

Minutes of the 205th Meeting of the Board of InterTradeIreland, the Trade and Business Development Body

Tuesday 30th June 2020 — via Zoom (09:35am – 11.30am)

Present via Zoom:

Board Members:

Mr Ken Nelson MBE	Chairman
Ms Florence Bayliss	
Mr Timothy Cairns	
Mr Paul Greenfield	
Ms Adrienne McGuinness	
Ms Ann Rudden	
Mr James Spratt	

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

Mr Neil Ryan, Co-Innovate Programme Director joined the Board meeting until after the Co-Innovate Programme Update.

205.01 Apologies

An apology was received from Mr Micheál Briody.

205.02 Opening Remarks

The Chairman welcomed all to the meeting via Zoom.

205.03 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. 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.

205.04 26th May 2020 Board Minutes

The minutes of the 26th May 2020 Board meeting were agreed as a true record of the meeting and were unanimously approved by the Board and authorised by the Chairman. The Chairman also signed and authorised all outstanding Board minutes.

205.05 Matters Arising

Mr Gough advised that all matters arising from the previous meeting would be addressed during the course of the meeting.

205.06 Chairman's Business

The Chairman thanked Board members and staff for their work, support and flexibility during the current circumstances. He advised that he would write on behalf of the Board to Minister Humphreys, the out-going DBEI Minister to acknowledge her strong support for the Body. He would also write to Minister Varadkar, Tánaiste and newly appointed Minister for Enterprise, Trade and Employment welcoming him to his new role.

205.07 Designated Officer Report and Co-Innovate Programme Update

Mr Gough informed the Board that at a recent Departmental Liaison meeting, the Departments had commended the work of the Body and in particular, the response to Covid-19.

The Corporate Plan 2020-2022 is currently being reviewed in light of the economic impact of the pandemic and the focus on economic recovery. The effect on small businesses has been catastrophic and in one month alone, cross border trade fell by 25%. The new recovery packages aimed at our existing companies will be extended to all cross border traders. Mr Gough reported that many critical actions identified in the Corporate Plan in areas such as digitalisation, data analytics, cluster development and supply chain have become even more important in the current environment and will play an increasingly significant part in programme delivery and aiding recovery going forward.

Mr Gough advised that the Body continues to successfully deliver its supports and services whilst working remotely. The safety of staff continues to remain a priority. He informed the Board that a Zoom webinar has been arranged for 1st July with all staff, to thank them for their support and efforts in these past months and to update them on return to work plans. The Chairman asked that the Board's appreciation be passed on to all staff.

Mr Gough reported that the Sponsoring Departments continue to be made aware of the Board situation, with four outstanding Board appointments and six Board members whose terms of office are due to expire in December 2020.

Co-innovate Programme Update

Mr Ryan, Co-Innovate Programme Director gave an update on the Co-Innovate Programme. He reported that Strands 1, 2, 3 and 5 are currently on target. Many companies are reporting that their premises are closed due to Covid-19 and therefore the intern cannot access the equipment/laboratories to conduct the R&D work and many projects are currently being put 'on hold'. The academic institutes have similar issues due to closures/restrictions. Mr Ryan advised that the Scottish partners have more significant challenges due to the current restrictions preventing them from travelling from Scotland to their Irish partner. A review of the delivery model has taken place and a number of ideas to address the current Covid 19 environment have been submitted to SEUPB to help mitigate against the negative impact of the pandemic. A response is anticipated at the end of June.

Mr Ryan reported that they continue to develop leads and applications for Strand 4 of the programme and a panel meeting is being held this afternoon to consider and review 6 new applications.

The Chairman thanked Mr Gough and Mr Ryan for their updates and the Board noted the Designated Officer's report and the Co-Innovate Programme Report.

Mr Ryan left the Zoom call at 9.55am.

