

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.00am on Tuesday 10th February 2015 at
Carleton House
Gasworks Business Park
1 Cromac Avenue
Belfast

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

In attendance: Martin Spollen (MS)
Gregor Hamilton (GH)
Scott Wilson (SW)
Ursula Doherty (UD) (Item 13 only)
Mary McKee (MM) (Item 13 only)
Derek Kennedy (Item 18 only)

Apologies: Duncan McCausland (DMcC)
Chris Thompson (CT)

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

Minutes of Previous Meeting

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

Chairman's and Directors' Business

3. GMcG noted that launch of the "Buy Social" toolkit had been a professional, well-attended, and successful event and expressed thanks to Mary McKee and Fiona Kane.

Chief Executive's Report, ISNI Report and AMU Report

4. BH spoke to the Chief Executive's report. He noted in particular:

- Developments at the NICSC at Desertcreat
- the Executive's approval, of a £10m budget for the "Together: Building a United Community" programme – of which £1.5/2.5m was to be allocated to SIB for the Urban Villages programme;
- work on waste management;
- the larger than expected cut in SIB's budget allocation for 2015/16. BH noted the latest draft business plan attached to his report and welcomed any further comments from board members.
- the potential that OFMdfM's arms length bodies might be transferred to the new Department for Communities or Department for Infrastructure;
- adverse comment from the CEF after they were invited to comment on a report prepared for an Assembly committee. A separate report on the pipeline, containing information more relevant to the construction industry, would be published shortly.

5. FH asked whether there were potential implications for staffing given the number of projects referred to in the aide-memoire as being at risk. BH replied that the aide memoire probably gave a gloomier picture than the actual position, since it was prepared specifically for the purpose of flagging up risks, although he acknowledged there were areas of concern. BM

expressed concern that a number of projects were exposed to risks which SIB was not in a position to control. GMcG agreed, but noted that this had previously discussed and it had been concluded that there was little the board could do in relation to these matters other than to keep them under review and ensure the appropriate departments were aware of our concerns.

6. FH asked for more detail on the reference in the Chief Executive's report to a complaint. BH provided the details and explained how the matter had been dealt with.

7. BM noted that only two Non Executive director posts had been advertised, and asked if these appointments would meet the requirement previously discussed to appoint a Non Executive with a formal financial qualification who could chair the audit committee. GMcG explained that this would be a requirement for one of the posts. BM expressed his hope that the process would be completed more quickly than some previous appointments, since he was due to resign from the board at the end of October.

8. MS spoke to the ISNI Report. He explained that a NI Investment "Pipeline" document was nearly complete and would be published shortly. This would contain details regarding timescales, planning status etc which were not included in the report to the Assembly committee referred to earlier, the intention being to give as much useful information as possible.

9. MS noted that he intended to set up a meeting where the 11 new councils would have the opportunity to meet the board, and that he would revert on this once he had a suitable date.

10. MS explained that Deloitte had been appointed to advise on the setting up and operation of the new NI Investment Fund, and that he would be providing input to their work.

11. MS noted the steps being considered to encourage the development of high grade office accommodation.

12. SW drew the board's attention to certain specific items from the Asset Management Report circulated with the board papers. In particular he noted:-

- progress with the business plans for the first two office consolidation projects;
- progress with a number of Invest to Save deals.

- the imminent completion of the condition survey for the Social Housing Reform Programme;
- the draft action plan for the Asset Management Unit for FY 2015/16;
- the KPIs which had been proposed to the Delivery Oversight Group as a means of measuring delivery of the Executive's Asset management Strategy. GMcG emphasised the need to ensure that individual departments were allocated shares of responsibility for targets beneath the global KPI's. SW agreed.

Associate Strategic Advisers

13. UD and MM joined the meeting. BH explained that normally the revised ASA Model would have been considered first by the Remuneration Committee but that since the opportunity had not arisen it had been decided to bring it directly to the board. MM explained the background to the proposal, the options which had been considered, and the advantages of the preferred option. GMcG asked why the proposal was being made at this particular time. BH explained that proposals for regulation of "zero hours" contracts had prompted a review, but this had then prompted a number of other suggested improvements to the model. MTM noted that the use of an existing consultancy framework had been rejected and asked if a "managed service" approach had been considered. BH said that there had been concern with this option over the potential for the delays and other difficulties associated with consultancy appointments. MTM noted that the preferred option might give rise to more HR issues. BH agreed, and explained that HR processes were being reviewed to minimise the HR issues arising from the change. BM asked if there was a risk that SIB could be perceived as "competing" with the private sector in providing consultancy advice. BH said that this issue had been considered, but noted that SIB was making no profit on the model - only recovering costs incurred on behalf of the instructing departments - and that the departments wouldn't otherwise choose to appoint consultants for these jobs. BM suggested that this point should be noted on the paper as one of the risks. FH asked how the decision would be taken to ascertain the mix between junior and senior associate advisers. MM said it was generally fairly clear where high level strategic advice was required as distinct from more routine work such as business case

preparation or data collection. In conclusion, the board approved the proposed new model, but it was recommended that its operation be kept under review.

Papers Arising from Board Away Day

14. GMcG noted that given the wider context of reorganisation and budgetary constraint, it was incumbent upon the board to consider the best position and role of SIB post May 2016, and what should be done to bring it about. BH noted that a decision on this matter might be made very soon, and said he would relay the board's views to OFMdfM.

15. BH explained that discussions had taken place with DFP to ascertain the role which SIB might play in supporting DFP's work on reform.

16. SW spoke to a paper outlining the proposed approach to delivery of the capital receipts target for 2015/16. GMcG asked how matters would progress differently this time. SW said that clear instruction would be required to effect disposals, rather than simply to proceed subject to business case. He emphasized that it would in many cases be important to take steps to maximise value prior to disposal (eg by obtaining planning permission) in order to obtain the best price for the executive. Next steps would be to discuss with the various departments and DFP ideas for disposals with a view to taking a list of disposals to the Asset Management Programme Board for approval. GMcG emphasised the importance of having the clear commitment of the Permanent Secretaries to the disposal programme.

17. MS spoke about the possibilities for raising additional revenue receipts.

Forensic Science NI Reform Programme

18. Derek Kennedy joined the meeting and gave a presentation on the transformation programme carried out at FSNI comprising both capital and revenue projects. He explained the measurable improvements in service provided by the FSNI to its customers, as well as the less tangible benefits arising. He explained the difficulties which had been faced and listed the critical success factors in implementing the programme.

Finance Report and Media Pack

19. The Finance Report and media Pack were noted.