

Minutes of the 206th Meeting of the Board of InterTradeIreland, the Trade and Business Development Body

Tuesday 25th August 2020 — via Zoom (09:30am – 11.30am)

Present via Zoom:

Board Members:

Mr Ken Nelson MBE	Chairman
Ms Florence Bayliss	
Mr Micheál Briody	
Mr Paul Greenfield	
Ms Adrienne McGuinness	
Ms Ann Rudden	

Executive:

Mr Aidan Gough	Designated Officer
Ms Margaret Hearty	Assistant Designated Officer
Mr Martin Agnew	Corporate Services Director
Ms Alayne Kinver	Assistant Director of Strategy and Policy
Mr Alan Morrow	Assistant Director of Operations
Ms Orla McGlennon	Board Secretary

206.01 Apologies

Apologies were received from Mr Timothy Cairns and Mr James Spratt.

206.02 Opening Remarks

The Chairman welcomed all to the meeting via Zoom.

206.03 Conflict of Interest

The Chairman declared a potential conflict of interest arising from his position as CEO of LEDCOM, which is a member organisation of Enterprise Northern Ireland and is involved in the delivery of the Co-Innovate programme. Mr Greenfield declared a potential conflict of interest arising from his position as a member of the Peace IV Working Group. Mr Briody also declared a potential conflict of interest arising from his position as CEO of Silver Hill Foods, which is involved with the Co-Innovate programme. Ms Ann Rudden declared a potential conflict of interest arising from her position as founder and MD of Áine Hand Made Chocolates which is a participant on the Co-Innovate programme.

No other conflicts were declared.

206.04 30th June 2020 Board Minutes

The minutes of the 30th June 2020 Board meeting were agreed as a true record of the meeting and were unanimously approved by the Board and would be signed and authorised by the Chairman at a later date.

206.05 Matters Arising

Mr Gough advised that at the staff zoom meeting held on 1st July, the Board's appreciation was passed on to all staff for their work, support and flexibility in the current environment.

206.06 Chairman's Business

The Chairman advised that there would be a brief private session following the Board meeting. He reported that he had written on behalf of the Board to Minister Humphreys, the out-going DBEI Minister and to both the Taoiseach, Minister Martin and Minister Varadkar, Tánaiste and newly appointed Minister for Enterprise, Trade and Employment welcoming them to their new roles. The Chairman advised that in due course, he would be writing to the new Ministers inviting them to meet with the Board. He also reported that the DBEI Senior Official Mr Richard Scannell has recently left the Department to take up a new role in the private sector. His successor will be Mr Eugene Lennon. The Chairman informed the Board of the plans for a new regional Invest N.I. hub in Dublin. He advised that a meeting to discuss this matter with Invest N.I. is scheduled and he highlighted the importance of ensuring that there would be no unnecessary overlap or duplication with the work of the Body.

206.07 Designated Officer's Report

Mr Gough advised that the Body continue to deliver its supports and services whilst working remotely in line with Public Health Agency guidance. The safety of staff continues to remain a priority but the Executive is developing a more balanced approach to office and home working, including some necessary changes to the office layout. Mr Gough reported that a Plenary meeting of the NSMC has taken place and the first Sectoral meeting is due to be held in late September or early October at which the matter of the outstanding Board appointments is expected to be resolved.

Managing the impact of the UK's exit from the EU will become a high priority for the Body in the coming months. Mr Gough reported that providing detailed information to businesses on how the changes will affect them would be vital. He advised that our Brexit strategy campaign will be relaunched at a webinar with speakers including Mr Vincent Power, A&L Goodbody and subject to confirmation, Minister Simon Coveney.

Mr Gough highlighted the negative impact of Brexit on North/South collaborations on H2020 with a significant decline in the number of applications that involved partners from Ireland and Northern Ireland. Following discussions with Queens University Belfast, Ulster University and Science Foundation Ireland, we have commissioned an all-island survey of research and development contacts and support networks. The findings will provide an evidence base for future proposals regarding North/South cooperation in research and innovation funding programmes.

Mr Gough advised that the new Synergy initiative continues to be developed and a number of cross border partnerships will be submitting proposals in the coming months for consideration by the Board. The Board were updated on the Invest N.I. plans to open a new regional hub in the Quays area, Dublin. Given the Body's legislative remit to coordinate and promote cross border trade and business development, Mr Gough emphasised the importance of ensuring that there is no duplication with the

work of the Body and advised that further meetings would be held with Invest N.I. to discuss this matter. The Board recommended a discussion at a future Board meeting on the possibility of a more visible presence for the Body in Ireland.

