

Minutes of the 188th Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.

Tuesday 30th October 2018 – InterTradeIreland (8.30 am – 10.05 am)

Present:

Board Members:

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

In Attendance:

Observer:

Ms Florence Bayliss	Nominated Board member
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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

188.1 Apologies

Apologies were received from Mr James Spratt and Ms Adrienne McGuinness.

188.2 Opening Remarks

The Chairman welcomed all to the meeting.

188.3 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.

188.4 Approval and Authorisation of the 25th September 2018 Board Minutes

The minutes of the 25th September 2018 Board meeting were agreed as a true record of the meeting and were approved by the Board and authorised by the Chairman.

188.5 Matters Arising

Mr Gough reported that all matters arising from the last Board meeting had been addressed or were due to be addressed at a future meeting.

188.6 Chairman's Business

The Chairman presented the schedule of 2019 Board and Sub Committee meetings which the Board approved. He highlighted the change of date for the February 2019 Board meeting which would take place on Thursday 28th February to accommodate the Secretary General of DBEI, Dr Orlaigh Quinn and the DfE Permanent Secretary, Mr Noel Lavery who are both available to attend the Board meeting.

The Chairman informed the Board that there would be an informal Board and staff reception following the Board meeting on 27th November.

188.7 Designated Officer Report

Mr Gough reported that the Investors in People award was accepted by Sharon Hughes, HR Manager at an awards ceremony recently in Belfast Castle. Mr Gough advised that a staff morning is being organised in November to consult with staff on the next steps of this continuous improvement process.

Mr Gough updated the Board on recent stakeholder engagements including a meeting with Ministers and Ambassadors from Austria and Slovakia to advise them on cross border trade and business development. He also attended a Getting Ireland Brexit Ready (GIBR) event in Monaghan at which InterTradeIreland hosted a Brexit breakfast briefing in advance of the main event. Ms Rudden informed the Board that she had attended the briefing which was excellent.

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

188.8 Board Sub Committee Reports

Innovation Sub Committee Report

Mr O'Sullivan reported back from the Innovation Sub Committee meeting held on 25th September 2018. Two new Fusion applications were considered and both were approved. He advised that the Committee would consider fifteen new applications at their meeting following the Board meeting.

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

Trade Sub Committee Report

Ms Rudden reported back from the Trade Sub Committee meeting held on 25th September 2018. She advised that the Committee considered nine new Acumen applications. Eight projects were approved and one was rejected.

The Board noted the Trade Sub Committee report and the Chair thanked Ms Rudden for her update.

188.9 For Consideration, Discussion, Decision &/or Approval

Innova Programme Phase III

Ms Hearty presented a proposal for the reintroduction of the Innova programme. She advised Innova is InterTradeIreland's collaborative R&D programme that aims to stimulate, promote and support R&D collaborations between companies on a cross border basis to develop new products, processes or services jointly that neither company could do individually.

Ms Hearty reported that Innova was well established for over ten years but due to budget constraints the last Innova project was approved in 2014. An independent evaluation concluded that the Innova programme was highly effective in encouraging businesses to engage in collaborative cross border R&D&I.

Innova support included a partnership development grant of up to £7,500 (or 50% of total costs) and an R&D grant of up to £250k (or 50% of total project costs). Ms Hearty outlined the preferred option identified in the economic appraisal which includes a slight increase in the scale of the programme and the recruitment of a specialist networking and co-ordination management function. This would offer the potential to establish higher quality project partnerships leading to increased levels of commercialisation. Ms Hearty outlined the costs of the preferred option but advised the Board that the programme would be scaled to available budget.

The Board discussed and approved Phase III of the Innova programme based on the identified preferred option.

The Chairman thanked Ms Hearty for her presentation.

Synergy Initiative

Ms Gráinne Lennon and Ms Karen McCallion joined the Board meeting for this agenda item.

Mr Gough introduced the new InterTradeIreland Synergy initiative. He advised that this new cross border strategic initiative will drive more value by scaling existing and new partnerships, networks and clusters.

Ms Lennon outlined the legislative basis and strategic policy alignment for the new initiative. The initiative aligns with DfE, DBEI and EU cluster strategies. Ms Lennon advised that the Synergy initiative could align with Horizon Europe's five key cluster areas, the Grand Challenges funding in the UK and the Disruptive Technologies Innovation Fund in Ireland. In addition, recommendations from the OECD was for InterTradeIreland to leverage other funding opportunities North and South. Ms Lennon reported that Synergy will provide a flexible and supportive approach which aligns with InterTradeIreland's current key core values. The new approach will enable the Body to take advantage of new opportunities that arise for further cross border collaboration which do not have a natural fit under our existing suite of programmes.

Ms McCallion highlighted the evidence on which this new initiative was based, including the pilot pharma cluster development which has led to the all island cancer trials network. The opening of four trials on an all-island basis has produced evidence of economic value to both jurisdictions. Another opportunity that is currently being explored is the development of a new programme to support vendors in the pharma sector.

