

**Minutes of the 185<sup>th</sup> Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.**

**Tuesday 26<sup>th</sup> June 2018 – InterTradeIreland (12.30pm – 1.45pm)**

Present:

Board Members:

Mr Paul O’Sullivan	Chair (for this meeting)
Mr Micheál Briody	
Mr Timothy Cairns	
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 Kinvier	Assistant Director of Strategy and Policy
Mr Alan Morrow	Assistant Director of Programmes and Business Services
Ms Orla McGlennon	Board Secretary

#### 185.1 Apologies

Apologies were received from Mr Ken Nelson, Mr Paul Greenfield and Mr Terry Crossan.

#### 185.2 Opening Remarks

The Chair welcomed all to the meeting. He thanked Ms Bayliss and Ms McGuinness for their attendance as observers. He advised that all Board members should now have received their

InterTradeIreland iPads to enable them to receive Board papers via the VBR app. The Board Sub Committees will receive their papers via the VBR platform commencing in August 2018.

### 185.3 Conflict of Interest

The Chair asked members to declare any conflicts of interest relating to today's agenda. 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.

### 185.4 Approval and Authorisation of the 29<sup>th</sup> May 2018 Board Minutes

The minutes of the 29<sup>th</sup> May 2018 Board meeting were agreed as a true record of the meeting and were approved by the Board and authorised by the Chair.

### 185.5 Matters Arising

Mr Gough reported that all matters arising from the last Board meeting had been addressed.

### 185.6 Chair's Business

The Chair advised that he had attended the Horizon 2020 event in Farmleigh, Dublin which brought together key researchers, innovators and decision makers from academia across the island. The event was an unqualified success with an excellent attendance and exceptional speakers and panel discussion. Minister Pat Breen had attended the event as the Tánaiste was unable to attend at late notice. The Chair asked that the Board's congratulations be passed on to Ms Karen McCallion and Mr Chris Shiels for their sterling efforts.

### 185.7 Designated Officer Report

Mr Gough informed the Board that the Body is currently on track to spend its full budget in 2018. As we plan for future years, however, it is clear to the Senior Leadership team that the process for the approval of programme/project expenditure is in need of review.

Mr Gough updated the Board on recent staff changes with fourteen people moving to new roles in the last six months. He reported on his recent engagements with the Taoiseach, Mr Jean-Claud Juncker, President of the EC and a meeting with Catalyst Inc and the Senior Leadership team. Mr Gough advised of the extremely successful Horizon 2020 event and the 'Meet the Buyer' event held in Armagh which the Chairman, Ken Nelson had attended.

Mr Gough advised that he had spoken to the Department for the Economy, Permanent Secretary, Noel Lavery at the H2020 event and a formal meeting with the Chairman is being arranged.

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

## 185.8 Board Sub Committee Reports

### *Audit and Risk Assurance Committee Report*

Mr Agnew reported back from the Audit and Risk Assurance Committee meeting held on 29<sup>th</sup> May 2018. He advised that the key points discussed at the meeting were:

- No incidences of fraud were reported. Mandatory Fraud Awareness training had been held in April 2018 for staff and was well received;
- Updated Draft 2017 accounts were presented. Any material amendments following approval by the Board would be notified to the Committee and to the Board.
- The NIAO representative presented the draft Report to Those Charged with Governance.
- The internal auditors presented an Interim Assurance Report covering the period to 31<sup>st</sup> December 2017. This supports the Statement of Internal Control in the annual accounts. The internal audit of HR is scheduled for June 2018;
- The risks in the Corporate Risk Register had now been linked to the Body's corporate objectives, following a recommendation by the internal auditors; and
- The Committee reviewed the Body's process for direct award contracts. The Body complies with its Financial Memorandum, which was jointly agreed by both Sponsor Departments and is currently being revised by the Departments. The Committee is content with current process.

The Chair thanked Mr Agnew for his report.

### *Innovation Sub Committee Report*

Mr Spratt reported back from the Innovation Sub Committee meeting held on 29<sup>th</sup> May 2018. Ten new Fusion applications were considered. Eight projects were approved and two projects were deferred pending further information, these were subsequently approved. He advised that the Sub Committee had discussed and agreed with the Executive's recommendation to increase the Fusion support package. This matter would be discussed later in the meeting.

