

**Minutes of the 194th Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.**

**Tuesday 28th May 2019 – InterTradeIreland (08:30am – 10:30am)**

Present:

Board Members:

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

Observers:

Ms Florence Bayliss	Nominated Board member
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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 Operations
Ms Nicola Quinn	Finance Manager (acting as Board Secretary)

**194.01 Apologies**

Apologies were received from Mr Timothy Cairns, Mr Patrick Joy, Ms Adrienne McGuinness, Mr Martin Agnew and Ms Orla McGlennon.

**194.02 Opening Remarks**

The Chairman welcomed all to the meeting and congratulated Mr Terry Crossan and Mr Paul Greenfield on their recent election as Councillors.

#### 194.03 Conflict of Interest

The Chairman asked members to declare any conflicts of interest relating to today's agenda. Mr Nelson 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 Briody also declared a potential conflict of interest arising from his position as CEO of Silver Hill Foods which is a participant on 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 which is a participant on the Co-Innovate programme.

No other conflicts were declared.

#### 194.04 Approval and Authorisation of the 30<sup>th</sup> April 2019 Board Minutes

The minutes of the 30<sup>th</sup> April 2019 Board meeting were agreed as a true record of the meeting and were approved by the Board and authorised by the Chairman.

#### 194.05 Matters Arising

Mr Gough advised that all matters arising from the April 2019 Board meeting have been addressed.

#### 194.06 Chairman's Business

The Chairman reported that following the very productive meeting with the two Sponsor Departments in April, he had been requested by the DfE Permanent Secretary, Mr Noel Lavery, to arrange a further meeting in the Autumn. Such meetings are very valuable to help ensure that the Body maintains strong relationships at a senior level with both Departments. The Chairman had attended the Future Jobs Event organised by Business Eye/Ulster University and advised that he would be travelling to the Interreg VA Programme Monitoring Committee meeting in Edinburgh on 30 May. Very positive feedback is being received about the Co-Innovate Programme.

#### 194.07 Designated Officer Report

Mr Gough informed the Board that he had attended a stakeholder seminar for Future Jobs Ireland, which is the Irish Government's principal economic development strategy to meet the challenges of adapting to a low carbon future, a revolution in digitalisation and automation and lower productivity in indigenous SMEs. It is important that the Body's Corporate Plan demonstrates alignment with the five key pillars of this strategy. The strategy builds on the Action Plan for Jobs, which has various regional taskforces. Whilst the Body is represented on some of these, it is planned to make a submission to demonstrate how ITI can contribute directly and play a more central role in delivering the new strategy.

The development of the next Corporate Plan is continuing with the establishment of a cross-directorate group for each of the key strategic enablers to improve organisation effectiveness, value and impact. Research has shown that the Body is operating in the key areas which are the foundation of a growing economy, however there are opportunities to generate greater value from activities. The Board were informed that the NIPSO investigation is ongoing.

Mr Gough had attended dinners with the US Consul General, Elizabeth Kennedy Trudeau and Mark Foley, CEO of Eirgrid Group. He had also met with Paddy Harte, Chair of the International Fund for Ireland and with the Secretary of State and HRH Prince Charles at an event in Enniskillen.

Mr Gough advised the Board that Mr Gerry Campbell is retiring as IT and Facilities Manager in early June. Gerry has been with ITI since its inception and has made a valuable contribution to the Body's success, clearly demonstrating each of the core values before these had even been formally agreed.

The Board noted the Designated Officer's report and the Chairman thanked Mr Gough for his update. The Board wished Mr Campbell a long, healthy and happy retirement.

#### 194.08 Board Sub Committee Reports

##### *Innovation Sub Committee Report*

Mr O'Sullivan reported back from the Innovation Sub Committee meeting held on 30th April 2019. Three new FUSION applications & one deferral were considered by the Sub-Committee, all of which were approved.

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

##### *Trade Sub Committee Report*

Ms Hearty reported back from the Trade Sub Committee meeting held on 30th April 2019. She advised that the Committee considered fourteen new Acumen applications, with twelve being approved and two deferred. Two of the approved projects were subject to confirmation from Enterprise Ireland that their HPSU funded companies were eligible for Acumen funding. This confirmation had now been received.

The Board noted the Trade Sub Committee report and the Chairman thanked Ms Hearty for her update.

#### 194.09 For Consideration, Discussion and Noting.

##### *Operations Directorate Progress and Activity Report*

Ms Hearty presented the Operations Directorate Progress and Activity Report. She advised that all programmes are on or ahead of target and that there is good demand for ITI supports, which is encouraging since there had been concern over the impact of the current uncertainty around Brexit.

Ms Hearty reported that ITI had achieved substantial value and publicity from its sponsorship of the Manufacturing and Engineering award category at the Energia Family Business Awards, which took place in Dublin on 24 May. The Body was the only sponsor which had a video shown during the awards, and she congratulated the ITI Communications team for this achievement.