The Board noted the Designated Officer's report and the Chairman thanked Mr Gough for his update.

206.08 Board Sub Committee Reports

Communications Sub Committee Report

Ms Rudden reported back from the Communications Sub Committee meeting held on 30th June 2020. She advised that in late March, communications activity was re-prioritised to focus on the delivery of activities relating to Covid-19. These included a Covid-19 web section, social media, email marketing, media relations and an on-going media marketing campaign under the 'Forward Together' branding. Other activity included the support of 'business as usual' including the use of digital platforms to facilitate online events and webinars. Ms Rudden informed the Board that the Committee had discussed the ongoing migration of the website to Craft CMS and enhanced integration with ITI systems.

Ms Rudden reported on the key metrics at May 2020, which will be used as a benchmark going forward

Ms Rudden also gave an update on key communications suppliers.

She reported that the Committee discussed the development of the corporate communications strategy linked to the Corporate Plan and the need to develop market research on perception among audiences to inform plan. She advised that the Communications team intend to hold a brand workshop with SLT and the Board to discuss market research and brainstorm messaging later in autumn. An audit of digital marketing activities has been undertaken to inform digital and wider approach and the Committee agreed that ITI should include a rationalisation of brand guidance and to commission new photography and video assets.

The Board noted the Communications Sub Committee Report and the Chairman thanked Ms Rudden for her update. He endorsed the approach of involving the Board in the brand awareness workshop.

Innovation Sub Committee Report

Ms McGuinness reported back from the Innovation Sub Committee meeting held via Zoom on 30th June 2020 which was chaired by Mr Spratt. She advised that there were no apologies and no conflicts of interest reported. The Sub Committee members had thanked the Innovation team and the Managing Agent on the work being undertaken. Ms McGuinness informed the Board that nine new Fusion applications were considered, eight were approved and one was not approved but an appeal will be considered at the Sub Committee meeting to be held after the Board meeting. A further fourteen Fusion projects would also be reviewed today.

The Chairman noted the volume and quality of Fusion applications being submitted to the programme.

The Board noted the Innovation Sub Committee report and the Chairman thanked Ms McGuinness for her update.

Trade Sub Committee Report

Mr Greenfield reported back from the online Trade Sub Committee meeting held via Zoom on 30th June 2020. He advised that twelve new Acumen applications and two previous deferred applications were assessed, thirteen were approved, one deferred for more information. Mr Greenfield thanked Ms Hearty, Ms Currie, Ms McAteer and the Trade team for their sterling work and advised that the applications for consideration today were of a very high quality. The Chairman noted that enquiries and applications to the Acumen programme had now returned to a pre Covid-19 position.

The Board noted the Trade Sub Committee report and the Chairman thanked Mr Greenfield for his update.

206.09 For Consideration, Discussion and Noting.

All Island Business Monitor Results Q2 2020

Ms Kerry Curran, Policy Research Manager joined the Board meeting for this agenda item. She advised that the latest All Island Business Monitor results indicate the significant disruptive impact caused by Covid-19 across the island. Prior to the pandemic, 42% reported they were in growth mode; this has now dropped to 15%. Overall, 53% of businesses surveyed reported a decline in growth compared with 7% prior to the pandemic. With regard to sales, 62% of businesses reported a decrease in sales over the past quarter in comparison to 12% reported in the same quarter in 2019. Ms Curran reported that the speed of contraction is significant, resulting in associated impacts on employment, sales and business concerns.

With regard to employment, 23% of businesses reported that their staff levels have decreased compared to the previous quarter. Ms Curran advised that while it was positive that 73% of firms are reporting their intention to re-hire all furloughed staff, the changing market environment over coming months will be a significant factor in their ability to do so.

Ms Curran reported that challenges remain in terms of barriers to recovery with companies citing 'maintaining social distance with customers' and the 'ability to provide service in a way that is profitable because of social distancing'. This was most prominent in the leisure, hotel and catering sector (69%). Businesses are also concerned about a reduction in demand for goods and services (31%), cash flow (19%) and supply chain issues (12%).

Ms Curran highlighted the importance of digitalisation for SMEs going forward and which is a significant element in the Body's new Corporate Plan. She advised that smaller firms are less likely to have the digital skills to remain competitive in the current market. Just over one in ten companies surveyed indicated they needed to grow their skills base and only 10% reported online marketing skills.

Whilst businesses have been focusing on adapting to the new landscape caused by Covid-19, Brexit continues to be a significant challenge with only 14% of companies surveyed having made plans, increasing to just 30% for cross border traders. Ms Curran reported that only 9% of firms in Northern Ireland have made plans for Brexit.