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

### *Trade Sub-Committee Report*

Mr Joy reported back from the Trade Sub-Committee meeting held on 29<sup>th</sup> May 2018. He advised that the Committee considered fifteen new Acumen applications which were all approved. He highlighted the fact that 100% of the projects brought forward for consideration had all been approved.

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

### **185.9 For Consideration, Discussion, Decision &/or Approval**

#### *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.

A Brexit Advisory Service breakfast event was currently being held in Letterkenny in conjunction with the local Chamber.

Mr Morrow informed the Board that an evaluation and economic appraisal of the Brexit Start to Plan Voucher scheme is underway due to the significant demand for vouchers and associated expenditure. The pipeline for vouchers is strong with continued growing demand in the second half of 2018 to match the first six months.

Recruitment is ongoing for a Project Manager and a Brexit Digital Content Manager.

Mr Morrow advised that a Go-2-Tender training workshop took place in Wexford in May in partnership with the Local Enterprise Office. A Selling to NI Government Meet the Buyer event was delivered in Armagh City Hotel on 13<sup>th</sup> June and attended by 433 company representatives. Parallel sessions concentrated on Brexit, selling into the ROI market, Frameworks and Tender Tips. The Executive are working with the Construction Industry Federation team in Dublin to develop construction specific Go-2-Tender workshop responses and other support options. A construction specific Go-2-Tender workshop was held in the Canal Court Hotel, Newry on 15<sup>th</sup> June.

The Acumen Phase V tender for a Managing Agent was published on e-tenders on 11<sup>th</sup> June. Closing date for the return of tenders is Wednesday 18<sup>th</sup> July. Tender evaluation will take place in early August with a view to appointing a contractor to commence delivery from 1<sup>st</sup> September.

The 2018 Seedcorn competition closed for applications on Friday 1<sup>st</sup> June. 34 promotional workshops took place over these past few months, with 234 companies attending. This year there were 211 applications and the short listing process is currently underway. Mr Morrow advised that the Seedcorn awards ceremony will take place on Thursday 22<sup>nd</sup> November in Belfast and all Board members are cordially invited to attend.

On 30<sup>th</sup> May, 19 companies and start-up advisors attended a Venture Capital Workshop held in Waterford in association with WIT, SEBIC and Arc Labs.

Three equity advisory clinics took place in May with a further three scheduled to be held in June in Athlone, Belfast and Dublin. A new clinic has been requested by stakeholders in Cork IT which will take place on 3<sup>rd</sup> July.

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

#### *Fusion Support Package*

Mr Morrow advised that in the past 12 to 18 months, market conditions have made the recruitment of graduates onto the Fusion programme increasingly difficult. The current Fusion support package falls considerably short of other comparable graduate programmes. In addition, universities are finding the academic support package less attractive, leading to their reduced participation on the programme. Mr Morrow advised that the Executive and the Innovation Sub Committee had reviewed the support packages and recommended an increase in the level of support. The proposal detailed an increase in the total company support package for a 12-month project from £15,000 to £19,000 and an increase in the equivalent academic support package from £16,000 to £20,000. Packages for 18 month projects and euro equivalents would be introduced on a pro-rata basis. Mr Morrow advised that the new packages would be introduced in Q3/4 2018. The Chair advised that the Innovation Sub-Committee had discussed this matter and were very supportive of the proposal. He advised that no companies would be compelled to pay the higher rate. The Board discussed and approved the proposal.

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

#### *Governance and Financial Matters*

Mr Agnew presented the Governance and Financial Matters report. He advised that the N.I. Audit Office has completed its audit work and is awaiting feedback from its counterpart in Dublin to confirm that it is content with the accounts and audit work undertaken, to enable the accounts to be certified. No amendments have been made to the accounts since they were approved by the Board at its last meeting. Mr Agnew informed the Board that it is hoped that certification will be completed by the 30<sup>th</sup> June 2018.

Mr Agnew reported that the next internal audit is scheduled for 28<sup>th</sup> June to 3<sup>rd</sup> July 2018 and will review the adequacy and effectiveness of procedures and controls over Human Resources, along with a follow-up review in respect of recommendations made following the audit of IT Security.

Mr Agnew informed the Board that expenditure to date is largely on target for the year

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

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

Mr Agnew sought permission to vary the contract to deliver the HBAN programme for the period 1<sup>st</sup> August to 30<sup>th</sup> September 2018. The Board approved this request.

Mr Agnew sought Board approval to vary the contract for Advertising, Design and Print, from 1<sup>st</sup> August 2018 to 31<sup>st</sup> October 2018. The Board approved this request.

