

Minutes of the 156th Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.

Tuesday 25th August 2015 InterTradeIreland (12.30pm – 14.45 pm)

Present:

Board Members:

Mr Martin Cronin	Chairman
Mr Brendan Butler	
Ms Rosemary Delaney	
Mr Jack Gallagher	
Mr Hubert Brown Kerr	
Mr Timothy Mayes	
Mr Kevin Norton	
Prof Terri Scott	

In Attendance:

Executive:

Mr Thomas Hunter McGowan	CEO
Ms Margaret Hearty	Director of Programmes and Business Services
Mr Laurence Lord	Director of Corporate Services
Ms Orla McGlennon	Board Secretary

156.1 Apologies.

Apologies were received from Mr Terry Crossan, Mr Ray Hayden, Ms Patricia McKeown, Ms Joanne Spain and Mr Aidan Gough.

156.2 Conflict of Interest.

No conflicts of interest were declared.

156.3 Authorisation of Previous Minutes.

The Minutes of the 30th June 2015 Board meeting were approved by the Board.

156.4 Chairman's Report

The Chairman queried whether the Managing Agents are sufficiently focussed on companies wishing to trade cross border which have good potential to eventually trade internationally. The Board discussed the matter and it was agreed that although InterTradeIreland's primary brief is to promote cross border trade, care needs to be taken to minimise displacement, particularly in sectors with limited potential to achieve off island sales. The Board agreed that the Executive should consider how to better prioritise companies with the greatest potential to eventually deliver growth through export sales off island. The report due from the Executive at the end of September on how best to prioritise such companies should inform further consideration of this issue by the Board. It was also agreed that the Trade and Innovation Reports should include a succinct (c. three sentences) but clear description of the business, the value added dimension and the target market.

The Chairman commended Board members on their valuable and effective work on the Sub Committees.

156.5 CEO Report

Mr Hunter McGowan advised that the Regional Action Plan for Jobs was drawing to a conclusion with the final reports due to be published in the coming weeks. The work of InterTradeIreland has been recognised in various reports. He advised that he met with a Bank of England agent to discuss economic trends. The next Business Monitor will survey opinions on the impact of an increase in interest rates. A meeting recently took place with the Small Firms Association (SFA) to discuss the potential of InterTradeIreland organising a Meet the Buyer event in partnership with the SFA, IBEC and the Federation of Small Businesses in Northern Ireland.

Mr Hunter McGowan advised that a tender to provide actuarial advice and pension scheme administration to the North South Pension Scheme is currently being advertised with the contract due to be awarded in October.

The CEO proposed holding the October Board meeting in Dublin on Wednesday 21st October to coincide with the Meet the Buyer event. The Board meeting will be held in the offices of DJEI. The Board asked that the Sub Committee meetings be held on 21st October also. It was agreed that the Board Secretary would send out the revised itinerary to Board members for information.

156.6 Board Sub Committee/Steering Committee Reports

Audit and Risk Assurance Committee Report

Mr Mayes reported from the Audit and Risk Assurance Committee meeting held on 30th June 2015. He advised that a robust discussion took place around the risk register and he referred to the Audit and Risk Assurance Committee Report. The Chairman raised the issue of potential fraud, given the numerous widely reported recent incidences, many of which affected large organisations. Mr Lord assured the Board that the Body has strong anti fraud procedures and policies in place, with high levels of awareness and compliance. The Chairman thanked Mr Mayes for his report.

Innovation Sub Committee Report

Mr Norton reported from the Innovation Sub Committee meeting held on 30th June 2015 to consider 5 new Fusion applications and 4 deferred applications. 8 applications were approved and 1 was rejected. Mr Norton advised that the Sub Committee had reviewed the criteria for participation on the Fusion programme. He recommended that the same definition of a 'tradable service' should be used for all relevant InterTradeIreland programmes. Mr Norton advised that at the Sub Committee meeting held prior to the Board meeting; in-house financial appraisals were included with the meeting papers which were very satisfactory and fit for purpose. The Chairman commended the work of the Executive in this area. The Board noted the decisions of the Innovation Sub Committee in relation to the Fusion Programme. The Chairman thanked Mr Norton for his report.

