

Minutes of the 184th Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.

Tuesday 29th May 2018 – InterTradeIreland (12.20pm – 14.05pm)

Present:

Board Members:

Mr Ken Nelson	Chairman
Mr Paul O’Sullivan	Vice Chair
Mr Micheál Briody	
Mr Terry Crossan	
Mr Paul Greenfield	
Mr Patrick Joy	
Ms Ann Rudden	
Mr James Spratt	

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
Mr Martin Agnew	Corporate Services Director
Ms Alayne Kinver	Assistant Director of Strategy and Policy
Mr Alan Morrow	Assistant Director of Programmes and Business Services
Ms Orla McGlennon	Board Secretary

184.1 Apologies

An apology was received from Mr Timothy Cairns.

184.2 Opening Remarks

The Chairman welcomed all to the meeting. He thanked Ms Bayliss and Ms McGuinness for their attendance as observers. He also welcomed Mr Agnew to his first meeting as the new Corporate Services Director. The Chairman informed the Board that Ms Eimear Fitzpatrick, Communications Manager has recently given birth to a baby boy and asked that a note of congratulations be sent to Ms Fitzpatrick on behalf of the Board.

184.3 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. Ms Ann Rudden declared a potential conflict of interest arising from her position as founder and MD of Áine Hand Made Chocolates who are participants on 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.

184.4 Approval and Authorisation of the 24th April 2018 Board Minutes

The minutes of the 24th April 2018 Board meeting were agreed as a true record of the meeting and were approved by the Board and authorised by the Chairman.

184.5 Matters Arising

Mr Gough reported that a copy of the GDPR presentation had been circulated to Board members for information. A note of congratulations had been sent to Mr Briody on behalf of the Board on his recent success on winning the Monaghan Business Person of the Year Award.

184.6 Chairman's Business

The Chairman thanked Board members for their responses to the recent survey regarding dates and times for Board meetings. It was agreed that as the majority of Board members were in favour of continuing to hold Board meetings on the last Tuesday of the month, this would continue. Most Board members were in favour of changing the start time of Board meetings to 8.30am which was agreed and would commence from the August 2018 Board meeting. The Chairman advised that Board Secretary would organise refreshments before and after the

meeting. This would allow for Board Sub-Committee meetings to be held following the Board meetings.

The Board Secretary gave an update on electronic Board papers going forward.

184.7 Designated Officer Report

Mr Gough informed the Board that it is evident that the Body is working at full capacity and delivering extra activities requires additional staff. The Senior Leadership team (SLT) is currently managing this situation through a combination of processes including a more flexible use of existing resources, fixed and temporary employment opportunities, contracts for services and the use of third party delivery partners through the Financial Assistance Scheme. However, if the Body is to meet the new demands created by the Brexit decision and deliver activities outlined in its corporate plan, including network and cluster development activities and the reintroduction of the Innova programme, it is clear that more staff will be required. A discussion took place regarding the resource needs of the Body in line with budget. The Board endorsed the Senior Leadership Team's approach and a strategic approach to resource planning in line with funding.

Mr Gough reported that the room, commonly known as 'the library' is in need of refurbishment and that plans are underway to modernise this area and transform it into a modern facility that will cater for a wide range of needs including group discussions, conference calls and private space.

The latest meeting of the US-Ireland R&D Partnership took place in Belfast on 16th May 2018. Mr Gough informed the Board that the US-Ireland Research and Development Partnership, launched in July 2006, is a unique collaborative research, development and innovation initiative involving funding agencies across three jurisdictions: USA, Ireland and Northern Ireland. The overall goal of the Partnership is to increase the level of collaborative R&D amongst researchers and industry professionals across the three jurisdictions in the areas of Health, Engineering and Agriculture. To date, this collaboration has funded 43 projects, generating over €80m in valuable discoveries and innovations leading to significant enhancements in health and disease prevention. Mr Gough informed the Board, that following the recent meeting in Belfast, very positive feedback had been received citing the exceptional work of InterTradeIreland as a reason for the Partnership's success.

Mr Gough updated the Board on recent engagement with stakeholders including the recent visit by the EU Brexit Chief Negotiator, Mr Michel Barnier. He advised that he had also recently had meetings with the Belgian Prime Minister and representatives from the German Department of the Economy to discuss cross border trade. The profile of the Body has been raised significantly as a result of these meetings.