205.08 Board Sub Committee Reports

Audit and Risk Assurance Committee Report

Mr Agnew reported back from the Audit and Risk Assurance Committee meeting held via teleconference call on 26th May 2020. He advised that the 2019 NIAO external audit had been carried out remotely and is progressing well. It is not yet known if certification will be possible by the end of June due to the current circumstances around Covid 19, however a delay to certification will not have adverse implications for the Body.

The internal audit was also carried out remotely and focussed on the Co-Innovate Programme. An overall 'satisfactory' assurance rating had been awarded with one low priority recommendation.

Mr Agnew reported that the Covid 19 pandemic has necessitated the introduction of a new risk, ranked first on the register, with a high probability/high impact assessment. The Committee agreed that it would consider 'horizon scanning' at each meeting going forward to review wider measures for potential impact on the Body.

The Chairman thanked Mr Agnew for his report and the Board noted the Audit and Risk Assurance Committee Report.

Innovation Sub Committee Report

Ms McGuinness reported back from the Innovation Sub Committee meeting held via teleconference call on 26th May 2020. Apologies were received from Mr Spratt and Ms Hearty. Ms McGuinness advised that eight new Fusion applications were considered and all were approved. An additional project deferred at the March meeting was also approved.

Ms McGuinness informed the Board that a further nine applications (four from Ireland and five from Northern Ireland) would be considered at the Innovation Sub Committee meeting to be held via Zoom immediately after the Board meeting. The Chairman noted the healthy pipeline of Fusion projects.

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 26th May 2020. He advised that nine new Acumen applications were assessed, seven were approved, one deferred and one not approved. A previous deferred application was reviewed and deferred again for further clarification.

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

205.09 For Consideration, Discussion and Noting.

InterTradeIreland - Return to Office Plan

Mr Agnew outlined the InterTradeIreland plans for a future return to the office. He advised that a detailed risk assessment had been completed with a series of documents/guidelines have been drawn up in preparation for staff returning to the ITI offices. Currently, all staff are working remotely in line with government advice with the office remaining open and occasionally, a small number of staff come into the office to work. The return to work plan includes a number of phases and currently recommends the continuation of remote working with continued communication with staff and identification of issues staff have. The office infrastructure is currently being reconfigured to ensure that social distancing guidelines are followed.

Mr Agnew advised that staff returning to the office will be required to complete a Covid 19 self-declaration. An induction will be provided to staff outlining Covid 19 procedures with ongoing Risk Assessment and briefings held. All staff will have personal responsibility for their safety in work. Mr Agnew informed the Board that any plans to return to the office would be on a gradual/phased basis. The Board was advised that the HR Manager was in regular contact with all staff in relation to above issues and it was noted that the Body's work had not been effected by staff remote working.

The Board noted the Chairman thanked Mr Agnew and the team involved in drawing up the Return to Office Plan.

The Board noted the Return to Office Plan and agreed to discuss the matter again at the August 2020 Board meeting.

Brexit Policy Issues and Operational Implications

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

Mr Gough commended the work of Ms Curran in relation to Brexit and her communications with senior officials from Ireland and Northern Ireland. He advised that Brexit is one of the biggest challenges of this generation. Currently, the UK Government is involved in talks with the EU that will map out the basis on which the two blocs will trade after the agreed transition period ending on 31st December 2020 and when the UK will no longer be legally bound by EU regulations. Mr Gough advised that the Northern Ireland Protocol which forms a part of the Withdrawal Agreement commits both sides to an agreement that will avoid a hard border on the island of Ireland through specific arrangements for N.I. Our focus will be to assist businesses on the island to adjust the new trading relationships.

Services access is an important area of current negotiations where little progress has been made to date. However, it is unlikely that the UK will continue to benefit to the full access to the single market it services that it currently does.

Through the All-island Steering Committee for H2020, we have worked with our partners on collaborative actions that have resulted in a threefold increase in North South collaborations in EU programmes. However, Mr Gough reported that R&D cooperation through EU funds may also be impacted.

