

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.00am on Tuesday 14th April 2015 at
Carleton House
Gasworks Business Park
1 Cromac Avenue
Belfast

Present: Brett Hannam (BH)
Gerry McGinn (GMcG) (Chairman)
Bro McFerran (BM)
Marie Therese McGivern (MTM)
Frank Hewitt (FH)
Chris Thompson (CT)

In attendance: Gregor Hamilton (GH)
Scott Wilson (SW)
Alan McVicker (Item 23 only)

Apologies: Duncan McCausland (DMcC)
Martin Spollen (MS)

1. The usual declarations of interest were taken as read. FH particularly noted his interests in NI Transport Holding Co in light of potential discussions arising from the items on the agenda.

Minutes of Previous Meeting

2. The minutes of the March 2015 board meeting were approved, subject to two minor amendments to the section entitled "AMU Report".

Chairman's and Directors' Business

3. GMcG noted that the Staff conference had been arranged for 21st May and invited board members to attend.

4. GMcG reported that he had attended the launch of the NIAO good practice guide on conflicts of interest. He commended the guidance to the board, while acknowledging that most members would be familiar with the principles already.

5. GMcG explained that he had met each of the board members individually over recent weeks and that generally all members had been happy with the manner in which the board conducted its business and the quality of information provided through the board papers. He noted that members had appreciated the value of meeting staff at different levels within the organisation. They had also expressed concern that SIB might, in the current environment, be scapegoated for the cancellation or delay of projects with which it is associated, notwithstanding SIB's inability to control these matters, and a suggestion made that certain "principal risks" be formally noted to ensure that the boards consideration of them was formally recorded.

6. GMcG noted that advertisements would be published for the recruitment of non-executive directors during w/c 27 April, and dates had been agreed with OFMdfM for assessment. He anticipated one appointment by early summer and a second by November.

7. GMcG reported on a meeting with Malcolm McKibbin and Mark Browne which he had attended with BH, regarding the proposal that SIB should be transferred from OFMdfM to the new Department for Infrastructure. 8. GMcG restated his standing invitation to board members to contact him if they had any issues which they wished to be raised board meetings.

Chief Executive's Report, ISNI Report and AMU Report

9. BH spoke to the Chief Executive's report. He noted that project managers had circulated detailed reports which would be considered later in the meeting. He therefore limited his commentary to issues that had arisen since these papers had been circulated.

- Desertcreat: BH said a joint DoJ/DHPPS paper had been circulated recommending the winding up of the current project and initiating a new project for a smaller college.
- Belfast Transport Hub: The Programme Steering Group had held a very positive

meeting. FH noted that Translink were undergoing a number of changes at board and senior management level and volunteered his good offices if required to ensure best communication on the project.

- HEaT: The Project Board had agreed in principle that DETI should take over the project, and this was viewed as a very positive development.

10. CT asked if the board could have an update at the next board meeting on the Lisanelly shared campus project

11. The ISNI report was taken as read.

12. SW drew the board's attention to certain specific items from the Asset Management Strategy Progress Report appended as ANNEX B to Board Paper 7. In particular he noted:-

- £76.62m of additional capital had been raised in the 3 year period to March 2015, against the Executive's target of £71.8m.
- Estimated resource savings of c£23.6m pa had been achieved as a result of asset management interventions.
- £51m had been spent on invest to save projects since approval of the Asset Management Strategy in June 2013, generating resource savings of around £5m pa.
- Business cases for the first two office consolidation projects (DOJ, and AFBI HQ/Plant science centre) were now complete. These had a combined total capital value of £62m, and would deliver savings of £7m pa.
- The Reform of Property Management Programme was proceeding well.
- The quality of information on the asset base remained an issue, and work was underway to address it.

13. GMcG suggested that the presentation of the Progress Report to the Asset Management Strategy Programme Board might be a good opportunity to point out the advantages of SIB not being placed within a spending Department.

14. SW noted the challenging target of capital receipts for 2015-16

Programme and Project Reports, Dashboards

15. BH drew the board's attention to certain key points from the dashboards:

- expenditure was within 1% of plan at year-end;
- well over half of staff costs were now recharged, and this was expected to increase over the next two quarters;
- the top eight projects accounted for approximately half the resource spending;
- absence levels remained comparatively low.

17. With reference to the Risk Summary dashboard, GMcG noted the importance of ensuring a clear written record that the key risks identified had been considered by the board and so far as possible addressed.

18. It was agreed at MTM's suggestion that in the light of earlier discussions the likelihood of the new risk (10) "SIB's performance adversely affected by transfer of departmental sponsorship from OFMDFM to a new Department for Infrastructure" should be increased from "Low" to "Medium".

Final Report on Achievement of Objectives set out in 2014/15 Ministerial Letter of Expectation

19. BH gave a brief summary of the report. He noted that the matters listed in the Letter of Expectation had been substantially completed or achieved, (although some of the PfG projects supported by SIB had not been).

20. GMcG asked if/how the department monitored progress against the Letter of Expectation. BH explained that he met on a quarterly basis to go through the status report.

21. With reference to item 8 of the report, CT suggested it would be useful to receive a summary of the extent to which the recommendations set out in the Procurement Review had been implemented.

Report from Remuneration Committee

22. BM reported on the Remuneration Committee meeting which had taken place earlier in the day. He noted:

- The committee had considered the new HR IT system, and after some discussion around data Protection penetration issues, had concluded that the correct choice had been made, but suggested that some attempt should be made to aggregate demand to reduce costs.
- The committee had discussed the pay remit, and BH had agreed to prepare a proposal to distribute the 1% available in a manner which was equitable to lower paid members of staff while endeavouring to retain differentials.
- The committee had reviewed and approved the continuation of eleven Additional Responsibility Allowances.
- The Chairman would review the achievement of the Chief Executive's personal objectives.
- The committee had discussed pay for non-executive directors, and concluded that no change should be made unless the level became an impediment to recruitment.

SBRI Projects

23. Alan McVicker joined the meeting and gave a presentation on the Small Business Research Initiative. He explained the history and objectives of the SBRI, and outlined the standard process. He explained how the SBRI process had been used in seeking a solution to the problem of NI's surplus of poultry litter, and was now being used on the Medicines Adherence project. The board discussed the potential for using SBRI more widely (and encouraging departments to do so) given NI's relatively low usage to date and the importance placed on innovation within the NI Economic Strategy.

Finance Report

24. BH reported that for the year to March 2015 there had been an underspend of 1%.

Other Business

25. FH explained that he was still keen to arrange to bring Sir John Elvidge to meet the board, and it was agreed that a date later in the year in advance of the board away day would be suitable.

26. Annual Declarations of Interest were circulated and signed.

27. The date for the Staff Conference was confirmed as 21st May.