

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 11:00am on Thursday 11th October 2011 at
Clare House,
303 Airport Road West, Belfast

Present: David Dobbin (DD) – Chair
Frank Hewitt (FH) (items 1-6 only)
Bro McFerran (BM)
Chris Thompson (CT)
Brett Hannam (BH)

In attendance: Martin Spollen (MS)
Scott Wilson (SW) (item 3 only)
Bryan Gregory (BG) (item 7 only)

Apologies: Geraldine McAteer
Dennis Rooney

The non-executive directors held a private meeting in advance of the main meeting

Declarations of Interest: DD declared an interest in the stadiums project respect of his involvement with Ulster Rugby. BM declared interests in respect of his involvement with ILEX and City of Culture 2013. FH declared interests in respect of his involvement with ILEX and NI Science Park.

1. Minutes of Previous Meeting

The minutes of the September board meeting were agreed.

There was a discussion on the arrangements for annual performance assessment of Board members. It was agreed that DD and BH would finalise the assessment framework and questions in the coming period and that CT, as chair of the Audit Committee, would circulate the forms to Board members before their December meeting, collate the data and report back.

2. Interim Chief Executive's Report

BH spoke to the Interim Chief Executive's Report. The Board noted and discussed in particular:

- progress on regeneration work at Maze Long Kesh, including an update on the public appointments process underway;
- approval to commence work on the joint services training college at Desertcreat on foot of DFP approval of the business case.
- progress on the "3PD" programme to deliver the Health Minister's plans for primary care modernisation and engagement with DHSSPS officials;
- update on Waste Management procurements currently underway and the status of councils' engagement. The Board noted negotiations to improve affordability and value for money;
- a recent meeting with DCAL and Sport NI regarding the Stadium Programme and an update on the Gateway Review and related programme matters (DD having declared an interest in Ulster Rugby);

BH relayed to the Board news that Terri Keates, PA to the Interim Chief Executive, has resigned. The Board wished to put on record its thanks to Terri for all her hard work and service to the company and to wished her well for the future. A review of administrative resources is underway.

BH briefed the Board on ongoing advisory staff recruitment to meet demand from departments for professional support in implementing Ministers' investment priorities.

FH introduced a discussion on the support to be provided to ILEX going forward. The Board agreed on the importance of clear terms of engagement and stakeholder liaison to frame this work successfully.

3. Update on work of the Asset Management Unit (AMU)

SW Joined the meeting. He presented the operational plans of the AMU and the steps taken to date in pursuit of the financial targets set by Ministers. He confirmed that the AMU professional team was now 'up to strength' and work was underway on a number of fronts.

The Board discussed the current plans, timings and valuation and areas for future development. SW pointed to the potential to introduce 'property controls' to effect tighter management of property assets and the ongoing work to establish e-PIMs - a comprehensive asset register. The challenge of identifying all property-related cost was noted.

A discussion on the respective roles and interface between the AMU and related functions within Land & Property Service (LPS) followed. The Board advised SW to engage with the leadership team in LPS to discuss effective working arrangements going forward.

SW left the meeting.

4. ISNI – Discussions on Funding Options

The Board discussed the current status of the ISNI Update. It was noted that the drafting of the document is largely complete and agreed with Ministers but that a number of departments continue to express concerns about the indicative financial allocations for the period beyond 2015. This situation arises due to cuts imposed by the Coalition Government on the NI Block Grant and hence a lower base for projections for years beyond the current Budget period.

There followed a discussion on the challenges faced in attempts to increase the level of money available for capital investment. BH summarised the general state of the private investor/funder market and the implications of Basel. He noted that private pension and investment funds could be attracted to the infrastructure class and gave an overview of the general requirements of such investors. He also noted the EU plans to issue Eurobonds by 2015 to raise finance specifically for infrastructure investment in member states.

The need to identify a sustainable source of recurrent funding to provide adequate private sector returns was noted; along with the challenge of such in the context of known future pressures on Departments' recurrent budgets.

MS highlighted the public expenditure and procurement rules that apply in the event that private funding is to be used to augment public funds in the delivery of infrastructure. Issues of accounting treatment, government control and ownership models were discussed alongside policy implications. The potential of different models in key areas was discussed.

The scale of backlog maintenance requirements across the public sector estate was noted.

The Board noted that options are available to the Executive to access private finance to accelerate infrastructure investment in key areas, but that this must be done carefully to be both additional and affordable. The Board approved continued discussions with Ministers and Special Advisers to develop workable options.

5. Reports from Committees of the Board

Audit Committee

CT reported that the Audit Committee, as part of a general work programme, has examined compliance with provisions of the Bribery Act. BH will draft any guidance and protocols necessary to appraise staff of responsibilities.

A review of the risk register has been completed. No new risks were noted. The likelihood of a number of risks have been downgraded as the level of uncertainty relating to resources had reduced.

CT briefed the Board on a meeting with the Chairs of Audit Committees in OFMDFM.

The Board noted that a new Management Statement & Financial Memorandum (MSFM) will be developed in the next period.

Projects Committee

BM reported that the Projects Committee has undertaken an overview of all SIB-supported projects. Further work is underway to categorise projects into High/Medium/Low Impact status – and more detailed scrutiny will focus initially on high impact projects.

The Committee also reviewed and approved five requests for support received by SIB from client departments in the last period.

6. Finance Report

The Finance Report was noted. No issues arising.

FH left the meeting

7. Update on Museum Arts Centre (MAC)

BG joined the meeting and provided an update on progress since commencement of his support to the project in July.

A number of issues pertaining to the business plan and delivery schedule were discussed. Work is ongoing to resolve a number of issues, including tax treatments, which provide transferrable learning to similar future projects. It was noted that the opening schedule has slipped slightly and is now planned to take place in January 2012.

At the request of the Chair, BG also provided members with a brief update on progress with the Titanic Signature project. The Board was encouraged by levels of interest and early booking, including levels of interest from out-of-state visitors that will bring economic benefit to the regions.

BG left the meeting.

8. Other Business

The Board agreed that the next or subsequent Board Meeting be held at a project-related venue, subject to availability. The Titanic Signature Building was cited as an example.

Chairman