

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10 pm on Tuesday 17 May 2022 at 9 Lanyon Place, Belfast

Present: Duncan McCausland (DMcC)
Danny McSorley (DMcS)
Brett Hannam (BH)
Marie Therese McGivern (MTM)
Kathryn Thomson (KT)

In attendance: Gregor Hamilton (GH)
Peter Gilleece (PG)

It was agreed that DMcS 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. Members confirmed they had read the Board papers.

Minutes of Previous Meeting

3. The minutes of the March 2022 Board meeting were approved.
4. BH agreed to circulate the final draft of the Business plan for approval after the meeting, and KT agreed to circulate a draft letter for TEO re SLT and pay policy. The other actions from the April meeting were complete.
5. The March Audit Committee minutes were noted.

Chairman's and Directors' Business

6. It was noted that the recruitment process for the new Chair was still ongoing. The TEO representative at the Audit Committee had agreed to provide a note setting out the Board's options should the recruitment be further delayed.

7. DMcC circulated the returns from the board effectiveness survey.

Report from Audit Committee

8. DMcC reported on the proceedings of the Audit Committee. He noted that the committee had:

- reviewed the risk register (which now incorporated the Covid risk register) and discussed a potential new risk around non-appointment of a new chair and non-execs;
- reviewed the draft report and accounts for 2021-22 and authorized their release to the NIAO for audit
- considered the internal audit report on sickness and absence, which had received a SATISFACTORY assurance rating;
- reviewed the implementation of internal audit recommendations from last year, all of which were either implemented or being implemented;
- reviewed the Internal Audit Plan for 2022-23;
- reviewed the Fraud Risk Assessment; and
- approved the CEO's Assurance Report to TEO.

9. DMcC explained that, as usual, the minutes of the Audit Committee meeting would be circulated to the full Board.

Chief Executive's Report

10. BH took the CEO Report as read and updated the Board on developments since it had been prepared. He reported on the useful discussion which had taken place with Julie Harrison, the Permanent Secretary at Department for Infrastructure, regarding NI Water, Buses/Translink and the need for planning reform.

11. MTM welcomed the positive engagement with Neil Gibson, the new Permanent Secretary at DoF.

12. DMcS congratulated Joy Hadden on her success in the Leading Strategic Projects programme.

13. DMcS noted the intention of TEO to write to DoF to seek an independent review of SIB pay policy. He asked if SIB would be allowed to input into the terms of reference. BH confirmed that the terms would be shared with the Board for its endorsement.

14. DMcC noted the updated position on Strule and asked whether it would be appropriate to move it from “AMBER” status to “RED” in the light of the threat posed by construction cost inflation. BH agreed that this would be appropriate. He noted that cost inflation was a threat across the entire range of capital projects.

15. DMcS expressed concern regarding the position at Strule.

16. BH noted the difficulties being caused across the board by rapid increases and high volatility in the cost of labour and materials. He explained the way in which cost inflation undermined procurement processes, which in many cases assumed that contractors could commit to fixed prices over substantial periods. Price increases also meant the public sector would buy less with the available funds, rendering the goals set out in the ISNI even more difficult to achieve. It also threatened the affordability of specific projects, such as Strule and Casement Park.

He noted that the budgets for City Deals were fixed, and that projects were therefore likely to be scaled back.

DMcC noted that this fed in to the “Funding” risk on the risk register, and that there was a specific risk for SIB insofar as projects might be cancelled because of increased costs

17. The Board discussed the Dashboards and Project Reports. It was noted that 75% of staffing costs were now recovered from third parties rather than paid from core funding - a substantial change from the position only a few years previously.

Investment Strategy

18. Peter Gilleece joined the meeting and gave a short presentation on the work being carried out by the ISNI team to finalise the ISNI following closure of the public consultation on 20 April.

He explained how natural Language Processing and AI would be used to analyse the responses to the consultation before five workstreams under specialist leadership engaged further with stakeholders. He explained that the intention was to have the final draft ISNI prepared and the first 10-year Investment and Financing Plan ready for submission for Executive approval no later than December 2022.

19. DMcS asked whether there were any themes emerging from the responses so far. PG said there was a lot of interest in cutting emissions, and a desire for departments to work collaboratively and in a coordinated manner.

20. DMcS asked whether there was a risk that the strategy, being intentionally prepared in a different manner from the previous “list of projects”, might lack focus. PG explained that the intention was for the strategy to set out clear criteria to determine which projects would go forward.

21. DMcC asked how the current inflationary background would impact on the ISNI. PG explained that the content of the 10-year plan would inevitably reflect the increased costs. BH noted that while certain projects might become unaffordable, the new ISNI governance structures would provide a mechanism for managing resources if they did.

22. KT asked if the responses were viewed as a good response to the consultation. PG explained that it was viewed as satisfactory, particularly as most responses were from organisations rather than individuals and considering the number of bodies who had already been afforded the opportunity to input before launch of the formal consultation.

Future Working Guidance

23. The Board discussed the two papers tabled - “Striking the Balance: Hybrid Working Principles at SIB” and the draft policy document “Hybrid Working at SIB” – in the light of experience at other organisations. It was noted that the situation was still evolving, and a range of approaches would anyway be required across different organisations. The papers were approved as a sensible and flexible approach. It was agreed that the Remuneration and Personnel Committee should monitor developments.

Media Pack

24. The contents of the Media Pack were noted.

AOB

25. Dates for Board meetings for the remainder of 2022 were agreed as follows:

13th June (10am, preceded by Audit Committee) (by Zoom);

No meeting in July

5th August (10am);

19th September (3pm, preceded by Audit Committee)

18th October (10am);

21st November (provisional - away day).

Chair

Actions

Actions from previous meetings

Reference	Action	Responsible	Expected Completion
04/22/2	Circulate draft letter to TEO regarding SLT and pay policy	KT	June 2022

Actions from May 2022 Meeting

Reference	Action	Responsible	Expected Completion
05/22/1	Updated Business Plan to be circulated	BH	May 2022
05/22/2	May Audit Committee Minutes to be circulated	BH	May 2022
05/22/3	Jennifer Morgan to be invited to attend board	BH	June 2022