

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.30am on Tuesday 14th January 2014 at
Carleton House
Gasworks Business Park
1 Cromac Avenue
Belfast

Present: Brett Hannam (BH)
Chris Thompson (CT)
Duncan McCausland (DM)
Gerry McGinn (GMcG)(Chairman)
Marie Therese McGivern (MTM)
Frank Hewitt (FH)

In attendance: Gregor Hamilton (GH)
Scott Wilson (SW)
Martin Kelly (Item 4 only)

Apologies: Bro McFerran
Martin Spollen
Geraldine McAteer

The Chairman asked all directors to submit updated lists of other interests in advance of the year end. It was agreed that although not every interest needed to be expressly declared at every meeting, a formal opportunity would be afforded at each meeting for a specific declaration in respect of any matter which was likely to be specifically relevant (and directors would continue to exclude themselves where appropriate). FH specifically noted his interest in NITHCo and CT specifically noted interest in G4S.

1. Minutes of Previous Meetings

The minutes of the November and December 2013 board meetings were approved. CT noted that the State of the Estate report hadn't yet been circulated and SW agreed to do so.

2. Chairman's and Directors' Business

GMcG noted that he had now met each of the directors individually to discuss the operation of the board, and in the light of those discussions proposed to refresh certain processes and structures. He noted that it was proposed to hold ten board meetings in 2014, plus a board away day in December. He emphasised the importance of full attendance at the away day.

GMcG explained that there would be four board committees – strategy, audit, remuneration and communications. The papers for the strategy and communications committees would be circulated to all directors for information and they would all be welcome to attend those committee meetings. He had asked each of the committee chairs to review the terms of reference and confirm their agreement or propose changes. He had asked MTM and FH to review his proposals, reporting back to the March Board meeting. He noted that while everyone was broadly content with existing arrangements, some changes had been suggested for matters such as the contents of the board pack and the number of presentations and visits.

Action: MTM and FH to review the Chairman's proposals for the operation of the Board's business and report back to the March meeting.

GMcG explained his intention that all board business could be properly conducted at the regular three-hour meetings, and that the strategy committee would provide a forum for more extended discussion of particular issues where required.

CT noted that the members of the committees should be formally appointed by the Chairman. He also observed that a board self assessment exercise (led by the chair of the Audit Committee) had last been carried out nearly two years ago, and suggested it might be appropriate to repeat this exercise in 2014.

The Chairman asked that all committees, with the exception of the audit committee, should meet before the end of February; review their draft terms of reference, and report their conclusions back to the March board.

Action: Chairs to arrange meetings of their Committees; review their terms of reference and report back to the March Board meeting.

CT asked whether it would be appropriate to have a separate committee for the Asset Management Unit. SW noted that there had once been such a committee but that the previous chairman had wound it up. He suggested that since the AMU was now in the implementation

stage, its activities could be covered within the remit of the Strategy Committee and that SW should attend the Strategy Committee for that purpose. It was agreed this was the best way to proceed.

FH asked if it would be appropriate to set up some kind of “buddying” arrangement whereby particular board members would be assigned specific projects or sectors, allowing them to acquire a more in depth knowledge and assist those involved with them where appropriate. GMcG thought this might well arise out of the operation of the strategy committee, and perhaps something to be taken into account in the review being carried out by MTM and FH, but noted the risk that non-executives could stray into areas which were properly the responsibility of BH and his staff. FH acknowledged this but thought it could be avoided provided no formal structure was put in place. MTM agreed that it was a good idea provided BH was happy with it and it remained at the level of a good informal relationship. GMcG agreed it would have to be seen as an additional resource, not an imposition.

3. Chief Executive’s Report

BH spoke to his report. He drew attention particularly to the following:

Belfast Transport Hub: BH noted that the availability of Financial Transactions Capital had given this project new impetus, and that it formed part of a wider context in which SIB was being asked to advise on the use of FTC in infrastructure projects.

Review of Commissioning and Procurement: BH noted that the PSG sub-group had met for the first time in the previous week and was making good progress.

Noel Molloy: BH reported that the Director of the Stadiums programme had given his notice. Discussions were ongoing with DCAL as to how best to meet their continuing requirements.

NIAO report on PFI: BH noted the ongoing role being played by SIB in getting value out of existing projects.

The board discussed at some length the difficulty in the current climate of recruiting and retaining good staff in the public sector. DM asked for some further information to inform discussion – eg a short note showing comparables. FH anticipated potential difficulties in getting suitable candidates for the posts of Chief Executive for the arms length water and transport

bodies and thought this might inform the debate. MTM noted that the universities seemed able to manage the issue better than other sectors.

4. Primary Care

Martin Kelly joined the meeting. He explained the background to the “3PD” programme for procurement of new primary care facilities in the context of the Transforming Your Care programme. He described progress on the first two projects in procurement, for Newry and Lisburn. MK clarified that these procurements related only to the provision of buildings and their maintenance – not the provision of soft services or clinical services.

5. AMU Report and ISNI Report

SW reported on the AMU. He explained that they had exceeded target for the disposals programme by 740K, possibly £1m by year end.

SW explained that Sean McGuinness would be joining DARD full time from January and that steps were being taken to replace him.

He noted that the State of the Estate Report was now on the website and available in hard copy.

SW explained that the Asset Management Strategy Implementation Plan had now been agreed with ministers. He explained the governance structure behind this.

SW updated the board on the Reform of property Management programme.

SW noted positive progress on the Social housing reform programme, and that PwC had now been appointed advisers. Property advisers were expected to be in place by June.

In the absence of Martin Spollen, BH tabled the ISNI Report.

6. Chief Executive's Report (Contd.)

BH updated the board on a series of meetings which he had attended on the Arc 21 Waste PPP.

BH updated the board on developments on the Desertcreat College, Armagh Gaol, and Colin Town Centre projects.

BH invited suggestions for presentations to future board meetings. CT suggested Education, specifically including Lisanelly. It was agreed that it would be a good idea to invite Paul Sweeney to this also.

7. Audit Committee

CT reported that the Audit Committee had considered a report on risk appetite and that this would be brought to the board at its next meeting. DM suggested that Colette O'Kane at NIAO might be a useful person to consult in this regard, as she had recently given a presentation on the topic to MLKDC.

CT reported that the Audit Committee had also travel and subsistence payments for non executive directors and that the Finance Manager would be circulating a note on this.

8. Finance Report and Media Pack

The Finance Report and Media Pack were noted.

9. Report on Board Away Day

It was agreed that it would be sensible to delay further discussion of the paper on options for an Integrated Project Delivery Organisation until such time as the position of the various departments was clearer.

The board discussed the Medium Term Strategy paper. There was broad agreement to the direction set out in the paper.

10. Mr Ed Vernon

Mr Ed Vernon joined the Board meeting to mark the occasion of his giving up the role of Asset Management Adviser to the Executive. He presented a short review of his experiences and the conclusions he had drawn from the four years he had worked with SIB. The Chair thanked Mr Vernon warmly, both for his contribution to the work of the AMU and for his ongoing support to the organisation.

Chairman

Actions:

<i>Action</i>	<i>Owner(s)</i>	<i>Status</i>
MTM and FH to review the Chairman's proposals for the operation of the Board's business and report back to the March meeting.	MTM and FH	
Chairs to arrange meetings of their Committees; review their terms of reference and report back to the March Board meeting.	Committee Chairs	