite statement was approved by the Board.

## **6. Draft Corporate and Business Plans (including Letter of Expectation)**

MTM suggested that BH includes references to the Stormont House Agreement and the context of SIB transition to a different Department within the Business plan, given that this will be a significant change during the incoming financial year.

BH agreed to change the wording of the first line of the Letter of Expectation.

## **7. Urban Villages: Support to DSD**

Brenda Burns and Julie Harrison updated the Board on the support to DSD for Urban Villages, concentrating in particular on the East Belfast Urban Village. (Newtownards Road area). The delivery of Urban Villages comes under the Delivering Social Change (T:BUC) agenda, and remains within the extended PfG.

Monthly meetings between DSD, Belfast City Council and SIB continue in order to provide a clear picture of governance arrangements, and agree on the exact articulation of what constitutes an Urban Village. Discussions about the release of funding also continue.

The SIB team take a holistic approach, which focuses on community engagement as well as delivery. There was some discussion around the current status of the Sirocco site within East Belfast and how this might unlock potential. A briefing document is currently being prepared on the history, facts and figures of the site to inform those who may be interested in developing the site.

It was noted by the Board that the nature of the Urban Villages project needs to be inherently more flexible than that of a physical infrastructure construction project, and SIB are building capacity to support that approach. A business case is in the process of being submitted to the SIB Investment Committee for the staffing requirements which SIB propose are necessary to complete the team.

The chairman thanked BB and JH for an excellent presentation and offered their support for the ongoing work.

## **8. Finance Report**

The finance report was noted. BH drew attention to the ringfenced funding for spend on the Social Investment Fund, and the underspend, which is on target.

## **9. Media Pack**

The media pack for March was noted.

**10. AOB**

No other business was raised.