

Minutes of a Board Meeting of Strategic Investment Board Limited

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

Present: Gerry McGinn (GMcG)(Chair)
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)

Apologies: Marie Therese McGivern (MTM)

Declarations of interest

1. The usual declarations of interest were taken as read. AN noted that she had some knowledge or involvement in Desertcreat and Historical Enquiries through her role with DOJ. BH confirmed that no sensitive matters were likely to be discussed in these areas.

Minutes of Previous Meeting

2. The minutes of the September 2017 board meeting were approved. In response to a query from KT, BH explained that the minutes were published but that commercially sensitive matters were redacted from the published minutes.

Chairman's and Directors' Business

3. GMcG said he intended to meet the board members individually once discussions on the SIB review were completed.
4. GMcG said he had asked BH to seek an update from TEO on the position regarding the new non-executive board members.
5. GMcG noted that the Staff Conference would take place on 23 November and that the Board away day would be on 7th November. He explained that David Sterling and Mark Browne would attend the away day in the morning and topics of discussion would include the Programme for Government and budgetary position, and TEO's response to the SIB Review. BH explained that he would give a presentation on the outcome of a strategic planning exercise currently being carried out with team leaders to assess potential future demand, staffing levels etc. There would be a wider discussion of corporate strategy in the afternoon. The normal monthly board meeting would take place between 9am and 10am.

Chief Executive's Report, ISNI Report, AMU Report

6. BH updated the board on developments since the preparation of his report. He noted that the political outlook remained very uncertain, with no reliable indicators of either the imminent establishment of an Executive or the introduction of direct rule. He said a budget was expected to be set by the end of October, and although it would be prudent to anticipate cuts to the revenue budget there was little that SIB could do to prepare for it. The budgetary position would affect the various departmental projects which SIB supported as well as SIB's own budget.
7. BH updated the board on the position with regard to a number of specific matters. These included:
 - Arc 21: BH explained that the Permanent Secretary at DfI had, in the absence of a minister, taken the decision to grant planning permission, but that there was a strong possibility of legal challenge.
 - Strule: BH explained that it seemed probable that tenders for the construction contract would be issued by the end of November (in order to avoid a further year's delay to the eventual completion of construction).

-RADAR: BH explained that PSNI had asked for assistance in implementing the recommendations previously made by SIB in March 2016.

-Casement Park: BH explained that the additional work on the Traffic Management Plan (as referred to in the CE Report) would not adversely impact on the timetable, although there was now concern that the lack of a ministerial decision on the planning application would cause a delay.

- Causeway Coast and Glens Council: Jim Allister MLA had asked for a review of the response to his earlier FOI request.

-Office Relocation: BH updated the board on progress. He noted in particular the difficulties in resolving the issue of security passes for SIB Staff.

-3PD “Whistleblower”: BH noted that the investigation had found no wrongdoing, and that its recommendations in respect of the wording of declarations of interest had been implemented.

-Pay Remit: BH reported that this remained for consideration by DoF. DMcC noted that SIB was one of a number of ALBs awaiting departmental approval of pay remits.

- Employment case: BH said he and SW had met with the QC. It was agreed that lessons learnt (if any) would be considered by the Audit Committee and reported to the board once the legal proceedings were concluded.

-ILEX: With regard to the ILEX employment case, BH noted that he had been asked to consider using TEO’s legal team to represent SIB. However taking all the circumstances into account he was not minded to do so. The board agreed that it would be wise to retain independent representation.

8. DMC asked if the lack of an Executive would impede the loans of FTC monies. BH said it would not. DMcS asked BH to clarify the amounts of the proposed FTC loans to Ulster University and Queens respectively and BH said he would do so. DMcS asked if TEO were fully informed of the FTC loans being made through SIB. BH explained that they were – indeed the monies were transferred from TEO in each case.

9. MS took the ISNI report as read. He explained that work continued to update the Draft ISNI with TEO, and on the Rural Impact Assessment. He noted that some consideration was now being given to the implications of a “no deal” Brexit.

MS noted the work being done with the Department for International Trade to promote private sector investment opportunities in Belfast.

MS said the ISNI team were working on 4 research projects looking at the effect on infrastructure demand of population growth, different levels of economic growth, technology and climate change respectively.

MS updated the board on activity in the data science front, including a schools transport programme and an outline business case for a technology institute.

