

**Minutes of the 182<sup>nd</sup> Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.**

**Tuesday 27<sup>th</sup> March 2018 – InterTradeIreland (12.20pm – 14.00 pm)**

Present:

Board Members:

Mr Ken Nelson	Chairman
Mr Micheál Briody	
Mr Terry Crossan	
Mr Paul Greenfield	
Mr Patrick Joy	

Mr Timothy Cairns – via video conference (12.40pm – 1.18pm)  
Mr James Spratt – via teleconference call (12.45pm – 1.18pm)

In Attendance:

Observers:

Ms Florence Bayliss	Nominated Board member
Ms Adrienne McGuinness	Nominated Board member

Executive:

Mr Aidan Gough	Designated Officer
Ms Margaret Hearty	Assistant Designated Officer
Ms Alayne Kinver	Assistant Director of Strategy and Policy
Mr Alan Morrow	Assistant Director of Programmes and Business Services
Ms Orla McGlennon	Board Secretary

#### 182.1 Apologies

Apologies were received from and Mr Paul O’Sullivan and Ms Ann Rudden.

## 182.2 Opening Remarks

The Chairman welcomed Mr Crossan to the meeting after his recent illness. He also welcomed back Ms Bayliss and Ms McGuinness to the meeting as observers.

The Chairman raised the matter of permitting Board members to participate at Board meetings via teleconferencing and video conferencing. The Board discussed this issue particularly given the current outstanding Board appointments and the need to conduct business and to operate effectively. All Board members in attendance were agreeable to this approach which was proposed by Mr Crossan and seconded by Mr Briody. It was agreed that any agenda items requiring a Board decision would only be considered whilst the Board were quorate either in person or via tele or video conferencing. In these instances, the decisions of the Board would be deemed acceptable.

## 182.3 Conflict of Interest

The Chairman asked members to declare any conflicts of interest relating to today's agenda. 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 and as Board member of East Border Region Ltd, which is involved in the delivery of the Co-Innovate programme. Mr Briody also declared a potential conflict of interest arising from his position as CEO of Silver Hill Foods who are participants on the Co-Innovate programme.

No other conflicts were declared.

## 182.4 Matters Arising

Mr Gough reported that all matters arising from the February 2018 Board meeting had been either completed or were in hand. Any Board members who had not already done so, were asked to submit their annual Statement of Interests form to the Board Secretary. A meeting with Karen Bradley, Secretary of State for Northern Ireland had been requested. Mr Gough advised that a letter of thanks had been sent on behalf of the Board to Mr Gerry Wrynn, North South and Inward Investment Unit, DEBI, on his retirement.

## 182.5 Chairman's Business

The Chairman thanked Mr Crossan and Mr Spratt for their work in organising recent and forthcoming meetings with key stakeholders. He informed the Board of his recent engagement with Minister Humphreys at the Brexit event in Cootehill. He also attended the recent successful Venture Capital Conference held in Belfast at which the 2018 Seedcorn Competition was launched.

## 182.6 Designated Officer Report

Mr Gough informed the Board that the Body's staff continue to be the key resources of the organisation. He advised the Board that our capacity to deliver more services may be constrained by our ability to recruit and will be dependent on flexible staff development and HR practices. Options in our use of human resources are currently being explored and recommendations will be brought back to the Board for consideration. The Chairman emphasised the importance of the IIP process to staff development and suggested the Senior Leadership team engage with INI on their Transform initiative.

The Board were informed that interviews for the post of Corporate Services Director were being held immediately after the Board meeting.

Mr Gough updated the Board on the progress made in one of the pilot initiatives in support of our corporate objective to expand our role as a 'collaborative catalyst' supporting others in the pursuit of cross border initiatives that deliver mutual economic value. Under the auspices of our All-Island BioPharma Cluster Development programme, we have successfully facilitated the launch of four new cross border cancer research trials. In addition, the N.I Cancer Trials Network was offered additional funding support an American cancer research organisation who partner with Cancer Trials Ireland. These trials were recently discussed and agreed at an all island meeting of cancer researchers and cancer trial research companies which is a culmination of InterTradeIreland's facilitation support. Our support was acknowledged at the meeting.

