

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 9.00am on Tuesday 21st February 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)
Fiona McCandless-LWWP(FMcC)(Item 21 only)
Paddy Brow-LWWP (PB)(Item 21 only)
Jean Wylie (JW)(Item 22 only)

Apologies: None

Declarations of interest

1. The usual declarations of interest were taken as read.

Minutes of Previous Meeting

2. The minutes of the January 2017 board meeting were approved
3. GMcG noted that he was in process of collating a board skills register.

4. BH confirmed that the risk register had been updated for Urban Villages. He noted that some re-profiling had been carried out which gave some assurance for this year (although there was always risk insofar as spending was dependent on third parties delivering on their commitments) and that for 2017/18 the budget would lie with TEO. DMcC asked that the updated risk register be circulated with next month's board papers. (MTM expressly noted for the record the receipt by BMC of monies from the Urban Villages programme).

Chairman's and Directors' Business

5. GMcG noted that the appointment of new non-executives awaited a ministerial decision and was not expected soon, given current political backdrop.

6. GMcG noted that he had now spoken with all of the non-execs and he would be meeting BH to discuss any proposed changes to the way the board conducts its business.

7. DMcC noted that he would be likely to be abroad in May and asked what constituted a quorum for board meetings. GH said the Chairman plus the Chief Executive was sufficient.

Chief Executive's Report, ISNI Report, AMU Report

8. BH noted that the effect of political uncertainty on projects varied depending on the project and the interpretation each department took of its ability to proceed given budgetary uncertainty and in the absence of ministerial authority

BH noted that SIB's pay remit for last year remained outstanding pending TEO and ministerial approval. It had first been submitted in September.

9. GMcG invited discussion on the high level implications of the ongoing political uncertainty. Would contingency planning be appropriate or feasible? DMcC asked how this affected the formal processes around business planning. BH said the Business Plan (and, less formally, the Letter of Expectation) could easily be amended but ultimately would require ministerial sign off. However, of more practical importance, the SIB's annual derogations would require to be renewed by TEO. After some discussion it was concluded that although it was important to remain aware of the potential issues arising, there was little that could be done at this point to

control them and it would not be a sensible use of resources to attempt contingency planning given the wide range and uncertainty of potential scenarios.

10. BH highlighted a number of points from the Chief Executive's report. Specifically:

- Irish Capital Spending review: BH noted the approach being taken by the Irish government in its review of capital spending.
- Waste: BH explained that he had written at some length on waste in the CE's report, as he believed that waste crime, the costs of cleaning up after it and the inadequacy of NI waste infrastructure were likely to become a major focus of interest at some stage. DMcC suggested that the board should receive a specific briefing on the position at a future board meeting.

11. GMcG noted the reference in the report to "Buy Social". 12. DMcC noted the reference to the Renewable Heat Incentive scheme in the report. He suggested that it would be prudent if the board could be told of any SIB projects involving RHI (or receive formal confirmation that there were none). **Action: BH to update Board in March.**

12. DMcC sought confirmation that the additional FTC loan referred to in the report would not create further accounting difficulties. BH confirmed that the method now agreed for treatment of existing FTC loans would apply to this and any future FTC loans. 14. GMcG explained the nature of discussions with Sir Edward Lister (advisor to RIO). 15. DMcC asked if BH would be attending the National Infrastructure Commission event referred to in the report. BH confirmed that he would.

13. DMcC asked if the ability to reclaim part of SIB's VAT referred to in the report could be exercised retrospectively. BH explained that this was unlikely to be practical.

14. The board noted with approval the appointment of Julie Harrison as Chair of the NI Big Lottery Fund committee. In response to a query from DMcC, BH said he did not believe there was a likelihood of conflicts of interest arising and all appropriate forms had been signed in that regard.

15. KT asked if the SIB Review was part of a wider review of ALBs or was specific to SIB. BH confirmed that it was the 5 yearly review specific to SIB.

16. MTM noted the possibility of opposition to the proposed North West Medical School in connection with which SIB's assistance had been requested.