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

184.8 Board Sub Committee Reports

Innovation Sub Committee Report

Mr O’Sullivan reported back from the Innovation Sub Committee meeting held on 24th April 2018. Seven new Fusion applications were considered. Six projects were approved and one project was rejected. Two projects were deferred from the previous month and both were rejected. Mr O’Sullivan advised that the Sub Committee had discussed and agreed that a proposal for an increase in funding support for Fusion companies should be considered by the Board.

The Board were informed that Ms Dianne Dundas was transferring from the Fusion to the Co-Innovate programme and they asked that her long contribution to the Fusion programme be acknowledged on behalf of the Board.

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

Trade Sub-Committee Report

Mr Greenfield reported back from the Trade Sub-Committee meeting held on 24th April 2018. He advised that the Committee considered twelve new Acumen applications. Eight projects were approved, one project was referred to the Elevate programme, one project was rejected and two projects were deferred for further information.

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

184.9 For Consideration, Discussion, Decision &/or Approval

Business Monitor Results Q1 2018

Ms Nicola McGuinness, Policy Research Manager joined the Board for this agenda item.

Ms Kinver introduced Ms McGuinness who gave a presentation on the results of the Business Monitor Q1 2018.

Ms McGuinness reported that the survey reveals that the majority of firms across the island remain in a stable position, however levels of growth continue to decline particularly in Ireland. This represents a reduction of 20% of business in growth mode in Ireland from the last survey. The survey also reveals a stability figure of 66% which is the highest recorded since 2011. Sales performance and profitability are also showing signs of decline. Ms McGuinness reported that official employment rates remain high and that our survey shows that fewer companies are hiring staff.

Business and consumer confidence is increasing as a concern across all sectors with the construction and retail sector being most affected. Ms McGuinness advised that this could be due to seasonal issues.

Exporters and those with cross border sales continue to indicate that they will be significantly impacted by Brexit, with 21% already seeing a negative impact. In general, the level of preparedness around Brexit has improved but continues to be low, with only 8% of cross border traders having a plan in place for Brexit. 40% of businesses reported that uncertainty makes it difficult to plan. In contrast 55% of companies across the island are prepared for the changes to GDPR which took place on 25th May 2018.

Ms McGuinness advised of the significant media coverage on the Business Monitor results for this quarter.

The Board discussed the results of the Business Monitor. Given that just 8% of cross border traders have a plan in place for Brexit, the continuing importance of InterTradeIreland offering companies the Brexit Start to Plan Vouchers was highlighted. Ms Hearty reported that there has been a recent increase in the demand for vouchers.

The Board noted Q1 2018 Business Monitor results and the Chairman thanked Ms McGuinness for her presentation.

Horizon 2020 Update

Ms Karen McCallion, Science, Technology and Innovation Manager and Mr Chris Shiels, Horizon 2020 Programme Manager joined the Board meeting for this agenda item.

Ms Kinver introduced Ms McCallion and Mr Shiels.

Mr Shiels gave a presentation on InterTradeIreland's activities to encourage more North South cooperative applications to Horizon 2020, the EU Programme for Research and Innovation. He advised that InterTradeIreland chairs the All Island Steering Group for Horizon 2020 comprising members from various Government Departments, North and South. In 2014 the group agreed a Strategic Action Plan for Horizon 2020 with a target drawdown of €175m for North South collaborative projects over a period of seven years. The Action Plan includes a range of supports:

- Travel Schemes;
- Events and Workshops;
- Training;
- Information and Advisory Service and
- Research

Mr Shiels informed the Board that over the period 2014 to 2016 of the Horizon 2020 Programme, North South applications and drawdowns was almost double that of the previous FP7 programme. The total drawdown to March 2018 for collaborative North South

applications from the Programme is €68.56m. A new approach has been developed following feedback from 365 respondents to an all island survey on continued North South participation in Horizon 2020. The steering group agreed to more bespoke events, focussed on particular calls, rather than broader topics. Mr Shiels advised that the new approach has been disseminated to stakeholders for feedback through a series of workshops and events. In 2018, as well as the “Focus On” events, the Horizon 2020 team will pilot different styles of networking and training events. These will include:

- Focus on Bio-based Industries Opportunities in H2020 Workshop, University College Cork, 31st May 2018;
- Focus on Cyber Security, Queen’s University Belfast, September 2018; and
- Focus on Fast Track to Innovation – Dublin October 2018

Mr Shiels advised that 61% of survey respondents perceived the application process for Horizon 2020 to be more difficult than applications for equivalent funding programmes. InterTradeIreland responded to this by devising a bespoke training programme to provide practical support to those intending to write and submit Horizon 2020 applications in the near future. This Bespoke 2-Day Training Programme was piloted in Dublin on 15th/16th May 2018. It is planned to roll out additional sessions of this two-day training programme covering upcoming calls.

