

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.00am on Tuesday 10th May 2016 at
Carleton House
Gasworks Business Park
1 Cromac Avenue
Belfast

Present: Gerry McGinn (GMcG)(Chair)
Marie Therese McGivern (MTM)
Chris Thompson (CT)
Kathryn Thomson (KT)
Danny McSorley (DMcS)
Duncan McCausland (DMcC)
Brett Hannam (BH)

In attendance: Gregor Hamilton (GH)
Scott Wilson (SW)
Patrick McMeekin (Item 15 only)
Paul Priestly (Item 24 only)
Ruairi Lavery (Item 25 only)

Apologies: Martin Spollen (MS)
Frank Hewitt (FH)

GMcG having been unavoidably delayed at TEO, it was agreed that CT should chair the meeting.

Declarations of interest

1. The usual declarations of interest were taken as read. In the light of the items potentially open for discussion KT noted interest in NMNI; DMcS noted interest in DCAL Safety and Technical Group for Casement Park; and MTM noted interest in Bombardier.

Minutes of Previous Meeting

2. The minutes of the April 2016 board meeting were approved (subject to amendment item 6 requested by SW).

Chief Executive's Report, ISNI Report, AMU Report

3. BH updated the board on some of the projects referred to in the Chief Executive's Report. In particular:

- NICSC at Desertcreat: BH noted that discussions were ongoing with regard to SIB's involvement in NICSC.
- Education Authority: BH noted an SIB Strategic Adviser had now transferred to DCAL. Another was winding down his involvement and ramping up work with DARD (particularly in relation to AFBI).
- Buy Social: BH noted that he and the Strategic Adviser had held a very constructive meeting with CPD and representatives of the construction industry.

GMcG joined the meeting.

5. DMcS asked BH for further detail on the assistance being provided to EA on Area Based Planning. BH explained that although area based planning was already being used by EA to some degree, SIB were providing a much more rigorous and systematic approach to assembling evidence upon which decisions could be based.

6. DMcS noted the reference to issues with PFI schools in Scotland. He asked if the structural problems with the buildings were connected to the method of financing. BH expressed the view that they were not.

7. BH noted for the record that he had now obtained the papers requested from QUB and NIC.

9.

Chairman's and Directors' Business

10. GMcG explained that he would be holding one to one meetings with board members in late May-early June.

11. GMcG noted that FH would be asked to lead the board effectiveness review, and also to conduct the review of GMcG's and BH's performance in 2015/16 and setting of their objectives for 2016/17.

12. GMcG noted that a workshop was scheduled to discuss the Programme for Government and that the process of developing the PfG would be in two stages – first setting targets and indicators and then linking them to the budget. Until the PfG was finalised SIB's corporate plan was provisional.

13. GMcG reported that he had met with the OFMdfM board and that feedback on SIB had been generally positive, although risks had been identified around retention of SIB staff and recruitment by SIB of staff on behalf of departments. It had been suggested that the remuneration committee should monitor these risks.

AMU Report

14. SW spoke to the AMU Report. He noted in particular

- Reform of property management: considerable progress had been made in the last month.
- PPP Reviews: An agreement had been reached to settle a dispute..
- Alternative Investment Models: Terms of Reference had been agreed with the SRO and DFP perm Sec.
- Discussions were underway with regard to the possible purchase of the outstanding debt on a building.
- Initial Market Engagement on street lighting was complete and development funding being sought through the ELENA fund.
- Forest Service: The OBC for funding grid connection applications had been approved by DARD and was under consideration by DFP. SW explained that a long list of potential sites had been reduced to seven sites.

- An OBC was under preparation in connection with development proposals for the Abbey retail park for Translink.
- A number of expressions of interest had been received from potential fund managers for the NI Investment Fund. The current focus was on ensuring the fund was set up in such a manner as to be off-balance sheet, and it was probable that EIB would appoint the fund managers. The AMU framework Contract for consultants had been awarded.

ISNI

15. Patrick McMeekin joined the meeting. He updated the Board on the process for preparation of the Investment Strategy. He explained that the CDEL position over the next budget period is not likely to be significantly different from that experienced in recent years, and has implications for what can reasonably be assumed over the period of the ISNI. Against this backdrop fundamental questions were being asked of departments about their existing infrastructure, changes affecting demand upon infra, opportunities for better asset management, alternative models of service delivery, use of technology etc. To support its implementation, the ISNI should encompass actions that fit under the broad headings of improving infra planning, infra delivery and infra performance. SIB is currently working alongside DoF and MoI to ensure alignment across the ISNI, budget and PFG processes. GMcG asked how much of the PFG had been shared with the ISNI team. PMcM explained that what had been shared to date was high level and that work on the PFG Outcomes framework over the summer would be most relevant from the perspective of shaping ISNI. The draft ISNI would not be published until September along the same timescales as the budget.

Report from Audit Committee, Risk Appetite Statement, Risk Register, Internal Audit Assurance report

16. CT reported on the Audit Committee held immediately before the board meeting. Principal focus had been on the annual report and accounts. The first draft report and accounts had been considered at the committee and were currently being audited. The report and accounts should be finalised by next month, on target, and would be brought to the June board along with the

Audit Committee's annual report. GMcG asked that board members address any points they wish to raise on the report and accounts directly with Louise Millen.

17. CT noted that the Audit Committee had been broadly content with the Risk Appetite Statement.

18. CT reported the Audit Committee had been broadly content with the risk register, but they had asked that grants be added as a specific item to the register.

19. CT noted the Annual Internal Audit Assurance Report, which was very satisfactory. GMcG expressed thanks to all the staff concerned.

20. CT reported that he had reviewed the hospitality register and was content.

21. CT noted the difficulty in dealing with the FTC monies in the accounts in a manner which was transparent and consistent with International Financial Reporting Standards (IFRS) and Financial Reporting Manual (FRM) accounting principles.

22. CT explained that SIB had been required to draw down more cash in advance than SIB or the Audit Office would have preferred, but this had clearly been in accordance with OFMDFM's express requirement.

23. CT noted the substantial comfort provided by letters from OFMDFM with regard to SIB's involvement with the China bureau.

24. Paul Priestly joined the meeting and spoke to his report on the Urban Villages

The board discussed the report.

Southern Regional College Estates Programme

25. Ruairi Lavery joined the meeting. He gave a presentation on the SRC estates programme, explaining the project background and target outcomes, and the progress made to date. He explained the procurement, planning and decant issues which had arisen and how these had been resolved.

AOB

26. DMcC asked for Kyle Alexander's report on delivery vehicles to be shared with the board.

27. In view of the ongoing audit, there was no finance report. The Board noted the media pack.