Trade Sub Committee Report

Mr Butler reported from the Trade Sub Committee meetings held on 30th June and 28th July 2015 to consider a total of 31 applications submitted to the Acumen programme. The Sub Committee approved 19 projects, rejected 5 projects and 7 projects were deferred pending additional information. Mr Butler advised of on-going discussions with the Acumen Managing Agents to review procedures. The Board noted the decisions of the Trade Sub Committee. The Chairman thanked Mr Butler for his report.

156.7 For Consideration, Discussion, Decision &/or Approval

Operations Directorate Progress and Activity Report

Ms Hearty presented the Operations Directorate Progress and Activity Report. She advised that half way through the year all programmes and budgets are on track with a steady stream of enquiries and applications. InterTradeIreland in association with ASM Chartered Accountants launched a new Cross Border Bureau initiative to provide practical advice on cross border matters such as tax and pensions. A series of workshops will be delivered in partnership with InterTradeIreland's Trade team. Discussions are on-going with the Irish Exporters Association to hold Export Ready workshops for their members. Ms Hearty advised that meetings have taken place with the Small Firms Association who would be keen to host a private sector Meet the Buyer event. The half yearly deals for the HBAN networks reported 25 deals representing €8.3m leveraged investment.

Ms Hearty sought Board approval of the allocation of the Seedcorn prize fund of €280,000 which had been approved by the EquityNetwork Steering Committee. The Board discussed and approved €100,000 for the overall winner, category winner €50,000, six regional finalists €20,000 and special award winner €10,000.

Mr Butler advised that the Funding for Growth team have been very supportive of the Startup Gathering 2015 which will take place across Ireland from the 5th to 10th October, with over 50 events being planned across 5 days, 5 industries and 5 cities, Dublin, Waterford, Cork, Limerick and Galway, with the aim of championing the growth of the startup sector throughout Ireland.

The Board noted the Operations Directorate Progress and Activity Reports and the Chairman thanked Ms Hearty for her update.

Governance and Financial Matters

Mr Lord presented the Governance and Financial Matters Report. He advised that a meeting has been scheduled with the Sponsoring Departments to discuss the case for viring monies between budgets.

Mr Lord reported that in February 2015, DFP advised all North/South Bodies that HMRC had directed that PAYE and NI deductions should be applied to Board remuneration and travel and subsistence expenses, for both UK and non-UK residents. The Body had previously been professionally advised that non-UK resident Board members could be regarded as “*short-term business visitors*” to the UK, and could therefore be paid on a gross basis, without deduction of PAYE/NIC. HMRC have confirmed to the Body that the deductions will apply in the case of InterTradeIreland non-UK resident Board members. The first 2015 payment of remuneration was processed in July in accordance with the direction.

Any PAYE/NI contributions which are deducted may be reclaimed by the Board member at the end of the tax year, since non-residents are entitled to claim a personal allowance in the UK as they are residents of the European Economic Area and the liability in respect of fees will have been discharged in Ireland. Claims in respect of previous tax years are also eligible.

Despite representations from the Body and its tax advisors, HMRC have also ruled that PAYE/NIC contributions are due in respect of previous UK tax years - from 2009/10 to 2014/15.

A liability for these tax years has been calculated by the Body, and paid to HMRC. A process to complete the necessary HMRC forms to enable individual Southern Board members to reclaim the PAYE/NIC deducted in respect of these years will shortly be initiated by the Body. On receipt of a refund from HMRC, Board members will be requested to remit this to the Body. There should therefore be no net financial impact for the Body.

The Board noted the Governance and Financial Matters Report and the Chairman thanked Mr Lord for his update.

Premises Update

Mr Lord presented the premises update paper. He advised that the Premises Sub Committee met prior to the Board meeting. Various options are currently being considered by the Executive and will be presented to the Premises Sub Committee for consideration in September. Mr Mayes commended the team and the work being carried out.

The Chairman thanked Mr Lord for his update.

Communications and Marketing Performance Report

Mr Lord presented the Communications and Marketing Performance Report. He acknowledged the work of Mr Hayden in brokering a meeting with UTV. Media coverage of InterTradeIreland Business Monitor Results for Q2 2015 was extensive. In the last quarter, brand awareness has increased by 12%. The Board commended the work of the Communications Team.