Mr Shiels also advised the Board that InterTradeIreland will host a high profile dinner event at Farmleigh House, Dublin on 20th June 2018 entitled: *Strategic Opportunities for North South Participation in Horizon 2020 and Beyond*. This event will bring together key decision makers and senior researchers from academic institutions and industry across the island to raise awareness of the target and help ensure the level of success in Horizon 2020 are maintained for the remaining calls for the programme. It will also provide a networking opportunity for North South academic and industry to foster collaborative relationships. Mr Shiels reported that the Tánaiste Simon Coveney has confirmed his attendance and invitations have been sent to Mr Noel Lavery, Permanent Secretary of the Department for the Economy.

Although the success rate for North South participation is on track to achieve the joint drawdown target of €175m, there are still challenges. Mr Shiels advised that in order to maintain impetus, in agreement with the steering group, InterTradeIreland will continue to provide a refreshed suite of targeted supports on the sectors where both Ireland and Northern Ireland have complementary strengths. These include:

- Bespoke Training Initiatives;
- Sector/Call Specific Events and
- Strategic Social Events and Communications

Ms McCallion advised that the UK government has given a commitment that funding for H2020 will continue following Brexit and InterTradeIreland will continue to celebrate the success to date and continue with this sector specific approach for the remainder of the programme.

The Board discussed this initiative and agreed that awareness and understanding of the programme was critical to its success. The Board noted the Horizon 2020 update and the

Chairman wished the team every success with the event on 20th June. He thanked Mr Shiels and Ms McCallion for their comprehensive presentation and work in this area.

Operations Directorate Progress and Activity Report

Mr Morrow presented the Operations Directorate Progress and Activity report. He advised that to date, programme budgets and targets are largely on track. There continues to be a strong demand for the Brexit vouchers with improved demand from companies in Ireland, aided by the RTE Radio 1 adverts and ongoing local profiling of the Brexit Advisory Service. Events were held in partnership with Chambers of Commerce in Wexford and Mullingar in April. A half day event in Sligo in conjunction with the Local Enterprise Office attracted 50 attendees and feedback was positive.

Mr Morrow informed the Board that the third “Selling to Government” breakfast briefing was delivered in Limerick in partnership with the Limerick Local Enterprise Office. A “Selling to Government” Meet the Buyer event will be held in Armagh City Hotel on 13th June 2018. All Centres of Procurement Expertise and N.I. Local Authorities will be in attendance. Parallel sessions will be delivered on Brexit, selling into ROI market, frameworks and tender tips. InterTradeIreland will launch its N.I. Local Government Threshold Guidebook at the event. It is anticipated that over four hundred SMEs will be in attendance. Board members were all cordially invited to attend this event. Mr Morrow advised that Supplier Engagement development activity has been undertaken with N.I. Water, Translink and N.I Housing Executive.

The Board were informed that the first N.I. based Challenge workshop of the year was held in April and it is expected that six SMEs will proceed to receiving coaching support.

Mr Morrow advised that the new Trade Manager, Ms Alison Currie had taken up her post. The tender process for contractor services to deliver the next phase of the Acumen programme has commenced with Central Procurement Directorate. Any Board member wishing to participate in the evaluation process were asked to contact the Executive.

The Seedcorn Competition promotional workshops have taken place with 254 companies attending. To date, 115 companies have registered for the competition which is in line with last year. Mr Morrow reported that a number of 2017 competition winners have reported success in fund raising following participation in last year’s competition.

A Venture Capital Case Study workshop for Invest N.I. took place in April and feedback from this event has been very positive.

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

Governance and Financial Matters

Mr Agnew presented the Governance and Financial Matters report. He advised that the external audit for 2017 is largely complete with no major issues being raised. The draft 2017 Statutory

Financial Statements were approved by the Audit and Risk Assurance Committee held prior to the Board meeting. The Board also approved the 2017 Draft Financial Statements which are expected to be certified by the two Comptroller and Audit Generals in advance of the deadline of 30th June 2018.