The Board were informed of the extremely wide media coverage of the Business Monitor Results this quarter and Ms Curran referenced the excellent work carried out by the Communications team.

The Board discussed the Business Monitor results, receiving an update on engagement with the Ports and InterTradeIreland's engagement with the Freeport's consultation.

Aidan Gough noted that the evidence from the all-island business monitor and other research undertaken by the Strategy and Policy Directorate highlighted that the changing market circumstances with both the Covid 19 pandemic and Brexit, reinforced rather than changed the priority areas of the Corporate Plan.

The Board noted the All Island Business Monitor Results Q2 2020 and the Chairman thanked Ms Curran for her comprehensive report.

Operations Directorate Progress and Activity Report

Ms Hearty presented the Operations Directorate Progress and Activity Report. The Chairman cited the very positive and encouraging comments from participants having received E-Merge supports. Ms Hearty reported that the feedback had been excellent and it was encouraging for staff members to receive such comments, which demonstrate the positive impacts for businesses for a level of support costing £2k-£2.5K. She advised that recent feedback from a steel company reported that as a result of the E-Merge voucher, they had received three orders of c£1m. Ms Hearty acknowledged the work of the Communications team in the development of a significant marketing campaign that has been carried out, which should increase the level of awareness of SMEs of the new supports.

Staff have been delivering services whilst working remotely for the past six months. Adaptations have been made to programmes in the current environment including the Go-2-Tender training being delivered via zoom. Feedback to date has been extremely positive. Ms Hearty advised that the new phase of the Funding for Growth programme will go live next week with webinars scheduled to take place over the coming months. The 2020 Seedcorn Investor Readiness Competition has been carried out remotely to date. Ms Hearty reported that it is still hoped to hold the all-island judging and awards ceremony in person, however it is likely to be a much smaller event than previously.

Ms Hearty gave an update on Brexit activity and reported that applications for vouchers doubled between June and July. The Brexit team are planning a webinar for September/October to re-engage the business community. The relaunch of the Brexit campaign will comprise of a webinar and will provide practical advice to businesses on the state of play at that time.

The Board were informed that the procurement process to appoint a Managing Agent to deliver Phase 8 of the Go-2-Tender programme is nearing conclusion and it is anticipated that the new appointment will be made in the coming weeks.

Ms Hearty advised the Board that the Innovation Boost Programme (Fusion) had recently won the 'Grad Employer of the Year Award' from GradIreland. This is a great accolade to the work of Mr Morrow and his team and demonstrates the excellence and quality of training graduates receive by partaking on the programme. The Chairman asked that the Board's congratulations be passed to the team involved in receiving this prestigious award.

The Board were informed that the Fusion VI (Innovation Boost) economic appraisal received approval from Minister Dodds but DoF approval is still outstanding. Hence the request for an extension to the current Managing Agent contract to be considered in a later agenda item.

Ms Hearty advised that the Operations team continue to closely monitor all programme spend but she highlighted the potential of incurring spend into further years due to some projects being put on hold due to the Covid-19 crisis.

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

Co-Innovate Programme Update

Mr Ryan, Co-Innovate Programme Director joined the Board meeting for this agenda item. He gave an update on the Co-Innovate Programme and reported on the significant progress from the last Board meeting. In Strand 1, a total of 1,394 SMEs have participated in workshops against a target of 1,408 and therefore there are only 19 more SMEs to attend workshops to complete this strand of the programme.

The Business Status Reviews and Innovation Audits (Strand 2) continue albeit at a slower rate of completion. This has been affected by the Covid-19 crisis as several of the Enterprise partners who manage this process have had staff on furlough.

Mr Ryan advised that the Innovation Capability Development through Mentoring (Strand 3) is progressing well and it is anticipated that targets will be met by mid-2021.

Business projects with Academia (Strand 4) continues to be the most challenging strand of the programme and has been exacerbated by the Covid-19 crisis. Mr Ryan reported that significant progress has been made in recent months. To date 34 projects have been approved.

Business to Business and Cluster projects (Strand 5) continues to progress well against its targets.

Mr Ryan reported that SEUPB has indicated that they are content with progress made to date. He advised that they had not received any feedback from the Stakeholder Engagement that SEUPB had delivered earlier this year, but expected a new phase of engagement on its findings to commence soon. The Co-Innovate team would hope to input to any future consultations/exercises.

The Chairman thanked Mr Ryan for his update and the Board noted the Co-Innovate Programme Report.

