

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.30am on Tuesday 15th January 2013 at
Dale Farm House,
15 Dargan Road, Belfast

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

In attendance: Martin Spollen (MS)
Gregor Hamilton (GH)
Leo McKenna (LM) (Item 5 Only)

Declarations of Interest: FH noted interests in respect of his involvement with ILEX, NI Transport Holding Company and NI Science Park. DD noted his interests in Ulster Rugby and Belfast Harbour Commissioners. CT noted interest in G4S(NI).

1. Minutes of Previous Meeting

The minutes of the December 2012 board meeting were approved.

BH noted that Geoffrey Spence had been contacted in order to arrange a meeting with the board.

BH clarified the position in respect of tax on travel expenses to board meetings – being that payment of expenses in respect of travel to SIB's offices was taxable. It was suggested that SIB could meet the tax payment in the same way as other organisations and BH agreed to consult on this with OFMDFM.

2. Chairman's Business

DD sought the views of the board on the paper setting out the proposed remit and membership of the various board committees. In particular he queried whether it would be appropriate to retain the AMU committee. BH suggested setting up a specific committee in connection with the proposed housing stock transfers project, given its relative size and importance. GM asked why the projects and programmes committee had been discontinued and BM explained that it had essentially dealt with matters where the whole board needed visibility, and that its work was therefore better dealt with at main board meetings. CT agreed with the new approach, but thought there remained a role for a committee to look at major programmes and "big issues". There was general agreement to this and it was agreed that BH should put forward a name and draft remit for such a committee, and that BM should chair it.

DD requested that minutes of the sub-committee meetings be circulated to the entire board in order that they be kept up to speed. A short note of key issues should be produced immediately after a sub-committee meeting.

DD reported that he had had a useful meeting with Noel Lavery to discuss the subject of pay progression and he intended now to formally write to Noel and copy in Malcolm McKibben to take the issue forward.

DD noted that Chair and non-executive director roles had now been advertised. CT expressed concern that the adverts had not sufficiently emphasized the requirement for a strong finance background. BH noted that he had drawn this requirement to OFMDFM's attention. DD said he would draw it to the attention of the chair of the appointing committee.

3. Chief Executive's Report, ISNI Report and AMU Report

BH reported an approach from DFP regarding a proposed relocation of SIB's offices to Royston House, or to other potential locations. DD noted that the city centre location could potentially create car parking issues for staff, and CT expressed doubts as to the suitability of Royston House for SIB. A number of alternative potential locations were mooted, and it was agreed that the matter would require further investigation and discussion.

BH reported that the AMU remained on track to meet its target for the year.

MS reported on progress with the ISNI. He drew attention to the register of capital announcements included with the board papers. He explained that an announcement was expected shortly on the outcome of September monitoring round, but that such money as had been found would largely be spent on roads maintenance.

MS explained the technical modeling work his team were engaged in with DEL and reported on progress with the Police Operational Support System.

MS reported that the Regional Infrastructure Audit was progressing according to plan and that a final report would be published at the end of March 2013. He suggested a meeting of the Strategy Committee in late February to consider those areas which had been identified as of particular interest to the board. CT queried whether there was too much focus on construction and buildings and not enough on other areas of infrastructure investment such as telecoms and energy. DD noted that SIB had worked with DETI in the past on telecoms projects. BM observed that it was largely the private sector who were responsible for telecoms and energy infrastructure, but that it does form part of the infrastructure audit, and it was legitimate to consider, for example, whether the benefits of Project Kelvin were being maximised, and whether NI lagged behind other places in respect of 4G. It was agreed that it would be useful for SIB to discuss these matters with DETI in order to understand the overall strategy and whether SIB could be of assistance.

MS reported that the Access to Finance study was progressing and that a draft report would be prepared by end of January 2013. The board would receive a presentation on the completed report, probably in late-February.

MS reported that good progress had been made on improving the quality of data on the Delivery Tracking System.

BH updated the board on the Desertcreat College project. GM and CT emphasised that the benefits of the project should not be obscured by the fact that an error had occurred in estimating its cost.

BH noted that the City of Culture “Venue” had been completed on time and within budget and that there had been very positive press coverage of the commencement of the events programme. However there was a concern that the audience numbers could be adversely

affected by coverage of the recent rioting in Belfast. It was agreed that a future board meeting should be held in Derry (subject to finding a suitable location).

GM expressed an interest in visiting the Desertcreat site, and BM added that it would also be useful to look at Lisanelly. BH updated the board on the position at Lisanelly.

DD queried the status of the Access to Finance report, requesting that the board have sight of it at the earliest opportunity. MS explained that it was currently with DETI, and it was for DETI to determine the publication date, but undertook to ensure that a copy was made available to the board prior to publication.

The board noted with approval Kyle Alexander's appointment as Acting CEO at Maze/Long Kesh.

BH noted that the business case for the North West Regional Waste Management project had been approved and that the next stage was to get approval from each of the participating councils.

4. Quarterly Project Reports and Dashboards, Finance Report

BH drew attention to the fact that SIB was very nearly at its expenditure limit for the year.

BH noted the request from DSD to set up a project delivery support unit for the NIHE housing transfers, which was likely to be a major item in the business plan for 2013/14.

FH requested further detail on the Poultry Litter SBRI project – in particular the nature of the Small Business Research Initiative and how this individual project related to the Rose Energy poultry litter proposal. BH explained the background.

5. UN Centre of PPP Excellence, European centre of PPP Excellence and the International Project Finance Association

Leo McKenna joined the meeting and gave a presentation on the constitution, role and activities of UNECE, EPEC, and IPFA. He explained the work he had been doing with these organisations and the benefits accruing to those countries that were only now starting to introduce PPP type policies and projects, as well as the contacts established with the EIB and other major infrastructure participants which would be of benefit to SIB and to the Executive.

The board discussed the presentation. FH queried which particular projects in Northern Ireland the organisations (or their members) would be likely to be most interested. LM suggested 3PD as an example, but stressed that there was money available on the market for projects in a range of sectors.

DD noted that LM's expertise and experience were being made available to the benefit of other countries, and wondered if there were individuals from other countries involved with these organisations who might be asked to give us the benefit of best practice from elsewhere.

BH and LM agreed to consider best way of maximizing the benefit of LM's involvement in these organisations.

6. Report of Remuneration Committee

FH reported that the committee had reviewed a number of appointments, had discussed pay progression, and had discussed the draft policy on acting up (and approved one specific acting-up proposal).

7. Membership of Sub-Committees and Project Oversight

The members approved the proposed split of projects for oversight, subject (in order to avoid any potential conflict of interest on part of GM) to GM taking on the Belfast Council Investment Programme from CT, and CT taking on Sally Gardens from GM.

As a first step, DD suggested that each of the members could be provided with a list of the projects for which he/she has oversight responsibilities detailing the identity of the relevant adviser and any significant issues.

8. Other Business

The dates of the next two board meetings were confirmed as 10th February 2013 and 26th March 2013.

Chairman