The Board noted the Communications and Marketing Performance Report.

Tenders and Variations to Letters of Offer/Appointment

Ms Hearty sought permission to vary a Letter of Appointment to a managing agent to deliver Phase IV of the Fusion programme. In February 2015 to facilitate continuity, the Board approved an extension to the current contract until 31st December 2015 to deliver an additional 33 projects. She advised that the Body was still awaiting approval of the Fusion V economic appraisal by the DETI Minister. She requested a further extension until 31st March 2016 to deliver an additional 11 projects. The Executive reviewed the existing contract arrangements with CPD and were advised that this extension is within the full contract variation option and the process will be managed in accordance with CPD procedures. The Board discussed and approved a further extension until 31st March 2016 to deliver an additional 11 projects.

2016 Business Plan and Budget

Ms Alayne Kinver, Policy and Planning Manager joined the Board meeting for this and the following agenda item. Ms Kinver reported that joint guidance had been received and the draft 2016 Business Plan is due to be submitted to the Sponsoring Departments by 31st August 2015. She advised that a planning rate of 0.70p has been set. The Executive in drafting the budget, have prioritised the most impactful expenditures to work within the set budget. The Board discussed the draft Business Plan and Budget and concern was expressed over reduction in proposed expenditure for innovation activities and over an increase in the percentage of the budget accounted for by administration costs. The Board noted that these changes are due to a number of changes arising from previous strategic decisions, including: the cessation of the Innova programme which entailed relatively large grants; a greater focus on trade and innovation supports for smaller firms; continued growth of staff time intensive capability building activities such as Meet the Buyer, Go 2 Tender and Finance for Growth; and a number of activities previously bought in have been taken in-house. The Board discussed the challenges going forward and commended the work of the staff. It was agreed that Board members will be provided with the Business Plan budget allocation for the period 2010 to 2016. The Board approved the draft 2016 Business Plan and Budget. The Chairman thanked Ms Kinver for her input.

Interreg Update

Ms Kinver gave an update on the Interreg V programme. She reported that the cross directorate team are working on all aspects of the application form. InterTradeIreland Strand leaders continue to work with our partners to define in detail each strand along with estimated costings. SEUPB have

indicated that a call will be made for applications on 7th September with a closing date of 21st October 2015. A meeting with all the partners will take place on 8th September.

The Chairman thanked Ms Kinver for her update.

Business Monitor Results Q2 2015

Dr Magennis, Policy Research Manager, joined the Board meeting for this agenda item. He reported on the extensive media coverage in both newsprint and radio.

North/South Participation in H2020 – Latest Results

Dr Bernadette McGahon, International Research Development and Innovation Manager joined the Board meeting for this agenda item. She presented the Horizon 2020 North South Statistics – January 2014 to February 2015. She highlighted the importance of Horizon 2020 in both jurisdictions with ambitious targets set for the seven year programme. Dr McGahon reported that 116 projects applied for Horizon 2020 funding over the period to date involving 366 applicants. 16 of these projects were North South applications resulting in drawdowns of €19,358,906. Dr McGahon reported that North South activity to date, accounts for 8.3% of Ireland’s total drawdown and 53% of Northern Ireland’s total drawdown. The importance of North South collaboration was highlighted. Success rate for applications to date are: Europe – 14.79%, Ireland 15.38%, Northern Ireland 11.99% and 12% for North South applications. Out of 16 successful North South projects, 9 have had support from InterTradeIreland. Dr McGahon advised the Board that Horizon 2020 activity on the island is very encouraging in comparison to the previous FP7 performance. The All Island Steering Group for Horizon 2020, chaired by InterTradeIreland has set a challenging target of €175m for North South successful applications to the programme. InterTradeIreland has increased its activity to promote and support greater North South collaboration.

The Chairman thanked Dr McGahon for her presentation.

Business Plan Budget Variance and Milestone Exception Report

The Board noted the Business Plan Budget Variance and Milestone Exception Report.

.....Authorised by:

Mr Martin Cronin
Chairman, InterTradeIreland
29th September 2015