

Minutes of a Board Meeting of Strategic Investment Board Limited

Held at 10 am on Friday 5 August 2022 at Cultra Manor

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

In attendance: Gregor Hamilton (GH)
Scott Wilson (SW)
Helen McNeill (HM)
Patricia Mallon

It was agreed that KT should chair the meeting.

Declarations of Interest and Board Terms of Reference

1. The Board confirmed its previously stated declarations of interest. MTM highlighted her interest in NI Water in light of potential topics of discussion.
2. The Board Terms of Reference were noted. Board members confirmed they had read the Board papers.

Minutes of Previous Meeting

3. The Board approved the minutes of the June 2022 Board meeting. It noted that all the action points were complete. The Permanent Secretary had responded to DMCC's letter and would attend the September board by video conference.

Chairman's and Directors' Business

4. MTM noted how the lack of a functioning Assembly was hindering progress in a number of sectors. DMcC noted the increasing budgetary pressures.

5. BH said that he wished to progress the development of a new operating strategy and the implementation of a new management structure. He proposed that he meet each Board member individually to seek their views before bringing a proposal for consideration at a Board meeting. This was agreed.

Letter from Permanent Secretary

6. The Board noted the contents of Denis McMahon's letter. The board looked forward to the discussion at the September meeting.

Report from Remuneration Committee

7. DMcC formally reported on the proceedings of the Remuneration Committee. He noted in particular that the committee had:

- discussed the structure of the finance team but deferred a decision on whether to implement any changes pending further information;
- increased the CEO's remit to approve new appointments without reference to the Remuneration Committee from £50k to the median remuneration point (currently £77K);
- approved the social media policy;
- agreed the pay remit for 2021-22; and
- briefly discussed the gender equality analysis, although HR would bring a full report on the results to the next meeting.

8. MTM referred to the minutes of the previous meeting and asked whether legal advice had been received regarding right of former staff to claim back-pay in respect of increments determined after their departure. DMcC explained that advice had been received to the effect that there was no such right. This was consistent with MTM's own experience.

9. DMcS sought further clarification on the decision to increase the CEO's independent remit in respect of new appointments. BH explained the procedures in place for approval of new appointments and noted that there was no formal requirement for the Accounting Officer to refer appointments to the Remuneration Committee. He had introduced the discipline of

referring more highly paid appointments to the committee to help provide assurance to TEO that SIB's operational freedoms were being used properly.

Chief Executive's Report

10. BH took the CE Report as read and provided an additional update in respect of progress with the Studio Ulster project, with which several SIB staff had been involved in different roles.

11. DMcS noted the reference in the report to revisiting the advice given to DfI regarding funding models for NI Water. BH explained that the advice primarily related to governance models that would allow NI Water to borrow to fund its requirement for major capital investment. He noted that a similar issue was likely to arise in respect of NI Housing Executive.

13. DMcC asked if there was any potential reputational risk arising for SIB from the varying success of energy hedging models. BH believed that there was some risk but that this was unavoidable. He noted that the extreme volatility of markets arising from the invasion of Ukraine had not been foreseen.

14. DMcC noted the reference in the report to data analytics support for TEO. He asked if SIB were providing this support, or just sourcing it. BH confirmed that SIB was providing it.

16. The board noted the position on the "RED" projects, namely:

- Arc21
- Casement Park
- Strule; and
- FE Colleges Programme.

Investment Strategy

17. SW joined the meeting and explained the key points from a slide presentation that he had delivered to a meeting of party leaders. This covered two principal areas. The first part concerned the way in which the ISNI objectives were being aligned with the NICS “missions” and incorporated into a 10-year capital and resource investment plan. He explained the steps being taken to co-ordinate the activities of different bodies within an overarching plan (for example coordinating NI Water’s infrastructure investment with NIHE’s plans for new housing). The second element of the presentation related to proposals for financing the investment under the plan. This covered several areas, including restructuring bodies to allow them to fund their own investment, continued and better use of FTC, revenue raising, and alignment with other available funding sources both inside and outside NI.

18. KT asked how the political representatives had received the presentation. SW said the reception had varied amongst the various attendees but had generally been positive.

19. DMcS noted that the ISNI focused on buildings, but many of the biggest problems arose from the way services were provided. SW agreed that this was the case, and the focus of the ISNI had always been infrastructure. However, he noted that, through the processes described in the first part of the presentation, the plans for infrastructure investment were being coordinated with other measures to implement the wider PfG objectives.

Strategic Support Unit Update

20. PM joined the meeting by videoconference and gave a brief presentation on the activities of the SSU. She explained that the financial performance for 2021-22 was broadly in line with the previous year, and performance feedback from clients had been generally very positive.

21. PM noted the difficulty in finding suitably qualified staff with the experience to provide the type of support which clients expected from the SSU. This was an impediment to further growth, and the model did not lend itself to training up less experienced staff.

22. BH explained that PM was due to leave SIB shortly. The board thanked her for her substantial contribution to the work of the organisation over many years.

Causeway Coast Extraordinary Audit Report

23. BH referred to the Local Government's critical report on land transactions carried out by Causeway Coast and Glens Council. He explained that although the severe criticisms in the report concerned the Council, there were references in it to the Council's purported reliance on a note produced by a member of SIB staff as a basis for taking one of its decisions. Although the SIB employee had acted in good faith throughout and had not been criticized, there were lessons to be learned from these events. Accordingly, he had directed Alan McVicker, Head of the Council Support Unit, to draft a 'lessons learnt' report. The Audit Committee would consider this, and it would then be distributed to all staff embedded within external bodies.

Media Pack

24. The Board noted the contents of the Media Pack.

Finance

25. The Board noted the contents of the Finance Report. BH confirmed that there were no matters arising from it to bring to the Board's attention.

AOB

26. The date of the next meeting was confirmed as the afternoon of Monday 19 September.

Actions

Actions from August 2022 Meeting

Reference	Action	Responsible	Expected Completion
08/22/1	BH to set up one-to-one meetings with the board members to discuss structure proposals	BH/DMcC	September 2022