Mr Gough reported that the Corporate Risk register has been updated and was reviewed by the Audit and Risk Assurance Committee at their meeting that morning. The register will be presented to the Board at the next meeting.

Mr Gough gave a brief update on recent engagements with stakeholders.

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

Mr Timothy Cairns joined the Board meeting via video conference at 12.40pm.  
Mr James Spratt joined the Board meeting via teleconference call at 12.45pm.

The Chairman asked the Board members who had joined the meeting to approve the use of tele and video conferencing at Board meetings and both members gave their consent.

The meeting was deemed quorate at this point.

## 182.7 Approval and Authorisation of the 27<sup>th</sup> February 2018 Board Minutes

The minutes of the 27<sup>th</sup> February 2018 Board meeting were agreed as a true record of the meetings and were approved by the Board and authorised by the Chairman.

## 182.8 For Consideration, Discussion, Decision &/or Approval

### *Fusion Phase V*

Mr Morrow presented the Operations Directorate Progress and Activity Report. He advised that the economic appraisal for the current phase of Fusion (Phase V) was considered by the Board in September 2014. The Board approved the preferred option identified in the appraisal. This option included:

*'the introduction of 24-month company to company projects (similar in focus to InterTradeIreland's Innova programme). It is anticipated by InterTradeIreland that there would be c3 such projects per annum at a cost of £103,000 each (including two £1,500 development grants and two £50,000 R&D&I grants). These projects might not include a graduate or academic (per the 12 and 18 month projects), but would be taken forward on a cross-border basis. It is anticipated by InterTradeIreland that these projects could potentially feed into future Horizon 2020 funding applications'.*

Mr Morrow advised that given the significant financial constraints on the Body at that time, the Board agreed that cross border business to business collaboration projects involving relatively large grants had the potential to dilute our strategic focus on less costly supports. It was agreed that this support would not be promoted, but that where a proposal is received which the Executive considers to have exceptional merit it might be brought to the Board for consideration. It was agreed that these projects would be considered and approved by the Innovation Sub-Committee and then noted by the Board. As we are now in a position where funding is available, there now is an opportunity to support business to business /academic collaboration in the current environment of Brexit which would prove of significant benefit to businesses.

Mr Spratt advised that the option had been considered by the Innovation Sub-Committee who were supportive of the proposal. The Board discussed and approved the introduction of an option recommended in the Fusion V economic appraisal which is to include 24-month company to company projects up to a maximum of 3 projects per annum over the remaining 3 years of the current Fusion Phase V programme at a maximum cost of £103,000 per project (inclusive of VAT).

Mr Morrow informed the Board that the existing Fusion funding packages are under review as part of an independent evaluation. He advised that it is very likely that a request will be made to the Board for an increase to the packages.

The Chairman thanked Mr Morrow for his work in this area.

### *HBAN (Halo Business Angel Network)*

Ms Gráinne Lennon, Operations Manager joined the Board meeting for this agenda item and presented the findings of the Halo Business Angel Network (HBAN) economic appraisal.

She informed the Board of the positive results including:

- 45 unique deals in 2017;
- €12.8m direct angel money invested in 2017;
- 407 deals to date
- €85m invested by angels in those deals;
- €285k average angel investment per deal;
- 12 syndicates and regional networks and
- Several international syndicates at early stage.

Ms Lennon advised that business angels serve to fill the gap in the supply of equity finance to early stage companies and also provide ‘smart’ money i.e. access to contacts, mentoring and experience. InterTradeIreland established and co-funded the Halo business angel network in Northern Ireland in 2004. In 2005, InterTradeIreland established and co-funded Halo in Ireland. Initial legal advice was sought and we were advised that we required two separate networks in each jurisdiction. Subsequent legal advice many years later, reported that this was not the case, but at that stage, the separate networks were well established.

