

## **Minutes of a Board Meeting of Strategic Investment Board Limited**

Held at 10.00am on Tuesday 13<sup>th</sup> May 2014 at  
Carleton House  
Gasworks Business Park  
1 Cromac Avenue  
Belfast

**Present:** Brett Hannam (BH)  
Chris Thompson (CT)  
Duncan McCausland (DMcC)  
Gerry McGinn (GMcG)(Chairman)  
Marie Therese McGivern (MTM)  
Frank Hewitt (FH)  
Geraldine McAteer (GMcA)

**In attendance:** Gregor Hamilton (GH)  
Scott Wilson (SW)  
Martin Spollen (MS)  
Ciaran de Burca (CdB)(Item 4 only)

**Apologies:** Bro McFerran (BM)

FH specifically noted his interest in NITHCo and NI Science Park (in light of potential discussions around the Transport Hub, Rapid Transit and Financial Transactions Capital). There were no other interests which were expected to give rise to a specific declaration requirement, given the items on the agenda.

### **Minutes of Previous Meeting**

The minutes of the April 2014 board meeting were approved.

## **Chairman's and Directors' Business**

GMcG noted the interest which had been expressed to him, at a number of events, in the pipeline of major infrastructure projects. He noted that a number of events of interest were scheduled before the summer, including the Agenda NI infrastructure conference on 25 June (at which he would be speaking).

FH asked if AMU was involved in dealing with the buildings that would become surplus to requirements following local government reorganisation. SW explained that AMU had no general remit to work with local councils in this regard, but that some informal discussions had taken place with Belfast City Council in the context of maximizing overall efficiency of the public sector office estate in Belfast.

GMcA noted the forthcoming social clauses event and progress being made with Mammoth on the brand.

## **Chief Executive's Report**

Desertcreat: BH explained that a value engineering process was underway and that further savings of approximately £20m had been identified (on top of the savings in the bill of reductions exercise previously carried out). BH explained that the accommodation requirements had been reviewed and reduced, so the savings arose from redesign.

Belfast Transport Hub: BH noted that a meeting had taken place with Translink, DRD and DFP. 9.

Armagh Gaol: BH explained that he was not optimistic that the existing proposal would prove workable, but that SIB would be happy to assist with development of alternatives.

2014/15 Budget: GMcG noted that the budget cut to all ALBs would exacerbate an already difficult situation.

HR Manager: BH explained the attributes of the candidate whose appointment was being considered following the recruitment process. A proposal would go before the Remuneration Committee shortly.

Board Portal: BH explained that a new board portal had been developed using MS SharePoint (as already used by the MLK board). FH emphasized the need for security. GMcG agreed and

suggested that a protocol should be set out as to how the portal should be used, in order to minimise any risk in that regard.

Public Accounts Committee: BH noted that he was assisting the OFMdfM and DFP Accounting Officers in preparing for a hearing on the impact of borrowing and PFI commitments. He would also be appearing at the hearing.

SIB Review: CT drew attention to the need to be properly prepared for the review process – in particular ensuring that the terms of reference were properly framed. BH said that initial indications were that the review would be conducted strictly in accordance with DFP guidance on review of ALBs, although he was endeavouring to ensure that an approach more tailored to SIB's specific circumstances would be taken. Paul Priestly was engaged in preparing a report on the value added by SIB's work. The matter would be discussed in more detail at a later board meeting, but the suggestion was that the board should submit a paper to the review addressing the key issues facing SIB.

Social Clauses Toolkit Launch: In response to a query from DMcC, BH said an invitation to the launch would issue to the board shortly. CT noted from his own experience with G4S that the social requirements could be incorporated by the private sector without any great reluctance or negative consequences.

RUC GC Museum: GMcA asked if SIB had been asked to provide a project manager for this project. BH said not yet.

Social Investment Fund: In response to a query from GMcA, BH explained the role of David Gilmour as Programme Manager.

### **Belfast Rapid Transit**

CdB gave a presentation on the Belfast Rapid Transit project. He explained the history of the project, the current proposals, the consultation process, how the project was being co-ordinated with other parties (particularly Translink and West Belfast Taxis), the social benefits to be derived, the procurement process, and the plans to eventually extend the system in the future.

Board members asked a number of questions around the operation of the proposed system – in particular relating to capacity, ticketing, frequency and the interface with other road users.

### **AMU Report and ISNI Report**

SW spoke to the AMU report. He explained that the Disposal Programme was on target. He noted that the Delivery Oversight Group had approved the report previously tabled at the April Board meeting, including the AMU action plan. A further report would be made shortly including the proposal that a £40m fund be established for the purpose of purchasing assets to save revenue.

SW explained that following the unsuccessful process to recruit a single person as both (i) Project Director for the Reform of Property Management and (ii) Head of Properties, it had been decided to separate the two roles. A proposal would be put to the remuneration committee shortly for the Project Director post.

SW updated the board on the Social Housing Reform Programme. He noted in particular that a desktop study had indicated a possible requirement for an additional £100m pa of maintenance costs.

SW reported that the recruitment of programme manager for the collaborative procurement programme was now underway.

SW noted the work being done on office consolidation, and described work done with DOJ on optimum accommodation efficiency, which had identified a 50% reduction in required space.

MS spoke to the ISNI report. He explained that there was approximately £30m of Financial Transactions Capital available to the Executive in 2014/15 and £127m in the following year. He explained the difficulties in finding suitable projects where this could be used, and referred in particular to the difficulties posed by State Aids rules.

MS noted the work being done with departments to ensure that the quality of data on the portal.

### **Review of Progress against Ministerial Letter of Expectation**

BH briefly summarized the content of the review and invited comments.

GMcG asked if the board were happy that the expectation under “Corporate Governance” (Ref 9) was being met. FH said he was not sure that the board could claim to have a thorough understanding of the changing demands of customers. DMcC agreed that it would be beneficial to have more contact with customers. GMcG noted the distinction between meeting the substance of the expectation, and having a process in place to demonstrate it had been addressed. He suggested a further discussion at the June board.

GMcG asked BH to identify those matters which were most difficult or complex, so that the board could particularly focus on them. BH identified the review of commissioning and procurement, and the use of FTC.

FH suggested that the review paper should clearly flag up those areas where delivery of expected outcomes was not within the control of SIB. (eg maximizing social return on investment). There was a short discussion around the current state of progress with regard to “social clauses”.

DMcC suggested that the review should include some reference to the review of board effectiveness.

### **Report from Audit Committee**

CT reported that internal audit had awarded a “substantial” rating to SIB in its annual assurance assessment.

CT explained that the committee had reviewed the draft report and accounts and had received a report thereon from NIAO. He explained that the accounting treatment of FTC transactions was still being discussed.

CT emphasised the importance of the register of directors’ interests being demonstrably kept up to date. The register of interests would be circulated for board members to confirm or amend as appropriate.

CT formally drew attention to the new code of conduct for board members, and copies were circulated.

### **SIB Risk Assessment**

BH explained that the Risk Register had been updated “from the bottom up”. He identified the three biggest risks as (1) recruitment and retention, (2) breakdown of stakeholder relationships and (3) operational risks arising from specific projects.

### **Finance Report and Media Pack**

BH delivered the Finance Report. He noted in particular the 10 day creditor payment rate of 87%, and indicated that he would like this to be higher.

The media pack was noted.

### **Other Business**

GMcG raised issue of internal communications. He suggested that staff away days might be held more frequently than biennially.

There was an informal discussion around the best way that board members could reconcile duties of confidentiality and avoidance of conflict where SIB was involved in projects with other bodies with which they were involved.