17. BH noted that the transfer of responsibility for the Belfast Rapid Transit Project following the transfer of Ciaran de Burca to NICS had been necessary.

18. BH undertook to update the board on the position regarding RADAR. **Action: BH to update Board in March.**

19. MS spoke to the ISNI Report. He explained that HOCS had requested that all key strategic documents, including the draft ISNI should be ready for consideration by new ministers post election, and this was in hand. He explained that the ISNI team were also working on a strategic infrastructure planning model for the Education Authority. This would support EA's area based planning. Esther Barnes had also been working on the Digital Analytics Research project.

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

- Reform of Property Management.
- NI Water: a bid had been put in to purchase equity in Project Alpha. There were three other bidders in the running.
- BMC: DMcC asked if a target date had been set for conclusion of discussions with the contractor. SW said it still hadn't.
- Community Asset Transfer: AMU were assisting with projects.
- Wind Energy: AMU were progressing a project to appoint a partner to use energy generated on the forest estate to supply the public sector.

SW said he would welcome any comments on the Draft Action Plan for 2017/18.

GMcG noted with approval the asset management training referred to in the report.

DMcC asked why FTC had been rejected as a means of buying out PPP projects. SW explained that the terms on which FTC was made available precluded using it for refinancing existing projects.

DMcC asked if the balance of the identified asset disposals would be achieved for June monitoring. SW said it would, although this was not a target as such. He explained that the actual amount of receipts required was currently uncertain.

Living with Water

21. Fiona McCandless and Paddy Brow joined the meeting and gave a presentation on the Living with Water programme. FMcC explained the key drivers behind the project (flood avoidance, environmental protection, and facilitating economic growth). PB explained the governance structure and the substantial challenges arising from ageing infrastructure and urban growth. He noted the large amount of investment required and the potential problems which could arise from investing on a piecemeal basis. He explained that in the absence of water charging NIW could not borrow the substantial sums involved, so funding could only come through capital allocation.

Communications Update

22. Jean Wylie joined the meeting and gave the board a short presentation on the work carried out by the communications team, including two short videos on Arvalee and the Seamus Heaney Homeplace. DMcC suggested that it might be appropriate for the board to meet at Strule, and GMcG agreed. JW explained the work ongoing on internal communications following the staff conference.

Finance Report

23. The Finance Report was noted.

Staff Survey

24. BH explained the work being carried out to follow up on the staff survey. GMcG noted the importance to staff of concerns being addressed.

Skills Gap Review

25. The board noted the NICS Skills Gap Review prepared by DoF and Fujitsu. GMcG asked if implementing its recommendations would lead to less reliance by NICS on assistance from SIB.

BH said that in the longer term it might. BH confirmed to DMcC that the review had been sent to the SIB review team. GMcG noted that it was evident that in the short term at least this was likely to constitute a major part of SIB's activity. GMcG asked whether it was possible to forecast the nature and extent of assistance that would be required over the next year. BH said this was very difficult, although experience suggested there would be less demand as long as the political impasse continued, followed by increased demand when new ministers were appointed.

GMcG asked if there was a need to revisit SIB's organizational structure in the light of the increased number of staff. BH said he didn't perceive a need to do so for the moment. MTM noted that as an organization grew beyond a level more formal structures were often required to manage risks around communication etc. DMcC agreed this was something to be kept under review and revisited in six months' time. **Action: BH to place on Board agenda.**

26. It was agreed that the draft Business Plan could be revisited on, or potentially after, 16th March. **Action: BH to place on Board agenda.**

SUMMARY OF ACTIONS

| Reference | Action | Responsible | Timing |
|------------------|--|--------------------|--------------------|
| 17/2/001 | Board to review risk register. | BH | March meeting. |
| 17/2/002 | Update Board on use of RHI in SIB projects | BH | March meeting. |
| 17/2/003 | Update Board on RADAR Centre. | BH | March meeting. |
| 17/2/003 | Board to discuss SIB organizational structure. | BH | September meeting. |
| 17/2/004 | Board to discuss Business Plan post-election. | BH | March Meeting |