Ms McCallion commented on the economic value of SMEs participating in clusters and reported that companies active in this area are four times more likely to innovate, with productivity growth 3.6% higher and 14% of SMEs active in clusters which have international activities (compared to 5% – 6% SME average) as evidenced by Cluster Excellence, Denmark.

Ms McCallion advised that projects in this area would be brought to the Board for approval. These may include research reports, further development of an open innovation platform, facilitated networking events, cross border collaboration training and support for cross border cluster managers.

The Board discussed the initiative and endorsed the outlined approach. The Chairman thanked Ms Lennon and Ms McCallion for their presentation.

Q3 2018 Business Monitor Results

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

Ms Curran advised that the results of the latest Business Monitor report that overall 41% of businesses are in growth mode (37% in Northern Ireland and 44% in Ireland). Cross border traders continue to out-perform and are growing more rapidly than non-exporters with 30% of businesses involved in sales reporting moderate/rapid growth. Ms Curran reported that against a positive sales backdrop, many businesses are facing a number of challenges. Highest among these is the rising costs of overheads with 54% of SMEs reporting that it is their biggest challenge. This increases to 64% for the manufacturing sector and 67% for the leisure and catering sector.

The Business Monitor survey indicates that skills shortages is an issue that is being felt by businesses and particularly by certain sectors. While one in five (21%) of companies are experiencing difficulties recruiting, this rises to 36% for large businesses, 29% in the construction sector and 31% in the professional services sector. Ms Curran advised that 41% of larger firms (50+ employees) reported there are skills shortages within their sector.

Brexit continues to be a significant issue, particularly for exporters. 42% of businesses report it has already had a negative impact on sales and 38% cite that it has impacted negatively on investment decision making within their company. There have been additional negative impacts on supply chains and logistics for more than a quarter of exporters to date. Ms Curran advised that there may be an increasing demand for the Brexit Start to Plan vouchers.

The Board noted the results of the Q3 Business Monitor results and the Chairman thanked Ms Curran for her presentation.

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 to be achieved. A recruitment exercise is underway for a Brexit Advisory Service Manager as well as at Project Manager and Executive level.

Mr Morrow reminded Board members that they were all invited to attend the Seedcorn final awards ceremony on Thursday 22nd November 2018 in Belfast. Any members wishing to attend were asked to advise the Board Secretary.

Mr Morrow updated the Board on activities including the Brexit Advisory Service, Public Procurement, Trade, Innovation and Funding for Growth as detailed in the Operations Directorate Board papers.

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 2017 Accounts and Annual Report were recently presented to both governments.

The internal audit plan for 2018/19 will be considered by the Audit and Risk Assurance Committee at its meeting following the Board meeting.

Mr Agnew advised that the internal cross directorate working group continue to meet regularly to discuss issues arising from the implementation of the new GDPR regulations. A GDPR e-learning module has been issued to all staff and Board members, for completion by the 31st October, to provide further training on the regulations.

Mr Agnew advised that expenditure to date is largely on track.

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

The Board approved Mr Agnew's request to go to competitive tender for the services of a Media Monitoring provider to measure public relations communications activity for a three-year period, subject to satisfactory performance.

The Board approved the request to go to competitive tender for the procurement of a Virtual Learning Environment (VLE) for the digital Brexit Advisory Service for 3 years. The appointment will include a break clause at the end of years one and two.

The Board approved Mr Agnew's request for additional expenditure for the completion of the current contract for the All Island Business Monitor.

Communications Update

Mr Agnew presented the Communications update. He advised of the extensive PR activities this month with press releases issued each week. These releases are contributing to the wider awareness of our supports and services with the performance metrics for our brand awareness now at 89% (our highest figure to date) and brand understanding at 86%.

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

Brexit Update

Mr Gough gave a brief update on Brexit activities. He advised that a cross directorate team including representatives from Policy Research team, the Brexit Advisory Service, Communications team and Senior Leadership Team continue to meet regularly and provide co-ordinated responses to the Brexit debate. Our priorities remain the Brexit Preparedness Voucher and the development of specific modules in an online learning environment. The Body’s profile has been raised as a result of this work as outlined in the Communication update.

The Chairman thanked Mr Gough for his update.

Co-Innovate Programme Update

Ms Carolyne Murphy, Co-Innovate Programme Manager joined the Board meeting for this agenda item. She advised that Mr Ryan sent his apologies but he would give a more detailed presentation on the Co-Innovate programme at the November Board meeting.

Ms Murphy gave an update on performance against targets for each strand of the Co-Innovate programme. She also reported that the programme is on target to reach its N+3 commitments for 2018.

The Board noted the Co-Innovate programme update and the Chairman thanked Ms Murphy for her update.

Business Plan Budget Variance and Milestone Exception Report

Ms Kinver presented the Business Plan Commentary Report. She reported that minor issues relate to timing issues and will be addressed in the coming months.

The Chairman thanked Ms Kinver for her report and the Board noted the Business Plan Budget Variance and Milestone Exception Report.

188.10 AOB

The Chairman thanked everyone for their input to the meeting.

.....Authorised by:

Mr Ken Nelson
Chairman, InterTradeIreland
27th November 2018