

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

Held at 10.00am on Tuesday 11<sup>th</sup> March 2014 at

Carleton House  
Gasworks Business Park  
1 Cromac Avenue  
Belfast

**Present:** Gerry McGinn (GMcG) (Chairman)  
Bro McFerran (BM)  
Chris Thompson (CT)  
Duncan McCausland (DMcC)  
Geraldine McAteer (GMcA)  
Brett Hannam (BH)

**In attendance:** Scott Wilson (SW)  
Martin Spollen (MS)  
Brenda Burns (Item 8 only)  
Wesley Emmett (Item 8 only)

**Apologies:** Frank Hewitt (FH)  
Marie Therese McGivern (MTM)

## **Declarations of Interest**

There were no specific interests to declare in relation to the items on the agenda. All previous general declarations of interest were noted.

## **Minutes of the Previous Board meeting**

Minutes of the February Board Meeting were approved, subject to a small typographical error (Paragraph 3 – change to BM instead of DM).

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

GMcG advised that, due to an urgent appointment, he would need to leave the meeting at 11.40am. Board members were content that CT would act as Chairman from that point onwards in the meeting.

GMcG reminded the Board of the proposal to hold one of the forthcoming meetings in an SIB project related venue (Omagh or Colin Town centre).

A report from the Strategy Committee business (which was held directly before the Board meeting) is noted in a later agenda item.

No other items of business were raised by Board members.

### **Chief Executive's Report**

BH spoke to his report, highlighting the following points:

#### **Strategic Waste Programme Update**

Since the last board meeting, BH has kept both Leo O'Reilly (Permanent Secretary, DoE) and Peter McNaney (Chief Executive, Belfast City Council) briefed on the revised approach, including comments made by Board members in February. Significant steps have been taken to ease the concerns of EEW's Board and to encourage them not to withdraw from the procurement. **Financial Transactions Capital (FTC)**

SIB is in an appropriate legal position to make possible the loan from DEL to the University of Ulster. Discussions are taking place to identify other suitable projects which would benefit from use of FTC. The Board should, however, note that the NI Audit Office has identified SIB's use of FTC as a significant risk.

#### **Social Housing**

Mags Lightbody, who was recruited by SIB as Social Housing Transformation Manager, is likely to take on the temporary role of Interim Chief Executive of NIHE.

#### **Escalating Costs**

The Board should continue to be aware of the pressures arising from construction cost inflation, and the possible effect that these might have on the cost estimates for projects.

#### **OFMDFM Committee**

BH, MS and SW gave evidence at an appearance before the OFMDFM Committee on 26<sup>th</sup> February. Prior to the meeting, the expected focus of the committee was thought to be

salaries and the use of consultants. These matters were raised, but the questions on the day focused on the work of SIB. The Committee was very courteous in their approach and BH judged it to be very productive.

BM raised the question of how often and in what capacity SIB is called to attend OFMDFM Committee.

### **Review of Commissioning and Procurement – Procurement Sub Group**

The key recommendations and the necessity for a project pipeline have been agreed, and a report for the Finance Minister should be ready in time for next BRG meeting (9<sup>th</sup> April 2014).

### **ISNI Report**

The ISNI report was taken as read, and there were no questions from Board members. MS commented that recruitment is currently underway for an additional post to ensure maintenance of the Delivery Tracking system.

### **AMU Report**

Scott Wilson spoke to his report and drew attention to the following points:

- PFI reviews are currently being carried out by the Finance Advisor in AMU.
- Tranche 1 of the Social Housing Reform Programme is complete.

Some discussion took place about the need to produce a SOFTE (State of the Estate) report. However, the 2012 report produced a sufficient evidence base for auditing government property, and the decision not to continue publishing annual reports could be reviewed later.

The Board endorsed SW's recommendation that it was not necessary for AMU to produce an annual SOFTE.

### **Report from Strategy Committee**

GMcG reported to Board members on Strategy Committee business. The Strategy committee met immediately prior to the Board meeting. Three items of particular importance emerged from discussion:

1) Infrastructure Audit –Consideration should be given by the Board to what the next steps are for this piece of work, including how best to disseminate the information to appropriate audiences. It was agreed that a series of engagements throughout the calendar year with stakeholders would be useful to discuss the findings of the audit. These would need co-ordination with Communications Committee in due course.

