Minutes of a Board Meeting of
Strategic Investment Board Limited

Held at 10 am on Friday 5 March 2024 at 9 Lanyon Place

Present:	Marie Therese McGivern (MTM) (by videoconference) Kathryn Thomson (KT) (by videoconference) Duncan McCausland (DMcC) Danny McSorley (DMcS) Brett Hannam (BH)
In attendance:	Gregor Hamilton (GH) Scott Wilson (Items 17-20 only) Lisa Beers (items 21-22 only)

It was agreed that DMcC should chair the meeting.

Declarations of Interest and Board Terms of Reference

1. The previously stated declarations of interest were confirmed.

2. The Board Terms of Reference were noted.

Minutes of Previous Meeting

3. The minutes of the February 2024 Board meeting were approved. It was noted that all the action points were complete and/or to be discussed at the current meeting.

Directors' Business

4. DMcC asked if the pay remit had been approved. BH said that it had not although it was still possible it might be approved in time for the current month's payslips.

5. BH noted that a submission had been made by TEO to Ministers regarding appointment of an interim chair, but the process appointing an interview panel was likely to create a delay.

6. It was noted that KT and DMcS had each had their appointments as directors extended for a further year.

7. BH advised the Board that he had informed TEO of his intention to retire at the end of October 2024. DMcC expressed the Board's gratitude for BH's service over many years and disappointment at losing those services in the future. The Board discussed the process for appointing a replacement CEO. It was agreed that it was for the Board to appoint the CEO, notwithstanding the current unwillingness of TEO to appoint a Chair or interim Chair. While it was unfortunate that TEO had not yet done this, there was no confidence that a decision on the Chair appointment would be forthcoming within a timescale consistent with appointing a new CEO by end October. It was agreed that an options paper for the CEO appointment process should be brought to the Remuneration Committee in April, and that all directors should attend that meeting to avoid duplication of discussion at the Board. It was agreed BH would inform staff immediately after the meeting and that the comms team should prepare a statement for external stakeholders. DMcC asked that the potential delay in appointment of a CEO should be added to the risk register and the list of TEO issues.

TEO Issues

8. BH updated the Board on the outstanding TEO issues. He noted that:

- The revised draft Partnership Agreement was to be discussed later as a specific item on the agenda.
- The appointment of an interim chair was likely to take some time although extensions had been issued for KT and DMcS as previously noted.
- SIB disputed DoF's opinion that the leave buy-back scheme was novel, repercussive or contentious and therefore required a business case.
- TEO had provided an additional £507K of grant-in-aid (which had been accrued for pay rises in the next FY); and
- The position on pay remit was as noted earlier.

9. It was agreed that the requirement to appoint a new CEO should be added to the TEO list.

10. BH explained that he understood a new TEO Permanent Secretary was expected imminently.

CEO's Report

11. BH updated the Board on a number of items in his report. In particular:

- SIB Review: The review process was not yet complete, but initial indications were that SIB was still necessary and should remain as an arm's length body.
- [REDACTED – Commercially Sensitive]

12. DMcS noted the revised governance arrangements around SBRI (as discussed at February Board). BH confirmed the position remained as set out in his report.

13. In response to a query from DMcS, BH outlined the position at Strule, noting that the FBC had gone to the minister, and it was anticipated there would be a direction to proceed.

14 BH explained the accounting issue around the Mobuoy remediation treatment costs.

15. In response to a query from DMcC, BH confirmed that the FTC monies for the Community Ireland Fund were directly transferred by the department and did not come through the books of SIB (SIB's role being advisory).

16. The Board noted the position on the "RED" projects – Arc 21, Southern Regional College (both unchanged), Strule and Casement Park (both as earlier discussed).

ISNI Update

17 Scott Wilson updated the Board on the ISNI. He explained that a confidential draft had been shared with departments and only minor changes proposed. He noted that the Programme for Government was likely to change following the return of the Executive, and that this would necessitate further changes to the ISNI. He noted that the return of ministers was likely to bring about increased demand for expenditure without any increase in the funding envelope, and a number of sectors (water, rail, housing, health, green projects) were at risk of underfunding.

18. SW explained the make-up and functions of the Investment Committee of the NICS Board. He thought it a positive development for the ISNI as it would assist in monitoring progress and fixing issues as they arose. To some degree it would remove any requirement for a separate Infrastructure Commission.

Report on Root Causes of Delay and Cost Overruns on Infrastructure Projects

19. BH took the report circulated with the papers as read, and summarised the conclusions that the growing complexity of the system rendered it slow, fragile, and unpredictable. Any material improvement to the system would have to address policy, process and most importantly the expertise of the people working within it.

20. The Board discussed the findings of the report at length. KT welcomed the report, but asked what the next steps were for addressing the issues it identified. BH explained that it would be for the NICS Board. DMcC suggested that the new Infrastructure Committee of the NICS Board might have a role in this. DMcS thought the issues identified in the report were part of a wider lack of leadership and accountability which would not be addressed without political engagement.

Social Value Unit

21. Lisa Beers joined the meeting and answered questions from the Board regarding the video presentation which had previously been circulated with the papers. DMcC asked about the level of staff retention once contracts with social value clauses ended. LB said that 86% of staff remained with the contractors after contract expiry.

22. The Board noted the ongoing issue around transferring the Social Value Unit into the NICS. LB noted that it made little difference to the effectiveness of the unit itself, and BH agreed, but added that if it remained in SIB additional funding would be required to pay for it.

Draft Partnership Agreement

23. The Board discussed the terms of the revised draft Partnership Agreement with TEO. Its terms were duly approved.

Report from Audit Committee

24. DMcC reported on the proceedings of the Remuneration and Audit Committee. He noted that the committee had:

- reviewed the Risk Register.
- approved the external audit strategy.
- reviewed the internal audit report (follow-up on prior year recommendations); and
- noted the IT Assist assurance statement.

Media Pack

21. The content of the media pack was noted.

AOB

22. Noted that next meeting was 23 April at Ulster Museum (to be preceded by meeting of the Remuneration Committee, attended by all). Thereafter 21 May at Cultra (to be preceded by Audit Committee) and 24 June at venue TBC (also preceded by Audit Committee).

Actions

1. *Options paper for appointment of CEO to be brought to Remcom (Ursula Doherty)*
2. *External comms script to be prepared re BH retirement (Comms Team)*
3. *CEO replacement to be added to Risk Register and TEO Issues list (BH)*