

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.00am on Tuesday 20th August 2013 at
Clare House,
303 Airport Road West, Belfast

Present: Chris Thompson (CT) - Acting Chairman
Geraldine McAteer (GM)
Frank Hewitt (FH)
Bro McFerran (BM)
Brett Hannam (BH)

In attendance: Gregor Hamilton (GH)
Scott Wilson (SW)
Martin Spollen (MS)
Kyle Alexander (KA) (Item 6 only)

Apologies: None

Declarations of Interest: FH noted interests in respect of his involvement with INI, ILEX, NI Transport Holding Company, NI Science Park and the Big Lottery Fund (last of which has interest in Connswater Community Greenway and World Police and Fire Games). CT noted interest in G4S(NI) and that he had discussed Desertcreat with PSNI. BM noted an interest in Danske Bank.

Chair: In the absence of a permanent Chairman the Directors agreed unanimously that CT should fulfill the role of Chairman until the next meeting.

1. Minutes of Previous Meeting

The minutes of the June 2013 board meeting were approved.

2. Chairman's Business

CT reported that he had met with Terence Brannigan and Kyle Alexander and had discussed SIB's continuing support for MLKDC, in the light of the view previously expressed by the board that it was not SIB's role to continue to support projects once they were set up and operating in "steady state". MLKDC had indicated they were likely to require continued SIB support for at least the next two years. GM noted that she had recently attended an impressive presentation by MLKDC and that, in light of the most recent political developments, MLKDC were likely to require support. The Board were content to continue to support MLKDC as appropriate in the short to medium term.

FH said that it was useful to hear about relevant meetings which other board members had attended and suggested that the "Chairman's Business" item in future board meetings could be broadened out to allow reporting of these. The board agreed.

3. Chief Executive's Report

BH spoke to the Chief Executive's report. In particular he noted:

Move to Carleton House: BH explained that a workable solution had been found to the issue of car parking (although this was not yet formally signed off). The move would take place over the weekend after 6th September. BH would confirm car parking arrangements for those attending the next board meeting in due course.

SIB Budget: BH noted that proposals had been set out in the finance report to deal with the projected shortfall in funding. He noted that the shortfall might be smaller than originally feared because delays in projects could result in reduced in-year pressures.

Stephen Jamison: BH reported the departure of Stephen Jamison to take up a role with DARD. The Board recorded its appreciation for Stephen's contribution over the past seven years.

4. ISNI Report

MS spoke to a number of salient points from the ISNI report. He noted that there had been approximately £80m of significant completions in the first quarter of the financial year. He noted the positive statement made in the assembly by FM/DFM on progress on the ISNI.

Overall capital spending for 2012/13 had remained at around £1.3bn, which, despite negative perceptions in the construction industry, was a relatively high figure by historical standards.

MS noted that capital underspend had been relatively low. Departments declared reduced requirements of £115m, of which £108m was accounted for by the cancellation of the A5.

5. AMU Report

SW reported on the AMU. He explained that the target for the current budget period had been amended by the Executive down from £100m to £71.82m in order to avoid raising capital that could not be used. He explained that for the current financial year disposals were already £17.62m against a target of £19.37m and that accordingly there should be no difficulty in meeting the target for the year. The focus now was on more strategic matters. Final Asset Management Plans were expected from each department by end of September. The Asset Management Strategy had been approved by the Executive in June and work was now proceeding with DFP to ensure that appropriate governance arrangements are in place to ensure it can be delivered. In particular work had begun with Enterprise Shared Services to progress the centralization project.

SW updated the board on the recruitment process for the Landlord Restructuring Project team.

FH asked for clarification as to the nature of the “DSD Budget Re-allocation” figure in the AMU Report. SW explained that this was essentially a saving in the DSD budget which had been identified by the AMU, thereby obviating the requirement to raise an equivalent sum through disposals.

GM queried the reduction in the Disposal Programme Target from £100m to £71m. Was the intention to raise the balance at a later date when market conditions had improved? SW confirmed that these disposals would take place once the market had improved and the capital was required. FM agreed that this was not a good time to be selling assets, but emphasised the importance of maintaining a focus on efficient asset management notwithstanding the achievement of the short term target. SW agreed and noted that this was the primary driver behind the centralisation project.

SW briefly updated the board on the work being undertaken in respect of harbours.

SW invited comments on the draft Action Plan annexed to the AMU report.

6. Programme and Project Reports, Dashboards

The board discussed at some length the meaning and potential ramifications of recent political announcements for the PbCRC and the wider MLK project.

BH updated the board on the position regarding a number of other projects:-

Desertcreat: BH noted that the revised business case was complete but the approval of the health minister was awaited.

Waste: BH noted that a full final financial model was expected from the bidder on the Arc 21 project within the week. Thereafter it was likely that affordability would be the principal issue.

Stadiums: BH reported that Crusaders FC had withdrawn their application for Judicial Review, but the state aid issue remained with the European Commission.

INI HQ: BH noted the completion of the buy back deal and commended Michael Donnelly for his work in bringing it about.

FH reported that he had met with representatives of the “Spirit of 2012 Trust” – a body with a £40m budget charged with maintaining momentum following the Olympic Games. He queried whether SIB’s strategic advisors had an ongoing role following the conclusion of the World Police and Fire Games and the City of Culture year. BH explained that DCAL had requested the continued services of Johnny Davis for a year to deal with the legacy of the games, and that Derry City Council had appointed a Legacy Programme Manager for the City of Culture. FH suggested that he could put Johnny in touch with the Spirit of 2012 Trust.

GM expressed concern that social clauses were still not being widely adopted. BH noted that this issue would be dealt with in the forthcoming Strategic Review.

7. Review of Progress against the Requirements of the Ministerial Letter of Expectation

BH invited comments from the board regarding the draft mark-up of the letter. CT expressed the view that the commentary inserted was too long on process/inputs and too short on actual outcomes. FH agreed with this view suggesting more hard numbers should be put in. He also identified some inconsistency in the nature and quantity of commentary across different sections. BH acknowledged these points and undertook to consider them but cautioned that SIB should not appear to claim credit for departments' successful projects (as distinct from SIB's contribution to those projects).

8. Finance Report

BH reported that expenditure was 97% on budget.

9. Media Pack

The contents of the media pack were noted.

10. AOB

BH agreed to circulate proposed arrangements for dinner for David Dobbin.

The board expressed and noted its particular thanks to Stephen Jamison on his departure and to Fiona Kane, Johnny Davis and Michael Donnelly for their recent successes.

Acting Chairman