2) SIPM work – The Board need to consider the context of this model in PSNI, and further examine the merits of potentially employing it in other Departments (namely Health and Education).

3) There is an emerging requirement for the review of PFI contracts and ‘invest to save’ measures being carried out by the AMU.

GMcA informed the Board that she had noted the need for a Communications Committee meeting and is arranging a pre-meeting with Fiona Kane.

### **Report from Audit Committee**

CT (Chairman of Audit Committee) confirmed to the Board that the 3 year internal audit plan is due to finish this year and ASM have been re-appointed as internal auditors. They plan to focus on 3 key risk areas:

- 1) Financial Transactions Capital (FTC)
- 2) The growth of SIB and the implications for support structures
- 3) Communications.

Discussion at audit committee identified three additional risk areas as being of particular significance:

- 1) Operational Risk Management
- 2) Information security and management and
- 3) Travel and Subsistence/Hospitality.

Year-end accounts should be in draft form by the end of April, audited by the end of May and ready to be brought to Board for final approval at their June meeting. The audit of accounts will be undertaken by RSM McClure Watters.

The Board noted that BH is due to appear at PAC in June, so the ongoing work in relation to the review of operational PFIs is required in good time to inform this meeting.

When asked by CT, Board members were content that there were no additional items of risk to be added to the above list.

Board members were reminded to submit any expense claims within the next two weeks to allow time to process them before 31<sup>st</sup> March.

***11.40am:*** GMcG left the meeting. CT assumed the role of Chairman for the remainder of the meeting.

### **Risk Appetite Statement**

BH set the context by explaining that the statement is a requirement of the NIAO with the objective of articulating the level of risk which the Board would accept. The statement provides a clear opportunity to avoid any dissonance of risk appetite between the Board and the Executive.

BM asked if the risks could be quantified in financial terms, and BH replied that this was covered by the Harm/Impact table in the risk register.

The Board asked whether BH could look at re-formatting the risk appetite statement and risk register in order to draw attention to the most important elements.

Pending the inclusion of FTC as an additional item, the Board approved the format and content of the risk appetite statement and was content for it to be put forward for formal approval by OFMDFM.

BH noted that BM indicated that it would be very useful if this type of document could be uploaded onto a secured shared file space for easier access/viewing of changes.

### **Draft Corporate and Business Plan (including draft Letter of Expectation)**

Two versions were presented to Board within their papers – one showing the tracked changes since the previous Board meeting and a ‘clean’ version. BH drew attention to the SIB review on Page 56, as a possible agenda item in next Board meetings.

BH answered BM’s query about inclusion of the Procurement Review carried out by SIB, pointing out that it is referred to in the draft Letter of Expectation.

The Board approved the draft Corporate and Business Plan including the Letter of Expectation and was content for it to go forward to the Department for approval.

### **Presentation on Urban Villages: Support to DSD**

Brenda Burns and Wesley Emmett presented an update to the Board on developments within the Urban Villages scheme, support to DSD and Colin Town Centre in particular. The briefing covered the following: branding; planning permission; maximizing opportunities within the geographical area; the recruitment and structure of the delivery team; timeline and estimated budget (£1.6m in total); the policy context, support from DCAL; the effect that reform of local government structures might have on governance arrangements and lessons learned from the approach taken to consultation with a wide range of stakeholders.

Comments from Board members focused on the ‘horizontal and vertical’ groundwork and consultation carried out by SIB (for example getting early Ministerial support was vital), the sustainability of the project, and gaining momentum through the Colin Town Centre, so that the other Urban Villages (four in total are planned) have a good example of the resources required and the importance of cross-departmental support.

GMCA congratulated SIB on its commitment and success with this work. She acknowledged that the technical and project management expertise which SIB had been able to bring to this project had completely transformed the scale and level of local aspirations.

Board members advised that seeking a European funding package under the URBACT III scheme may prove to be complex at the administration level and should not deflect from local funding and governance arrangements.

The **Finance report** was noted and there were no comments.

The **Media report** was noted and there were no comments.

There was no other business arising.

Draft Board Business Plan 2014-15

A calendar was circulated showing dates for Committee and Board meetings, Training and Board Away Day dates. DMcC asked for confirmation that there would be no Board meeting on July 15<sup>th</sup>, given that it is a Bank holiday.

BH agreed to amend the calendar and re-circulate it.