

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10am on Tuesday 5th September 2017 at
FinTrU House
Gasworks Business Park
1 Cromac Avenue
Belfast

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

In attendance: Gregor Hamilton (GH)
Scott Wilson (SW)
Martin Spollen (MS)
Adrienne Neill (AN)
Paul Priestly (Item 22 only)
Jean Wylie (Item 22 only)
Richard Rodgers (Item 23 only)

Apologies: None

Declarations of interest

1. The usual declarations of interest were taken as read. DMcS noted an indirect interest in Grahams (being contractors involved in one of the projects referred to in the papers). DMcC noted that he was now an external board member with the Department for Communities. He noted that the audit committee had recommended that the declaration of interest forms for board members and staff should include a specific declaration to the effect that the declarant is unaware of any conflict of interest and that in the event of becoming aware of any such conflict would report it

and otherwise ensure it was appropriately managed. This was agreed. The register of interests would continue to be updated annually and the interests of board members listed in the annual report and accounts. It was agreed that for the purpose of board minutes the practice should continue of specifically noting any interest which could potentially give rise to a conflict in the light of matters to be discussed, and withdrawing from the meeting where appropriate.

Boardroom Apprentice

2. GMcG formally introduced AN to the board and AN explained the nature of the Boardroom Apprentice scheme.

Minutes of Previous Meeting

3. The minutes of the August 2017 board meeting were approved (subject to certain typographical amendments and changes to statements attributed to SW in respect of the AMU report).

Chairman's and Directors' Business

4. GMcG proposed a number of changes to the proposed dates for future board meetings. These were discussed and finalised. BH agreed to circulate a revised list.

5. GMcG noted the risks caused by the extended delay in formally appointing the new non-executive directors.

Report from Audit Committee

6. DMcC reported on the proceedings of the Audit Committee, which had met earlier. He explained that the committee had discussed the risk register. BH noted the addition to the risk register of a new risk that "projects supported by SIB may be adversely affected by the absence of a strategic decision-making authority". The committee had discussed mitigation measures to ensure that projects were in a position to be progressed as soon as a decision-making authority was in place.

7. GMcG expressed concern that the number and wide variety of different types of employment contracts now being used by SIB created a risk which should be considered in the risk register. DMcC explained that SIB's HR Management was one of three items which had been selected for specific attention in the internal audit this year (the other two being Business Continuity Planning and Payroll). He explained that an internal audit strategy had been agreed for the next three years.

8. BH explained that SIB had been unsuccessful in seeking to avoid being joined with TEO as a defendant in the ILEX employment case. There was a contingent liability to cover this (and one other) case.

9. BH explained that the 3PD "whistleblower" investigation had not yet been definitely concluded (despite earlier indications) and the investigator had requested further information.

10. DMcC explained that following a second SMS scamming incident SIB had insisted again that a bar be placed on premium rate texts for all SIB phones to prevent a recurrence.

11. DMcC said the committee had also discussed data protection in light of upcoming legislation. The committee had also discussed the declarations of interest (as already noted).

12. GMcG asked whether the committee reviewed DAOs. DMcC confirmed that the committee regularly considered them.

Chief Executive's Report, ISNI Report, AMU Report

13. BH updated the board on developments since the preparation of his report. In particular he noted a number of areas where the lack of a decision-making authority was impeding progress with projects. These included:

- Strule, where a failure to authorize the issue of tenders by end of November could result in a substantial delay in completion (given the need to complete construction work outside term time);

- Arc 21,;

- Desertcreat, where approval was needed for a business case to pay legal costs; and

- Wind Energy.

14. DMCC noted the positive feedback he had received about SIB from the Permanent Secretary at DfC.

15. DMcC noted the reference in the report to the funding difficulty posed by the absence of a normal monitoring round. BH explained that the only sensible approach was to proceed on the assumption that funds would be made available, as actually stopping spending would create its own difficulties and cost more in the long run. TEO were aware of the situation.

16 DMcC asked when the next conference was due to take place. BH said it would be on 23 November.

17. DMcC asked for an update on RADAR Centre. BH said he would have to check with PSNI on progress with setting up the charity, but confirmed the centre was still operating.

18. BH updated the board on the current position regarding the possible office relocation. He explained that a move now looked more likely and that the Lighthouse Building was the probable destination.

19. BH explained the nature of a number of questions received from Jim Allister MLA regarding SIB's work with local councils.

20. 21. GMcG asked for an update on progress with the implementation of the recommendations of the Procurement Report. BH said that while a large number of the minor recommendations had actually been adopted, the major steps were perceived as inconsistent with the autonomy of individual departments.

RHI Inspections Project

23. Richard Rodgers joined the meeting and gave a short presentation on the work of the RHI Taskforce and the support being provided by SIB. He explained that the SIB involvement was focused on ensuring that the scheme would deliver its objectives in its steady state going forward, rather than the public inquiry into its history.

ISNI

24. MS took the ISNI report as read. He explained that the Draft ISNI was with TEO, but that it would now have to undergo a Rural Impact Assessment. MS said the ISNI team had been asked by Department for Infrastructure to report on a number of economic issues (the likely return to the economy of types of infrastructure investment, resilience of NI economy to climate change, and the impact of technology on future infrastructure demand). The department would meet the resource costs of this work. MS explained that the first phase of the School Planning Model was now complete and the second was now underway. MS noted that DfE had funded SIB to take forward the DARE initiative (Data Analytics Research and Evaluation).

25. DMcC queried the effect of the absence of a decision making body on the ISNI. MS said that for some projects a point had been reached where the absence of a ministerial decision was now impeding progress, but for others it was possible to make progress within already approved programmes. Work could still continue to prepare the ground in the expectation of a return to normal business. However as time went on, business cases would need to be revised in the light of passage of time since they were originally prepared.

26. DMcS asked about progress with the A5. MS said that work should start on the Strabane-New Buildings section in November, although it was never possible to rule out a further challenge.

AMU

27. SW took the AMU report as read, although he noted a number of points in particular:-

- there had been a slight slippage on timescales for the RPM Transformation Project;
- RPM Estate Rationalisation- the business case had been completed and procurement commenced for a design team for Belfast projects;
- work was progressing with Translink to optimize its property management;
- work was progressing with EA and DAERA to develop their Estate Strategies;
- work continued on the Ebrington site transfer from TEO to the Council

- Kevin Hegarty had written to DfE to draw attention to the way in which the absence of an energy policy impeded grid connection, with adverse effects on the executive's own wind energy plans
- AMU had received good engagement from LPS on asset disposals;
- work was progressing to finalise a contract with the successful bidder on the NI Investment Fund project and this would then be submitted to ONS in order to confirm its balance sheet treatment.

Finance Report and Media pack

28. The contents of the Finance Report and media pack were noted.

ACTIONS:

- Amendment to August 2017 Minutes (GH)
- Circulation of dates for future Board Meeting (BH)
- Wording on Declaration of Interests to be amended (BH)