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

- good progress continued to be made with the Reform of Property Management;
- the programme is dealing with some complex lease situations which may impact on longer term investment plans;
- the lack of clarity about the availability of capital could put in doubt potential for rationalization by buying out leases. Alternative structures were being considered;
- work was progressing with Translink to optimize its property management;
- the Ebrington site transfer from TEO to the Council was likely to slip into next financial year;
- completion of the OBC for the wind energy programme was dependent on a response from DfE;
- it was clear that community bodies would need resource in connection with Community Asset Transfers, but this would have to come from sponsor departments, not SIB;
- the purchase of NI Water's Project Alpha was scheduled to complete 13/10/2017;
- a paper on PPP refinancing opportunities in the Education sector was complete and should be submitted to Treasury within the week;
- a decision on the Weavers Cross planning application (ie on the transport element of the Transport Hub) was expected in the next 1-2 months;
- the preferred bidder on the redevelopment project for Queen's Parade, Bangor had been deselected after it became clear that the developer could not deliver the outputs specified in the tender.

DMcS queried the references to energy savings on the SW Hospital PPP project. SW explained that compensation had already been agreed in respect of a failure to meet requirements, but the current work related to achieving further savings.

Quarterly Reports and Dashboards

11. GMcG asked board members if there were any particular issues arising from the quarterly reports and dashboards. DMcC queried if the level of the information security risk identified on the Risk Summary should be reconsidered and increased. BH agreed to reconsider it. With regard to the risk that appointments could be subject to CSC approval, BH explained that a working group had been set up but there was no substantive news to report. DMcC noted the comparatively low absence statistics. DMcS noted that the reference to BCC processing planning in the “Objectives at Risk” sheet should be to the department.

SIB Review

12. The board discussed the draft report of the SIB Review conducted by Business Consultancy Services. BH said he was broadly content with the terms of the report and that he generally had no difficulty with the recommendations.

KT identified five key issues from the draft report being (1) the need for the board to input to any discussion around strategic direction for the organization (2) business model and structure (3) knowledge transfer (4) measuring impact and (5) communication of SIB’s role. She suggested that (1) and (2) would fall to the Board to address and (3) to (5) to SIB management. GMcG agreed and suggested that each of the report’s recommendations be considered in this light.

The board then considered each of the recommendations in turn.

Recommendation 1 (TEO to lead on the development of a strategic discussion): GMcG said TEO might lead the discussion, but the board should have a major role in informing it. This tied into KT’s point (1). DMcC and DMcS agreed. DMcS said it would be preferable if the terms of the recommendation could be changed to expressly refer to the role of the board. BH noted that to some extent on an annual basis it was possible to input to strategic direction through the mechanism of the Letter of Expectation, but agreed that it would be appropriate to suggest to

TEO an amendment to the terms of the recommendation on the broader issue of strategic direction.

Recommendation 2 (retention of NDPB status): It was agreed this could have been included as part of Recommendation 1 but was otherwise not an issue.

Recommendation 3 (SIB to develop an enhanced approach to measuring contribution and impact): This tied to KT point (4). BH explained that the review team had seen the Benefits and Achievements Statement. He suggested that the standard OPA could be amended to include a specific section re measurement of SIB's contribution and impact. SW noted that the business cases prepared by departments to use SIB's services would provide a baseline which could be used to measure outputs.

Recommendations 4 and 5 (Knowledge Transfer as output, and mitigation of NICS skills gaps): There was general support for this recommendation although it was noted that it could only be achieved if departments themselves wanted it. In that sense it fed back to the wider question of strategic role. GMcG noted the importance of seeking to address all of the recommendations and recording the steps taken to do so.

Recommendation 6 (Initial engagement and fostering relationships to ensure understanding of role): BH said there was absolutely no issue with this.

Recommendation 7 (Measuring client Understanding): It was agreed this was uncontroversial.

Recommendation 8 (Plan to further build effective relationships, particularly in areas of public sector overlap): It was agreed that some clarification might be sought as to the scope of this recommendation.

Recommendation 9 (Further independent review of senior structure): It was felt that this was something which could adequately addressed by the board itself.

Finance Report and Media pack

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

ACTIONS:

- Clarification of FTC loan amounts (Item 8 refers) (BH)
- Review of risk status for information security (Item 11 refers) (BH)
- Response to TEO on draft SIB Review Report (BH)