

MINUTES OF THE STRATEGIC INVESTMENT BOARD MEETING

Held on Friday 18th February at 2pm

By Zoom Videoconference

Present

Gerry McGinn (Chair)
Brett Hannam
Duncan McCausland
Danny McSorley
Marie Therese McGivern
Minute Taker: Helen McNeill

Apologies

Kathryn Thomson

MINUTES OF THE PREVIOUS MEETING

The minutes of the January 21st meeting were approved as an accurate record with no amendments to be made.

MATTERS ARISING

There were no matters arising.

CHAIR'S BUSINESS

The implications of the recent resignation of the First Minister and the absence of an Executive were discussed. There are two main effects.

Ministers will be unable to approve the draft Letter of Expectation. In similar circumstances in the past, the NICS Board had agreed the Letter of Expectation and the TEO Board the Business Plan. The ministerial derogation that enables SIB to award consultancy contracts without reference to DoF will expire on 31st March unless renewed.

The other, more pressing concern is that the appointment of the next SIB Chair is likely to suffer from a delay, and interim arrangements will need clarified. The recruitment competition has opened and will continue as planned.

BH informed the Board that he raised the issue with TEO at a recent stocktake meeting. The issue of the Chair's interim replacement is currently being considered centrally as there are other ALBs in a similar situation.

MTM pointed out that, even after the Assembly elections in May, it could take months to form an Executive, by which time the tenure of two Board members (MTM and DMcC) will have expired.

DMcC informed Board members that, in the case of MLK Board appointments, which are also subject to political uncertainty, current legislation had enabled (re)appointments to be made via the Civil Service who were able to carry out this function in the absence of Ministers.

DIRECTORS' BUSINESS

DMcC noted that the draft three-year budget had not been agreed before the First Minister resigned. Currently, DoF can plan for the use of 45% of the budget in the first instance, followed by up to 90% later in the year. DMcC and MTM cited examples of some decisions being speedily pushed through the NI Assembly, prior to the May election. However the risk is that with no agreement on the overall budget, it will again be difficult to plan for the longer term.

Board members reiterated that there is an impact on both public and private sector organisations outside of SIB. Since some of these organisations may be partners or client departments, the impact for SIB may be felt indirectly, but still be significant in terms of project delivery timetables or requests for support.

LETTER OF EXPECTATION AND BUSINESS PLAN

BH outlined the three major assumptions underpinning the budget set out in the business plan:

1. There will be a considerable amount of new work on ISNI. Most of this will not be recharged but will come from the core budget.
2. The Social Value Unit will transfer to the NICS by the end of the FY.
3. The AMU will wind down with most of its staff moving to other work. Energy management will move into DfE.

BH confirmed that he had shared both the draft Business Plan and the draft Letter of Expectation with TEO colleagues.

Since the annual budget cuts each year from 2009 onwards, SIB has responded by reducing its enabling budget, which is used to support project development. The 2022-23 budget for this work is much smaller than in previous years.

DMcC suggested that the budget uncertainties may have to be added to the risk register and that this would be discussed at the next meeting of the audit committee.

The Board agreed to provide detailed comments on the business plan and noted that the final draft would be brought to the March Board meeting for final approval.

FINANCE

The Board discussed SIB's financial position for the FY 2021-22. This was broadly in line with the budget.

Both DMcC and BH gave assurances that there were no financial risks identified for the current FY that needed to be brought to the Board's attention.

CEO REPORT

MTM commented on the positive and informed way in which BH and Bryan Gregory (Interim CEO of MLK) had answered questions from the TEO committee at their recent evidence session. However, she noted the comments made by the TEO Committee Chair, immediately following the briefing. MTM welcomed the opportunity BH has to attend the Finance Committee as this would provide an opportunity to correct some of the mistaken assumptions made about the way in which SIB operates. In addition, the NIAO has given examples of the way in which SIB's work supports the NICS and this might be helpful as a reference point.

DMcC reminded BH that it would be prudent to write to the TEO Committee with a copy of the brief going to the Finance Committee.

The Board noted that two projects remain at RED status (Arc21 and Casement Park).

The construction market is very volatile, and this is affecting potential bidders and their willingness to put forward fixed-price tenders. This will particularly affect large construction projects such as the Strule Shared Education Campus.

The Board noted the continuing discussions that are taking place with HOCS and TEO regarding the Social Value unit and where it might be placed within the NICS.

BH informed the Board of his recent conversations with NICS HR. They have determined, after legal advice, that only permanent employees of SIB are eligible for secondments to the NICS. BH continues to work with NICS HR to consider the implications of this change in approach.

The Board discussed the reasons for the delay to the Queen's Parade Development, Bangor. BH explained the perceived flood risk from Clondeboye Lake which was the determinant factor in the view of the planning authority. DMcS stated that, in his experience, it would be standard process that any engineering issues should be dealt with as a planning process risk issue that should be understood by both the Council and the developer.

AOB

No other business was raised.

The next Board meeting will take place on Monday 21st March in person at Cultra Manor.

Chair