The Brexit Advisory Service team is currently taking stock of all activity and is working with the Communications team to refresh the Brexit messaging to engage more SMEs and to focus on driving more traffic to the online portal. A number of small customs workshops are planned for border areas which will include the promotion of the online portal, with its excellent videos explaining the various import/export declarations paperwork.

The Acumen Programme Managing Agent had attended the Trade Sub-Committee in April to update the Committee on progress to date on the programme. Feedback from businesses funded by Acumen had been very positive, with one company approved in September 2018 having achieved €124k of cross-border sales in January- March 2019, having only appointed its salesperson in December 2018.

Ms Hearty informed the Board that the ITI public tendering activities are progressing well, with workshops being held in Belfast and Wicklow during April. She also noted that the first two pilot Business to Business Fusion projects had successfully launched in May.

Promotion of the 2019 Seedcorn competition is continuing, including a pilot radio campaign involving a previous competition winner. The Funding for Growth Programme held three pilot 'Funding Options for Successful Growth' events in association with the British Business Bank (BBB) in May which were well attended. A larger event is scheduled in Belfast in June and it is intended that these events will be rolled out on a cross-border basis.

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

#### *Co-Innovate Programme Update*

Mr Neil Ryan joined the Board meeting for this agenda item and provided an update on the progress made on the various strands. A new Project Manager has been appointed by Highlands & Islands Enterprise (HIE) and activity within that region has improved. It is hoped that permission for increased targets for Strand 3 activities will be approved by SEUPB in mid-June, to meet demand from businesses.

Mr Ryan advised the Board that due to uncertainty regarding Brexit, the delivery of programme targets within the current agreed timescales may be adversely impacted. It has been agreed with SEUPB that a review will be carried out at the end of June 2019, at which stage a decision will be made whether to request an extension to the programme.

The Chairman advised that following its 30 May meeting, the next Interreg VA Programme Monitoring Committee meeting is due to be held in Northern Ireland and suggested that it could be hosted by ITI. Mr Aidan Gough agreed to contact SEUPB in this regard.

The Board noted the Co-Innovate Programme report and the Chairman thanked Mr Ryan for his update.

### *Q1 2019 All-Island Business Monitor Results*

Ms Kerry Curran joined the Board meeting for this agenda item. She reported that the most recent Q1 2019 Business Monitor results had been published in mid-May and had received excellent coverage in both traditional and social media. The fact that the Business Monitor had become more prominent in southern policy discussions was also noted.

Ms Curran reported that the latest monitor results show that a high proportion of firms (88%) are stable or are in growth mode, but that there is a reduction in the growth rate. Cross-border trader growth figures are below that of non-exporters. This had been reported in the previous quarter for the first time, and may be attributable to a readjustment of supply chains to address the risk of Brexit.

Brexit is also considered to be having an adverse impact on investment decision making, with almost one-third of large firms reporting this, and an overall decrease being reported in the number of firms planning investment in staff, R&D and facilities over the next year. Ms Curran also reported a decrease in the number of firms experiencing increased turnover in the past year, and that small firms are more likely to have smaller profit margins. The expectation for the next quarter is that the business environment will continue to be subdued, reflecting the current uncertainty around the Brexit issue.

The Board discussed the Business Monitor results and expressed concern that small firms would be working to such tight margins. They agreed that it is likely that firms are realigning supply chains, and may be adopting a cautious 'wait and see' approach to investment. There is also evidence of stockpiling, depending on affordability and the perception of risk, in anticipation of tariffs being introduced, and this can result in working capital difficulties. The relative merits of increasing the number of businesses surveyed was discussed. Mr Gough advised that increasing the sample from 750 to 1000 businesses would not greatly increase the statistical significance of the survey.

The Board noted the results of Q1 2019 Business Monitor and the Chairman thanked Ms Curran for her very comprehensive presentation.

### *All Island Innovation Programme Update*

Ms Karen McCallion and Mr Damien McConville joined the Board meeting for this agenda item. Ms McCallion explained that the All Island Innovation Programme (AIIP) had been running for ten years and the current three-year programme, approved by the Board in February 2018, included a new partner, Dublin City University (DCU). The current funding Letter of Offer required that the Board would be provided with a progress update after year one of the programme, which completed on 31 March 2019.

Mr McConville reported that the AIIP had delivered all of the targets for year one, including masterclasses delivered by internationally acclaimed innovation experts and the expansion of international academic relationships. Activities planned for year two will focus on developing a cross border innovation ecosystem, through four key activities.

The Board discussed the proposals and agreed that the quality of the AIIP delivery has significantly increased with high calibre speakers and increased co-operation between the partners, and that the programme will have real impact. The production of a series of podcasts and an online portal in year two should further enhance the programme.

