

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.00am on Tuesday 8th November 2016 at
FinTrU House
Gasworks Business Park
1 Cromac Avenue
Belfast

Present: Gerry McGinn (GMcG)(Chair)
Chris Thompson (CT)
Marie Therese McGivern (MTM)
Danny McSorley (DMcS)
Duncan McCausland (DMcC)
Frank Hewitt (FH)
Brett Hannam (BH)

In attendance: Gregor Hamilton (GH)
Scott Wilson (SW)
Martin Spollen (MS)
Paul Priestly (SIB Review only)
Alan McVicker (Circular Economy only)
Louise Millen (LM)(Update on report and accounts only)

Apologies: Kathryn Thomson (KT)

Declarations of interest

The usual declarations of interest were taken as read. In the light of the items potentially open for discussion MTM noted interest in Bombardier (and receipt by Belfast Metropolitan College of funding as part of the Urban Villages Programme) and DMcS noted interest in DCAL Safety and Technical Group for Casement Park.

Minutes of Previous Meeting

The minutes of the October 2016 board meeting were approved.

Chairman's and Directors' Business

GMcG circulated the draft board calendar for 2017. He noted the proposed reduction in the number of committees, retaining the Audit Committee and Remuneration Committee, and merging the Strategy and Communications Committees into one. He also noted that the number of board meetings had been reduced to ten per annum following feedback from the Board Effectiveness Review. GMcG explained that once the dates were agreed he would circulate a detailed version including a schedule outlining in broad terms what would be on the agenda at each meeting, reflecting the quarterly reporting cycle. He asked board members to come back with any proposed changes to the dates by the end of the week.

DMcC suggested GMcG might wish to attend the Audit Committee meeting scheduled for the same date as the board away day. GMcG confirmed this was his intention.

GMcG noted the positive response to the advertisement to recruit new board members..

Report from Communications Committee

MTM reported on the Communications Committee meeting which had taken place immediately prior to the board meeting. Jean Wylie had given a review of the activities of the communications team, both external and internal. MTM said the committee had been impressed by the scope and quality of communications activities. GMcG and DMcS agreed.

Chief Executive's Report, ISNI Report, AMU Report

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

BH noted that he had been asked to appear before the TEO assembly committee (as had Chief Execs of all of the TEO ALBs). He noted the need to ensure that MLAs were aware of the full scope of SIB's activities.

BH noted that the Department for Communities had indicated they wished to further expand the SIB team assisting it.

Buy Social: Demand for training had grown, from both commissioners and contractors.
Employment Tribunal: BH expressed optimism that SIB could be released from involvement in the action at the next hearing.

DMcC asked whether construction inflation was likely to be a problem in light of general forecasts of higher inflation. BH explained that although the drivers of construction inflation in NI were different from those on RPI generally, inflation was becoming an issue, and estimates in some business cases were being revisited.

DMcS noted the reference in the report to the Infrastructure Commission being made an independent body. He asked if there were implications for SIB. BH said that to some extent the IC was catching up with where SIB already was, although going further down the independent route. MS said SIB had been in contact with IC, but stressed that IC worked in a different context where a great deal of the infrastructure was already in private hands. 15. The ISNI report was taken as read, although MS noted in particular the opening of the Magherafelt bypass and the completion of procurement of ward replacements and additional theatres at Altnagelvin Hospital. He explained that the new draft ISNI would go to the Executive later in the week. It had been revised in light of comments from SpAds. There would then be an 8 week consultation (and 12 week EQIA). During this period the budget discussions would progress in parallel, allowing some numbers to go into the final version. DMcC asked if a copy of the draft could be electronically circulated to the board once it was published for consultation. On behalf of the board he expressed appreciation of the work put into the document by the ISNI team.

SW spoke to the AMU Report. He noted in particular:

Invest to Save: Proposals for an accelerated Estate Investment Programme and Wind Energy Investment programme had been well received.

Work being carried out on consolidation of depots and warehouses.

Invest to Save: £400m had been secured in the budget for estate and wind energy funding, and an additional amount might also be made available in DoH.

Ebrington: SW noted that TEO had set up a project board to manage the transfer to DCC and some additional resource might be required.

SIB review: Terms of Reference and Outline Submission

Paul Priestly spoke to the board papers setting out the Terms of Reference for the forthcoming review, and the Statement of Benefits and Achievements and Corporate Governance papers which had been prepared in connection with the review.

CT asked whether the methodology of the Statement of Benefits had had been quality assured. PP said it hadn't, since it had previously been prepared only for internal use, but agreed that it might now be useful to do so. BH said there was still time to do so.

GMcG asked if there was any more precise indication (beyond the terms of reference) as to what the reviewers would be focusing upon. PP said there was not. CT suggested that it would be worthwhile considering any elements which SIB wanted to be changed going forward, and including reference to these matters in papers submitted to the reviewers (e.g. implementation of certain items in the procurement report).

DMcC suggested that the reviewers should also speak to board members (and ex-board members) in addition to management and staff as stated in the ToRs. He also asked that the Corporate Governance paper make it clear that TEO are represented on the Audit committee.

MTM suggested that the Statement of Benefits might benefit from input of the Communications Team.

GMcG noted that the review would be an opportunity to record how the organisation had adapted over time and suggest direction of travel in the future. BH agreed.

The Circular Economy

Alan McVicker gave a short presentation on the "Circular Economy". He explained the meaning of the term, contrasting it with the linear economy, and described the composition, role and objectives of the NI Circular Economy Steering Group which is chaired by SIB. AMcV described some examples of projects undertaken in this area (including the poultry litter SBRI scheme). He explained how the circular economy fitted with the objectives set out in the Programme for Government. FH expressed surprise that Dept for Infrastructure were not represented on the steering group. AMcV explained the historical reasons why DAERA and DfE had taken the lead in

this area, but explained that they were interfacing with other departments. He said he would be happy to liaise with Translink himself.

Finance Report and Media Pack

The Finance Report was noted. The board formally noted concern at the potential for an underspend to recur on the Urban Villages programme.

Update on report and accounts

Louise Millen tabled a form of words which had been agreed with NIAO and DoF (and provisionally with TEO) to allow the annual accounts to show FTC as liability (as per advice received from PwC) but with note appending an alternative statement of accounts recording FTC through reserves (as per DoF guidance). The previous two years' accounts would be restated on the same basis, and the same approach adopted in future. The final accounts would be available for sign-off at the audit committee and board meetings on 6th December. GMcG thanked LM for her efforts in getting to a satisfactory conclusion.

Other Business

GMcG formally thanked CT and FH for all of their contributions to the work of the board during their tenure as directors.

Chairman.