

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.00am on Tuesday 9th August 2016 at
Carleton House
Gasworks Business Park
1 Cromac Avenue
Belfast

Present: Gerry McGinn (GMcG)(Chair)
Chris Thompson (CT)
Kathryn Thomson (KT)
Danny McSorley (DMcS)
Duncan McCausland (DMcC)
Frank Hewitt (FH)
Brett Hannam (BH)

In attendance: Scott Wilson (SW)
Martin Spollen (MS)
Anna Gray (AG)

Apologies: Marie Therese McGivern (MTM)
Gregor Hamilton (GH)

Declarations of interest

1. The usual declarations of interest were taken as read. In the light of the items potentially open for discussion FH particularly noted his interest in NI Transport Holding Co and his previous association with ILEX.

Minutes of Previous Meeting

2. The minutes of the June 2016 board meeting were approved (subject to one typographical amendment to paragraph 9).

Chairman's and Directors' Business

3. GMcG noted that that the action under item 4 of the previous Board minutes (the process of completing his one to one meetings with Board members) had now been completed.

SIB Accounts

4. GMcG raised the matter relating to the sign-off of SIB's annual accounts and, in particular, the accounting treatment to be applied to financial transactions capital (FTC). BH advised that a meeting had been arranged for next Tuesday 16th August between all parties i.e. SIB, NIAO, DoF and PwC to progress this matter and seek a position that was acceptable to all parties.
5. DMcC queried whether there was a cut-off submission date for SIB's accounts to Companies House. BH stated that there was but this was some time away (BH to check date). The aim at this point was still to seek agreement between the parties. CT expressed frustration at the proposal to prepare different accounts. KT entered at this point and GMcG summarised discussion to date.
6. GMcG initiated a discussion among the Board members in relation to the role of SIB's Board of Directors. BH noted that, pursuant to recent updated guidance, in his role as Accounting Officer he was ultimately accountable to the Assembly rather than the Board. GMcG stated that the Board had responsibilities and duties under legislation that they needed to fulfil and it was necessary therefore to consider the Board's options. BH stated that NIAO and DoF have been made aware that this issue has been discussed at Board meetings. The meeting next Tuesday was noted.
7. CT suggested that it was essential to await the outcome of the meeting next week before the matter could be progressed further. BH was in agreement.
8. DMcC reminded the Board of its obligations under legislation as Directors and the need to ensure that the accounts would be signed off.
9. GMcG expressed the view that the Board took its duties as directors seriously (including annual reporting and accounting). He asked BH to ensure that at the meeting next Tuesday, the parties were aware of the Board's views. Any proposed solution following the meeting should be taken to the Board for approval.
10. FH concurred with the suggestion of taking independent advice on the director's responsibilities, if necessary. GMcG noted that a good discussion had been undertaken by the Board on the topic and summarised the actions as follows:
 - a. BH to ensure that the Board's views are articulated at the meeting on Tuesday and BH to speak to David Sterling to ensure that DoF is

represented at an appropriate level at the meeting; and

- b. Following the meeting, the Board's options should crystallise. This matter would be discussed again at the next Board meeting.

11. DMcC was of the view that the new Accounting Officer guidance represented a change in that Accounting Officers are now not accountable to the Board but to the Assembly. He also noted that the guidance was slightly ambiguous in places and that he intended to raise this in the Audit committee in due course. DMcC also noted the removal of "substantial" from the new audit assurance ratings.. GMcG stated that SIB would continue to meet the high standards as previously set and achieved.

Other Business

12. GMcG noted that the Board Effectiveness Review was to be completed and returned to Mr Hewitt by the end of August. This would be reported back to the Board in October. Individual Board Members submissions were to be returned by 31st August. GMcG noted that the competition to appoint two new directors would commence in due course.