Governance and Financial Matters

Mr Agnew presented the Governance and Financial Matters report. He advised that the Body is continuing to follow government, public health and N.I Executive advice, with staff continuing to work remotely. The office layout has been reconfigured to maximise social distancing with installation of desk screens due in late September. Detailed risk assessments have been carried out and the office return plans, previously discussed at the Board June meeting, continue to be reviewed, with detailed advice on office routines and behaviours. A zoom meeting was held with staff in June to update them

on return to office plans and office routines and further engagement will be continued as the situation evolves.

Mr Agnew advised that the fieldwork for the 2019 external audit has completed. The accounts have not yet been certified by the C&AGs as there remains an outstanding issue to be agreed between the auditors and the pension scheme administrators regarding pension scheme disclosure requirements. This is affecting all North/South Bodies.

The internal auditors have completed fieldwork on the final audit from the 2019/20 Internal Audit Plan. The audit relates to the area of procurement and a positive report is anticipated. The findings will be considered by the Audit and Risk Assurance Committee at its next meeting in September.

Mr Agnew advised that the issue of outstanding Board members appointments has been raised with Sponsoring Departments at a recent Oversight and Liaison meeting and it is hoped that appointments will be made by NSMC in the early autumn.

Mr Agnew provided an overview of the Body's financial out-turn to July 2020 and noted that overall expenditure was on target. He informed the Board that expenditure commitments for all programmes continue to be monitored very closely by Programme Managers and the Executive to ensure that any required re-profiling of budgets can be promptly actioned.

Mr Agnew informed the Board that the 2017, 2018, 2019 and 2020 Business Plans have yet to be approved. It is hoped that these will be approved at the next NSMC meeting.

The Board noted the Governance and Financial Matters report. The Chairman thanked Mr Agnew for his report.

Tenders and Variations to Letters of Offer/Appointment

Ms Kerry Curran, Policy Research Manager joined the Board meeting for this agenda item.

Delivery of a Supply Chain Management Tool

Ms Curran advised that research has shown the need to support the strengthening of all island supply chains. The Body proposes to tender for the delivery of a supply assessment tool, which will support cross border traders to better understand their supply chains. Ms Curran reported that 80% of goods trade cross border and there is low level of supply chain management capability in many companies. It is envisaged that the tool will support both the design of supply chains for new products and growth opportunities. The tool will be user friendly and suitable for microenterprises and SMEs trading cross border. Ms Curran reported that it will provide a valuable source of management data for the Body particularly in identifying areas for further support.

Mr Briody asked if this would be an online tool or a specialist to engage with businesses. Mr Gough advised that it was envisaged that the tool would provide support to businesses through direct consultant engagement with firms, however there was potential for resources associated with the tool to be available online for ease. Mr Gough advised that the Terms of Reference for the tool would be circulated to the Board for Information.

The Board approved Ms Curran's request to go to competitive tender the delivery of a Supply Chain Assessment tool.

Given the delays in securing all the necessary Departmental approvals for the Fusion VI programme, the Board approved the request to extend the current Managing Agent Contract for the Fusion V programme to allow for the approval of an additional 29 projects up until the end of April 2021.

Communications Update

Mr Agnew provided an update on recent Communications activity including media relations, social media and website metrics. He highlighted the engagement on various social media platforms and new visitors to the website. Communications in June and July focussed on promoting the Body’s Covid-19 supports. Mr Agnew advised that phase two of the Covid-19 campaign commences this week and will include an integrated radio, press and digital marketing campaign at national and regional level focusing on helping businesses move ‘forward, together’ amid the new normal. Mr Agnew reported on the significant media coverage generated by the Q2 2020 Business Monitor Results.

The re-platforming of the website was completed in July, which will enhance integration between ITI’s website and management systems. Mr Agnew reported that a procurement competition will be carried out to appoint a web support agency later in the year and it was agreed that the current supplier will be retained at existing rates as approved by the Board in March 2020 until completion of this exercise.

The Board noted the Communications Report and the Chairman thanked Mr Agnew for his update.

Business Plan Budget Variance and Milestone Exception Report

Ms Kinver presented the Business Plan Budget Variance and Milestone Exception Report and noted minor variances which are attributable to the impact of Covid 19. She highlighted the underspend on the Meet the Buyer programme which is due to the cancellation of events as a result of Covid-19.

The Chairman thanked Ms Kinver for her update and the Board noted the report.

206.10 AOB

The Chairman advised that the next Board meeting would be held via zoom given the current circumstances but would be reviewed again at the next meeting. He thanked the SLT and staff for their efforts and flexibility in the current environment.

.....Authorised by
Mr Ken Nelson
Chairman, InterTradeIreland

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