Mr Agnew advised that the next internal audit is scheduled for the end of June 2018 and will review the adequacy and effectiveness of procedures and controls operating in Human Resources and a follow-up review in respect of recommendations made following the audit of IT security.

The Board were informed that Fraud Awareness training was provided to all staff in April 2018.

Mr Agnew reported that the General Data Protection Regulations (GDPR) came into force on 25th May 2018. He advised that the GDPR working group continues to review data protection matters with weekly meetings being held. Examples of actions completed during the past month include:

- Draft Privacy Policy has been drafted and presented to the Senior Leadership team;
- Consideration of records to be shared with others in terms of agreements and safeguards; and
- Development of a Breach procedure.

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

Tenders and Variations to Letters of Offer/Appointment

Mr Agnew sought permission to go to competitive tender to contract an organisation to develop and deliver a report which will comprehensively define and appraise a new cross border supply chain initiative for the Body. The Board discussed and approved Mr Agnew's request.

Mr Agnew sought permission for an extension to the Acumen IV Managing Agent contract for the period 1st July 2018 to 30th September 2018 at no additional cost. The Board approved this request.

Communications Update

Mr Agnew presented the Communications update. He advised that the visit by Mr Michel Barnier, Chief Negotiator for British Exit from the EU had generated significant media interest and as a result InterTradeIreland had great exposure across broadcast, TV and press.

The Communications team have recently been focussing on rolling out the Body's refreshed image across all marketing materials, including brochures, stands, business cards, fliers and adverts.

Mr Agnew informed the Board that the results of the latest Business Monitor had generated significant coverage.

The new InterTradeIreland website is due to go live at the beginning of June 2018. The Chairman suggested that a demonstration on the new website be given at a Board meeting when it is completed.

Mr Agnew advised the Board that the terms of reference have been drafted and issued to Central Procurement Directorate for the Advertising, Design and Print Contract and PR and Event Management Contract.

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

Business Plan Budget Variance and Milestone Exception Report

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

Co-Innovate Programme Update

Mr Neil Ryan, Co-Innovate Director joined the Board meeting for this agenda item. He reported the numbers of attendees for the Strand 1 workshops and also additional workshops are now being scheduled for the 2nd half of 2018 to recruit an increased level of businesses.

Mr Ryan gave an update on Strand 2 of the programme with both business and innovation audits progressing well with positive feedback from participants. Although it would appear that that we are behind on target numbers, the team have already approved and assigned consultants to carry out an additional 95 business status reviews and 39 innovation audits, and it is just a case of agreeing dates with the businesses. These reviews and audits, once delivered, will take the associated numbers beyond the monthly targets.

Mr Ryan reported that 5 businesses have been given approval to progress to Strand 3 of the programme. Assessment panels occur every 2 weeks, with only those business cases who could develop a potential strand 4 or 5 project being approved for strand 3. This strand provides 10 days mentoring to enable progression to the next strand.

Strand 4 and 5 of the programme is almost ready to be launched, as application forms have been agreed and with partners finalising contractual agreements. It is anticipated that project work will commence in October 2018.

The Board noted the Co-Innovate programme update and the Chairman thanked Mr Ryan for his work in this area.

Brexit Update

Mr Gough gave an update on Brexit activities. He advised that demand for the Brexit Advisory Service was increasing. An economic appraisal has been commissioned for a further phase of the Brexit Start to Plan Voucher Scheme in anticipation of a further demand for the service. An on-line tool is also being developed and a new case study being undertaken. Ms Hearty

informed the Board that recruitment for a Brexit Project Manager and Digital Content Manager is currently underway. The Board discussed the possibility of securing additional funding for Brexit activities from the UK Exchequer. Mr Gough advised that he would seek clarification from DfE on this fund. It was agreed that contact should be made with the Permanent Secretary to follow-up on the invitation sent previously to meet the Board.

184.10 AOB

The Board Secretary advised that Board members would receive their Board and Sub Committee papers via their iPads and the Virtual Board Room App from June 2018.

The Chairman informed the Board that he would be unable to attend the June 2018 Board meeting and thanked Mr O’Sullivan for his agreement to chair the next meeting. He wished everyone a good summer.

.....Authorised by:

Mr Paul O’Sullivan
Vice Chairman, InterTradeIreland
26th June 2018