In 2008, InterTradeIreland undertook research into business angel investing which recommended the change to a business angel syndication model following international best practice. HBAN – syndication arm was established in 2009. In 2015 there was a move to a single unified brand and delivery agent in Ireland (previously there were five delivery agents). This led to a more harmonised network, brand strength and greater opportunities for angels to get greater exposure to deal flow.

Ms Lennon reported that up until now HBAN (Ireland) and Halo N.I. had operated largely independently with limited co-operation due to different contracts, KPIs, angels and company databases. An independent evaluation of the HBAN programme was completed in October 2017 which provided evidence that all hard targets had been achieved and reported that 75% of businesses would not have derived investment without HBAN support. In addition, the evaluation concluded that HBAN provides value for money. Invest N.I. undertook a separate evaluation of Halo in N.I. Ms Lennon reported that the positive evaluation, led to the commissioning of an independent economic appraisal in partnership with EI and INI (the first joint economic appraisal of its kind). InterTradeIreland acted as the broker in the economic appraisal process. The economic appraisal highlighted the continued gap in supply of early stage finance. The preferred option identified in the joint economic appraisal is for ‘*an integrated approach to business angel investing across the island*’ which will include a modest increased scale in Ireland. Ms Lennon reported that this option scored the highest in terms of monetary and non-monetary costs and benefits. The preferred option should also lead to a higher level of deals and wider development of the business angel eco-system. The recommendation is to appoint a single delivery agent to deliver HBAN activities across the island with local representation on the ground in each region. This would involve using a single HBAN brand, single website, single contract, single deal sharing platform, and increased training for new and existing angels.

Ms Lennon outlined the targets for the programme including:

- 225 new angels;
- c180 new deals
- €43m new investment and
- Potential to leverage €66m total funding €109m

Ms Lennon advised that the full cost of the delivery of the programme over the next three years is £2.94m/€3.34m. InterTradeIreland, E.I. and INI will fund discrete parts of the network.

Mr Joy informed the Board that the Funding for Growth Steering Committee had considered the economic appraisal and is fully supportive of the programme. He advised that it had also been ratified by EI and INI as they are members of the Funding for Growth Steering Committee. The Board discussed and approved the Body's contribution to the HBAN programme at a cost not exceeding £1.1m (inclusive of VAT) for a three-year period.

The Board also approved the request to go to competitive tender for a delivery agent for HBAN.

The Chairman thanked Ms Lennon for her presentation and work in this area.

#### *Tenders and Variations to Letters of Offer/Appointment*

Ms Hearty sought permission to go to competitive tender for the services of a suitably qualified venture capital professional for a three-year period subject to satisfactory annual reviews. The Board approved this request.

#### *Governance and Financial Matters*

Ms Hearty presented the Governance and Financial Matters report. She advised that the Audit and Risk Assurance Committee had received a comprehensive paper regarding the re-introduction of a credit card for the Body. InterTradeIreland is the only cross border Body without this facility. Ms Hearty reported that a robust policy around acceptable use of the card had been presented.

The Board discussed and approved the proposal to introduce a credit card for the Body.

The Board noted the Governance and Financial Matters report and the Chairman thanked Ms Hearty for her report.

#### *Communications 2018 Plan*

Ms Eimear Fitzpatrick joined the meeting for this agenda item and presented the 2018 Communications Plan which had been presented and endorsed by the Communications Sub-Committee in February 2018.

Ms Fitzpatrick recommended a radio advertising campaign in Ireland focussed on Brexit support and Start to Plan Vouchers. She advised that there is currently a lower uptake of Brexit vouchers in Ireland than in Northern Ireland.

Ms Fitzpatrick proposed that a marketing and event campaign is developed to mark and celebrate 20 years of InterTradeIreland. Using 20 years as a milestone, will provide us with the opportunity to market the organisation in a more holistic way, showcase our successes and raise

our profile through using compelling success stories by companies/partners advocating on our behalf. A plan will be developed following consultation with Board and staff.

The Board discussed and approved the request for a radio advertising campaign on RTE Radio 1 to promote the Brexit Advisory Service. The Board also approved production costs of new adverts as required.