Report from the Remuneration Committee

13. FH summarised some of the key points discussed at the Committee:
 - a. the HR manager, had presented a paper to the Committee on the differences between fixed term (FT) employment conditions and permanent positions. For example, the advantages of FT employment included the flexibility to bring people in for specific projects. In contrast, permanent staff allowed people to be retained and their skills/talent deployed on other projects.
 - b. Pay remit 2015 – 4 options were presented and the committee decided upon option (cThe committee stressed that this decision does not create a precedent for future years.
 - c. The committee had ratified the decisions it had made out of Committee and the appointments BH had made under his delegated authority.
14. DMcS queried if there was a plan to change the approach to FT employment. FH confirmed that there was not, it was simply discussed by way of background. DMcS noted the legislation that was applicable to staff employed for more than

4 years (automatic rights implied). GMcG directed that the HR Manager's helpful paper regarding FT v permanent employment should be circulated to the Board for information. This paper discusses the differences between 1 year, 2 year and 4 year employment periods.

15. It was noted that when recruiting for SIB clients, the redundancy risk was normally taken by the funder of the position (i.e. the client), not SIB.

Chief Executive's Report, ISNI Report, AMU Report

16. BH updated the board on some of the projects referred to in the Chief Executive's Report.
17. Brexit - FH queried whether there was a role for SIB in co-ordinating the collation of any concerns regarding the impact of Brexit. The Board took no further action at this time but noted that a number of projects may be impacted where there is a reliance on EU funds.
18. Urban Villages - KT asked why the Urban Villages Development Frameworks launch had been delayed. BH confirmed that there wasn't a problem, it was simply that Ministers' diaries could not be aligned hence the delay as they wished to attend. BH noted that the delay to the launch was not delaying the teams work.
19. RADAR – DMcC noted that it was good to see this make progress.
20. DMcC queried the reference to the review of SIB. BH confirmed that this was routine for NDPBs and it often happened every five years. The planned review had been delayed due to the change in structure of the NI Departments but it was now being progressed by TEO.
21. MS highlighted the report on ISNI in the Board pack. The success of the Poultry Litter Project was noted. DMcC noted the potential impact of Brexit on funding for the A5 project. DMcC also asked for a booklet on the circular economy. BH stated that it was the intention that there would be a presentation to the Board on the circular economy and copies of the booklet could be shared at that point.
22. The Board also noted the Shared Data Centre and Waterfront projects as positive. CT queried the involvement from an HR perspective in respect of recruitments BH noted that the costs of same were re-charged to the requesting body.

23. SW directed the Board to the AMU report in the Board pack. SW summarised some of the key issues including:

- The move of the Properties Division to a hard charging model;
- PPP reviews and looking at re-financing to obtain savings;
- Alternative funding models (shared services etc);
- NI Investment Fund progressing Invest to Save; and
- Refreshing the Asset Management Strategy.

ISNI

24. MS gave a presentation on the development of the ISNI. He explained that the purpose of ISNI was to set the strategic direction rather than setting budgets. The new ISNI would focus on 20 to 30 flagship projects. However, there would need to be work undertaken to bring together the Asset Management and the Investment strategies. MS summarised the structure of the document, how the outcomes would be mapped to the Programme for Government and gave examples of what could be the flagship projects. *[DMcC left at 12noon]*. MS explained that the projects would be a mix of short term, medium term and longer term projects. CT queried the number of pillars and where 'economic' matters (e.g. utilities, roads) would sit? MS explained that these would be under the 'networks' pillar which is where industry would normally expect these to sit. KT queried where tourism would be placed; MS confirmed that this would be under the 'productive pillar'. KT expressed the view that it didn't really matter what pillar something sat under, the main issue would be the mapping to the PfG objectives. CT commented that the list of flagship projects was good, however, he expressed concern over the number of pillars but recognised that this is what has been used under previous ISNI versions. MS agreed to review to ensure that economic matters, such as roads, were clearly addressed. DMcS queried if there would be an opportunity for Councils to input into ISNI planning. MS stated that Councils would be able to have input into how the strategy would be implemented, whereas this initial stage is about the strategy. DMcS also expressed the view that he thought that it was important for the approach to healthcare provision to be addressed in the strategy. KT noted that focusing on a fewer number of projects (up to 30) would allow for other projects to also be addressed separately rather than include a full list of all projects to be delivered.

Finance Report and Media Pack

25. The Finance Report and media pack were noted.