The Board also approved Mr Agnew's request to extend the contract for web development for 6 months.

### *Communications Update*

Mr Agnew presented the Communications update. He advised of the very successful Meet the Buyer event in Armagh and the Horizon 2020 event in Dublin.

Mr Agnew advised that our corporate digital campaign started at the beginning of June with the theme of Tendering. Each month there will be a different theme or programme promoted. The Elevate programme will be promoted in July. The campaign runs across digital and social media platforms. Mr Agnew drew the Board's attention to the positive metrics particularly for social media. The Chair advised that the new look website would be available to staff in the very near future.

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

### *Brexit Update*

Ms Kerry Curran, Policy Research Manager joined the Board meeting for this agenda item. She provided the Board with an overview of the key findings from ITI's Brexit Research to date including reference to the wider outcomes of the research programme.

The key facts noted from the May 2017 report on the impact of WTO tariffs were that the imposition of tariffs and non-tariff barriers would have the impact of reducing cross border trade by 16%, with agri-food sectors and products most impacted.

Ms Curran advised that the supply chain research published in March 2018 highlighted the integrated nature of supply chains on the island of Ireland, with the majority of goods being traded across the border being intermediate in nature, components within cross-border supply chains. The current (to be published) research emphasises the value of cross border trade, showing a clear premium in terms of productivity, sales growth, wages and employment figures.

Ms Curran reported that the overarching message from the research programme to date is that the impacts of any changes in the cost of trade post-Brexit are liable to be felt most particularly by very small firms / cross-border traders. Ms Curran also noted how the research had informed InterTradeIreland interventions through the Brexit Advisory Service, and broader operational

programmes and that the quality of research had played a role in increasing the Body's reputation as a voice of authority and an evidence based organisation.

### *Co-Innovate Programme Update*

Mr Neil Ryan, Co-Innovate Director joined the Board meeting for this agenda item. He reported the Strand 1 shortfall in numbers remained steady from the previous month. Nine additional workshops have been scheduled for the period September to November 2018 to address the shortfall and the interim plan is to at least maintain the current recruitment level until that time.

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 innovation audits target numbers, we have already approved and assigned consultants to carry out 31 innovation audits, which have not been completed on time (within a 4-week period from approval) due to companies being unavailable due to business needs. New dates are being agreed between the businesses and the consultants to get them completed which will ensure targets will be met.

Mr Ryan reported that 13 businesses have been given approval to progress to Strand 3 mentoring with all having the potential to progress to Strand 4 or 5. There is a total target across all partners of 30 mentoring sessions to be completed before the end of 2018.

Mr Ryan informed the Board that 13 businesses have been approved to progress to Strand 4 application phase but will complete Strand 3 mentoring first in order to develop their capabilities to support this application phase. It is anticipated that project work will commence in October 2018. Application documentation has been finalised, and a process for contracting and paying claims which meets InterTradeIreland, Scottish Enterprise and Highlands and Islands Enterprise requirements has been drafted (main issue to overcome was Scottish partners being able to directly fund Irish businesses) and is with SEUPB currently for approval before the application process for companies will open. 10 academic collaborative projects are due to start during 2018, with none completing until 2019 as they will last 12 months.

Mr Ryan advised that no businesses have been approved by the Stand 2 panel to progress directly to the strand 5 business to business project yet, as recommendations to date have been mostly for strand 3 and 4, and the 3 that did apply were rejected. Partners have identified some potential businesses with interesting projects already on the programme, but are currently progressing within Strand 2 of the programme. As with Strand 4, the application documentation has been finalised, and a process for contracting and paying claims which meets InterTradeIreland, Scottish Enterprise and Highlands and Islands Enterprise requirements has been drafted (main issue to overcome was Scottish partners being able to directly fund Irish businesses) and is with SEUPB currently for approval before the application process for companies will open. The first projects are anticipated to begin in October, in line with the original business plan. 6 projects across all partners are scheduled to begin before the end of 2018 and will last 24 months.

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

*Business Plan Budget Variance and Milestone Exception Report*

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

**185.10 AOB**

The Chair reminded Board members that the 28<sup>th</sup> August 2018 Board meeting will commence at 8.30am. He thanked the Board and the Executive for their input and wished everyone an enjoyable summer vacation.

.....Authorised by:

Mr Paul O’Sullivan  
Vice Chairman, InterTradeIreland  
28<sup>th</sup> August 2018