The Board also approved a marketing campaign, showcase events and internal activities to mark InterTradeIreland's 20<sup>th</sup> Anniversary. The 2018 Communications Plan was endorsed by the Board.

The Chairman thanked Ms Fitzpatrick for her presentation and work in this area.

Mr Cairns and Mr Spratt concluded the video conference and teleconference call at 1.18pm.

## 182.8 Board Sub Committee Reports

### *Innovation Sub Committee Report*

Mr Morrow reported back from the Innovation Sub-Committee meeting held on 27<sup>th</sup> February 2018. He informed the Board that Mr Peter Grant, Helix Innovation Partnerships, the Managing Agent for Fusion presented his biannual progress report and statistics to the committee. He advised that four new Fusion applications and two deferred projects were considered. Five projects were approved and one was deferred for further information.

The Board noted the Innovation Sub-Committee report and the Chairman thanked Mr Morrow for his update.

### *Trade Sub-Committee Report*

Mr Greenfield reported back from the Trade Sub-Committee meeting held on 27<sup>th</sup> February 2018. He advised that the Committee considered seven new Acumen applications and one deferral. Six projects were approved, one was referred to the Elevate programme and one project was rejected.

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

### *Operations Directorate Progress and Activity Report*

Mr Morrow advised that the Brexit Advisory Service were involved in Enterprise Week and spoke at events held in Strabane, Craigavon and at an event held in Meath where Helen McEntee TD and Minister for European Affairs also spoke and commented on the good work being undertaken by InterTradeIreland in assisting businesses to prepare for Brexit. In February, Intro to Tendering presentations, as part of Enterprise Week, were delivered across

the island at seven locations. The second “Selling to Government” breakfast briefing was delivered in Waterford in partnership with the local Chamber of Commerce. The Executive participated on the judging panel for the N.I. Public Procurement Awards. Mr Morrow reported on the recent annual Venture Capital conference held on 7<sup>th</sup> March 2018 in Belfast with over 260 delegates in attendance. The 2018 Seedcorn competition recently opened for entries and a programme of promotional workshops will begin at the end of March. Mr Morrow advised that the second phase of the Funding Advisory Service has proved popular with 6 workshops held to date and most oversubscribed. A new CrowdFunding resource was launched at the Venture Capital conference and received excellent feedback,

The Board noted the Operations Directorate and Activity report and the Chairman thanked Mr Morrow for his update.

### *Governance and Financial Matters*

Ms Hearty presented the Governance and Financial Matters report. She advised that a GDPR working group has been formed to review the impact of GDPR on the Body and review procedures to ensure the Body is GDPR compliant by 25<sup>th</sup> May 2018. A full update will be provided at the April Board meeting.

Ms Hearty advised that the N.I. Audit Office presented the audit strategy to the Audit and Risk Assurance Committee held prior to the Board meeting. Fieldwork will commence after Easter. The internal auditors completed audit fieldwork on programmes in February and an overall ‘satisfactory’ assurance rating has been awarded. A few recommendations for enhancements of the Body’s processes have been made.

Ms Hearty reported that following recent interviews, Ms Alison Currie has accepted the position of Operations Manager and will commence on 30<sup>th</sup> April 2018.

The Board noted the Governance and Financial Matters report and the Chairman thanked Ms Hearty for her report.

### *Communications Update*

The Board noted the Communications Update.

### *Brexit Update*

Mr Gough gave a brief update on Brexit activities.



*Co-Innovate Programme Update*

The Board noted the Co-Innovate programme.

*Business Plan Commentary Report*

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

**182.9 AOB**

Mr Briody informed the Board that he would be unable to attend the next Board meeting on 24<sup>th</sup> April and would be unable to input to the discussion of the Board Self-Assessment Questionnaire. He recommended that the timing of the Board meetings should be changed to 9.00am, followed by the Sub-Committee meetings. The Chairman advised that this matter would be considered after the next Board meeting.

It was agreed that any Board members who are unable to attend Board meetings, should advise the Board Secretary at the earliest opportunity

.....Authorised by:

Mr Ken Nelson  
Chairman, InterTradeIreland  
24<sup>th</sup> April 2018