If a comprehensive, tariff-free Free Trade Agreement (FTA) is not agreed, this will also impact on the supply chains of NI companies with Irish components who onward sell to the UK. Mr Gough advised that recent research shows that this could negatively impact 25% of NI to Ireland trade.

Mr Gough informed the Board that a number of tax and customs issues may arise for Northern Ireland firms that trade cross-border and with the rest of the UK.

The implications of the new trading relationship for ITI supports were noted, with the need to provide precise information on the new trading environment, merge our current Brexit and trade supports, develop appropriate supply chain supports, provide support for the growing services sector and address the issues arising in relation to access to European partnership research funds.

It was proposed that the Body should provide more detailed information provision direct to SMEs through a new in-house trade information service which would be similar to the information service provision on other EU land borders.

Ms Curran outlined the potential implications for the Body going forward. She advised that services account for 47% of the value of cross border trade and that it is also growing at a faster pace than goods trade as we transition to a services economy. With the short timeframes to the end of the transition period it is unlikely that a comprehensive FTA will be achieved with the outstanding issues of a level playing field remaining a considerable obstacle. A less ambitious agreement is a likely outcome of a deal scenario. InterTradeIreland remains place placed in the current negotiations with representation and linkages across relevant government departments in the UK, Ireland and Northern Ireland.

The Chairman asked if the stakeholder engagement to date included dialogue with ports such as Larne, Belfast and Warrenpoint. It was noted that in addition to engagement in the Freeport consultation there were ongoing meeting through the Dept. of Infrastructure Committee, which was holding a meeting the following day.

The Chairman thanked Mr Gough and Ms Curran for their update and the Board noted the Brexit Issues paper.

Governance and Financial Matters

Mr Agnew presented the Governance and Financial Matters report. He advised that the fieldwork for the 2019 External audit is nearing completion and is currently being reviewed by the Audit Managers in the C&AG offices in Belfast and Dublin. To date, no significant issues have been raised with management.

Mr Agnew informed the Board that the external audit is progressing well and that the findings of the recent internal audit on the Co-Innovate programme were positive, with one minor recommendation.

Mr Agnew advised Board members of the requirement by Board members to complete a short GDPR e-learning course 'Protecting Data when Home Working in NI'. The Board Secretary will liaise with Board members to progress this.

As previously stated, there are currently 4 outstanding Board appointments and the terms of office of 6 Board members are due to expire in December 2020. Mr Agnew advised that the issue has been raised with Sponsoring Departments and it is hoped that appointments will be made by NSMC in the early autumn. The Chairman reported that he had written the NSMC Joint Secretaries and had received a response that they are fully aware of the situation and hope to resolve this matter soon.

Mr Agnew provided an overview of the Body's financial out-turn to May 2020 and noted that whilst there are relatively small underspends on certain programmes, these are expected to be offset by expenditure on the new Covid supports, such that overall expenditure should be on target. He informed the Board that expenditure commitments for all programmes are being monitored very closely by Programme Managers and the Executive to ensure that any required re-profiling of budgets can be made.

The Board approved the 2019 draft Financial Statements.

Mr Gough highlighted the challenges of securing core funding and the cap on the Body's headcount. The Board agreed that the cap on headcount was an unnecessary constraint and agreed that it should be raised through Sponsoring Departments and with the NSMC. In response to a query from Ms Bayliss, Mr Gough advised that the SLT were conducting an assessment of the resources required to implement the new Corporate Plan.

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

Mr Cairns left the zoom meeting at 10.55am.

Operations Directorate Progress and Activity Report

Ms Hearty presented the Operations Directorate Progress and Activity Report. She advised that the focus of her report this month was on how we continue to deliver our programmes and services and remotely and she highlighted the very positive feedback from the business community. Services have been adapted in line with business needs including the delivery of webinars and services helping businesses to manage the Covid crisis in real time. Ms Hearty reported on a very successful webinar held last week to assist companies who wish to raise their sales profile and how to sell online

effectively. More webinars are planned going forward including ‘Managing Return to Work Safely’ and ‘Managing Risk and Resilience in Public Contracts’.

