

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10.00am on Thursday 16th March 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)

Apologies: None

Declarations of interest

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

Minutes of Previous Meeting

2. The minutes of the February 2017 board meeting were approved.
3. GMcG noted that he had undertaken to bring the board skills register to the April board meeting.

4. GMcG asked for an update on the pay remit. BH explained that discussions were still ongoing with TEO.

Chairman's and Directors' Business

5. GMcG noted that he had now met with all of the other directors individually. He said he proposed to hold a workshop to during the summer on the corporate planning process, and a board effectiveness review in the autumn. DMcC noted that the Audit Committee's review of board effectiveness would be carried out at the same time. It was agreed that the discussion of the risk register should be rolled in to the report from the Audit Committee and that this would be the best way to formally consider the risk register in future.

Finance Report

6. BH noted that the largest mismatch between budget and expenditure related to Urban Villages, but he expressed confidence that the spending target would be achieved, primarily through the use of grants. SW said he was confident that AMU would meet its own spending targets.

Chief Executive's Report, ISNI Report, AMU Report

7. BH updated the board on a number of the matters referred to in the report. In particular:-

-Arc 21: The PAC report had been issued to the department, but no decision was expected from the department during the current period of political uncertainty.

-MLK: Bryan Gregory was due to take up appointment at the end of March as interim chief executive at MLKDC. DMcC noted that the MLKDC board had approved the appointment but that it was still to be discussed between the MLKDC Chairman and TEO. DMcC noted that it had been the MLKDC board who had asked SIB to provide a candidate for the role. He suggested that a policy should be put in place to describe a process for filling external posts from internal SIB resource. BH agreed to action this. MTM asked if there was a need for greater HR resource given the increasing scale of SIB's staffing and commitments. BH said he believed the HR manager had access to sufficient support.

- Causeway Coast and Glens: The Council have concluded contracts with Ulster University and 5Nines for the data centre development.

- North West Medical School: BH had spoken to the Permanent Secretary at DoH and informed him of SIB involvement in writing the business case.

- Renewable Heat Initiative: BH explained that SIB had been asked to provide some technical support to the RHI enquiry.

-SIB Review: BH gave a brief summary of the issues upon which the reviewers appeared to be focusing.

-Derogations: BH noted that there was no minister to renew SIB's annual derogations from the normal public sector requirements regarding the use of consultancy and approval of business cases.

8. KT queried SIB's potential exposure under the legal actions referred to in the CE's report.

9.DMcS asked if the legal action around Desertcreat was likely to result in any SIB liability. BH said he thought it unlikely.

10. DMcS noted the generally positive news on Strule.

11.DMcC noted the reference in the CE Report to a 5 Council recycling project. He asked if this was in competition with Arc 21. BH explained that it was not.

12. DMcC asked about the position on RADAR. BH said he had made enquiries but awaited a response and the matter remained on the actions list.

13. MS spoke to the ISNI report. He described the discussions the Department for International Trade to identify a list of potential private sector projects which would be suitable for foreign investment. DMcC asked whether it would be possible for the projects listed on the ISNI report to proceed in the absence of ministerial approvals. MS said that it depended on the stage they had reached- where projects were already in procurement, ministerial approval was less likely to be required.

14. SW drew attention to a number of particular items from the AMU report. Specifically:

- The RPM Programme Board had agreed that SIB's contribution should be utilized up front to allow the programme to proceed.

- NI Water's bid to purchase project Alpha was proceeding.
- The possibility of using cash to refinance existing on balance sheet PPPs was being explored.
- The OJEU notice for the Investment Fund manager appointment had been issued.
- The capital receipts target for 2016/17 would be met.
- The actual outcome for additional income from Translink car parks would be higher than that previously forecast. A development brief had been issued for Abbey Trading Centre, and it was hoped to increase revenue through a geared ground rent approach.
- The gross annual efficiency savings delivered now amounted to £56.8m.

DMcC asked how much had been spent to date on the Invest to Save programme. SW said £51m had been spent, generating savings of approximately £5m per annum.

SW noted that DfI had asked for SIB representation on their income maximization group, and Michael Donnelly would take on this role.

DMcS asked what work was being undertaken by AMU with councils. SW explained that work was being undertaken with 6 councils.

Implications of Assembly Election Outcome

15. BH noted that the political situation remained uncertain. The most immediate impact of the ongoing uncertainty was around SIB's derogations (as already noted). The Ministerial Letter of Expectation clearly couldn't be issued without ministers, but was not essential for SIB's continuing operation. The Business Plan could be approved by TEO officials. DMcC proposed that the draft Business Plan should be submitted as normal without making any assumptions as to the eventual political outcome, and it was agreed that this was the most sensible course.

Report from Audit Committee/ Risk assessment and Register

16. DMcC reported on the proceedings of the Audit Committee. He noted that the internal auditors had accorded a "satisfactory" rating to SIB's risk management, control and governance for 2016-17.

17. The committee had discussed risk and the processes to manage it, and additional risks which should be considered and the weight given to existing risks on the register. GMcG asked if cyber security was correctly placed on the risk chart. BH noted that this was primarily the responsibility of IT Assist, and said he was content where it was. DMcC suggested that staff should be given a presentation on cyber security to mitigate this risk. BH noted that this had been included as part of the last staff conference. GMcG noted that the increasing number of staff was of itself likely to increase the probability of risks crystallizing and require greater focus on risk procedures.

18. DMcC explained that it was the intention that the Audit Committee should formally consider risk and risk processes, and report and bring recommendations to the board on a quarterly basis, for consideration and approval by the full board. This was agreed.

19. DMcC explained that the specific recommendations of the Audit Committee.

These recommendations were accepted.

Staff Survey

20. BH explained that the “neutral” scoring attributed to the board input in the staff survey actually reflected the number of respondents who had omitted to answer the question. GMcG said this the board profile was not a top priority arising from the survey.

21. GMcG stressed the importance of action being taken (and being communicated to staff) as a result of the survey exercise.

SUMMARY OF ACTIONS

Reference	Action	Responsible	Timing
17/2/003	Update Board on RADAR Centre.	BH	April meeting.
17/2/004	Board to discuss SIB organizational structure.	BH	September meeting.
17/2/005	Board to discuss Business Plan post-election.	BH	TBC
16/3/006	Discuss Skills Register	GMcG	April Meeting
16/3/007	Update on Urban Villages spend	Louise Millen	End-March
16/3/008	Develop policy on filling internal posts	Ursula Doherty	April Remuneration Committee meeting.