Ms Hearty informed the Board that demand continues for our Covid related supports. Two business cases for the e-Merge programme and Emergency Business Solutions programmes for a 12-month period have been submitted to Sponsoring Departments and Department of Finance. The Board approved these programmes subject to all necessary Departmental approvals being in place.

Ms Hearty advised that given the introduction of the two new Covid programmes, staff resources continue to be stretched and an SLT meeting is due to take place to discuss this matter. The Body continues to provide greater flexibility to companies participating on our programmes, including faster payments, allowing project to suspend for 3 months, as well as allowing businesses to re-purpose their business in response to Covid 19. Ms Hearty reported that over half of the Fusion projects that had availed of the suspension, had since recommenced. She cited some very positive feedback from Fusion companies. Acumen approvals remain on target for the year, however, the pipeline of applications is beginning to slow with companies being more cautious and prioritising home market sales.

Ms Hearty advised that plans are in place to continue to deliver services remotely for the foreseeable future. The Seedcorn Competition will continue to be delivered remotely over the coming months. To date 174 applications were received by the closing date at the end of May. The final event due to take place in November 2020 is likely to be a much smaller ceremony. This will be kept under review on an ongoing basis.

While public tendering workshops continue to be delivered remotely, the ‘Meet the Buyer’ events are being suspended at present. A possible digital event is being considered.

Ms Hearty advised that staff are currently upskilling and developing their knowledge at this time, particularly in the area of digitisation. All programme targets and budget are largely on target.

Almost 160 applications have been received for the Emergency Business Supports and demand for E-Merge projects continue to be very high. Ms Hearty commended the staff across the organisation in their efforts and flexibility at this time.

Brexit activity is likely to grow significantly towards the latter part of the year. The provision of up to date Digital content will be a key part of the Brexit offering to SME’s going forward.

Ms Hearty asked the Board to note that the Board approved by written procedure, the final version of the economic appraisal, addendum and the delivery of Fusion Phase VI DfE Casework approval has now been received and we now await DoF and Ministerial approval. The Executive is continuing to monitor the timescales for the next phase of the Fusion programme and may require the Board to consider and approve an extension to the Fusion Phase V contract at the August Board meeting to ensure there is no break in provision.

The Chairman noted the excellent feedback cited in Ms Hearty’s report and commended all staff for their efforts.

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

Tenders and Variations to Letters of Offer/Appointment

Mr Agnew advised that the Body is now in a position to commence the recruitment process for a new CEO, a process which the Sponsoring departments will lead. The Board approved the request to go to competitive tender for HR consultants to run the competition.

The Board approved Mr Agnew’s request to go to competitive tender for a Managing Agent for the Fusion VI programme for a period of 5 years for recruitment and 2 years run out. Mr Agnew invited any qualified Board member who would like to sit on the panel for evaluation of tenders to advise the Board Secretary by Tuesday 21st July 2020.

The Board also approved Mr Agnew’s request to extend the current IT Managed Services Contract for a period of one year from 1st August 2020.

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 May focussed on supporting the Body’s response to Covid 19 including the E-merge programme and the Emergency Business Solutions. The Seedcorn Investor Readiness Competition closed on 29th May with a record number of applications. It was supported by communications through the development and delivery of a digital marketing campaign. Mr Agnew reported on the significant media coverage of the Co-Innovate Hero Shield project. The Horizon 2020 international webinar was held on 29th May and was supplemented by a microsite and online networking platform attracting over 180 participants.

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 currency fluctuations and the impact of Covid 19. The Board noted the report.

205.10 AOB

The Chairman advised that the next Board meeting could possibly meet in the offices in Newry, depending on the circumstances at that time. He thanked the SLT and staff for their efforts and flexibility in the current environment.

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Mr Ken Nelson
Chairman, InterTradeIreland

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