The Board noted the AIIP update and the Chairman thanked Ms McCallion and Mr McConville for their presentation.

### *Governance and Financial Matters*

Mr Gough presented the Governance and Financial Matters report. Fieldwork for the 2018 audit is largely complete and is being reviewed by the C&AG offices in Belfast and Dublin. The final draft of the 2018 financial statements will be presented to the Board for approval at its June meeting, and should be certified by the two C&AGs shortly thereafter.

The internal auditors have recently completed the audit of Programmes as per the 2018/19 Audit Strategy. When issued, the draft report will be reviewed by management and will be presented to the June meeting of the Audit & Risk Assurance Committee.

A meeting had been held with the two Sponsor Departments on 24 May to discuss the comments provided by the Body on the draft revised Financial Memorandum.

Mr Gough provided a brief overview of the 2019 budgetary outturn to date and advised that spend was on target. He noted that a bid had been submitted to the DfE June monitoring round for the funding shortfall in the 2019 Business Plan.

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

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

Mr Gough explained that ITI has been awarded the opportunity to take part in the Department for the Economy's competitive Small Business Research Initiative (SBRI). The funding provides an opportunity for departments and arm's length bodies to receive funding to pay for the research and development of technological innovative solutions to challenges faced by the public sector, leading to better public services and improved efficiency and effectiveness.

The aim of the SBRI is to use the SBRI procurement process to research and develop new and commercially viable solutions to known problems simultaneously with a number of expert businesses.

Phase One of the SBRI process is the opportunity to simultaneously procure advice from five businesses, expert in the field of data analytics and machine learning, to help ITI to understand how these advances in technology can better support the Body, its stakeholders and SMEs on the island of Ireland.

The Board approved Mr Gough's request to go to competitive tender for five three-month Proof of Concept contracts.

### *Draft Corporate Plan 2020-2022*

Ms Grainne Lennon and Ms Sharon Hughes joined the meeting for this agenda item. Ms Alayne Kinver reminded the Board of the vision and mission of the Corporate Plan and noted that there are three interconnected strategic enablers which will facilitate the delivery of the Plan.

Ms Lennon explained that of the first of the enablers, Synergy, relates to a way of working which will enable the Body to achieve more value and impact from its activities, and represents a more streamlined approach to cross directorate working. The second enabler, Digitalisation and Data Analytics, comprises a number of activities which will enhance the data analytics capability and extent of digitalisation within ITI. Ms Hughes, the Body's HR Manager, explained that staff development activities will include a training needs analysis and annual training plans to ensure that staff have the required skills to deliver the Corporate Plan.

Ms Kinver advised the Board that the next steps in the development of the Plan would involve the setting of KPIs, and it was intended that the draft Plan would be presented to the Board at its August meeting.

The Chairman noted that the timescale for the Plan is reasonable. He advised that a strong alignment between training plans and the Body's performance assessment framework is important. The Designated Officer concurred, stating that there will be an emphasis on personal development along with the achievement of KPIs. The Body's core values would also be embedded in the new performance management framework. The need for the framework to focus primarily on the assessment of performance was discussed, although personal development has an important role in ensuring staff have the skills to help achieve the Body's KPIs.

The Board discussed the strategic enablers presented. It was agreed that these are a valuable part of the Corporate Plan, in that they address how the Plan will be delivered. The key focus of the Plan should remain the delivery of trade and innovation supports and achievement of the related KPIs. Mr Gough confirmed that this would be the case, and that the mission, vision, activities and KPIs would all be clearly addressed, with the strategic enablers providing detail about how these would be achieved, to drive greater value from the proposed programme of supports.

The Vice-Chairman advised that the sharing of information and particularly the overall architecture of organisational information, including dashboards and the quality of information flows, should be an early target within the Plan to ensure that the complete relationship between ITI and a company should be available across the Body, and therefore that maximum benefit is derived from digitalisation. Given that the Body has outsourced managing/delivery agents for some of its programmes, careful consideration will be required in relation to information sharing with these agents. It was noted that the strategic enablers identified would have budgetary implications.

The Board noted the 2020-2022 Corporate Plan update and the Chairman thanked Ms Kinver, Ms Lennon and Ms Hughes for their presentation. The Plan would be discussed again at the June meeting.

*Communications Update*

Mr Gough presented the Communications update. He reported that the 2019 Seedcorn Investor Readiness Competition had been launched in April, with a comprehensive advertising, marketing and PR campaign in place until the end of May. The All-Island Business Monitor had been issued, generating excellent media coverage. An integrated advertising campaign had been launched to promote the final call for Strand 5 projects for the Co-Innovate programme. Mr Gough also advised that the Media Monitoring and Advertising, Design and Print competitions had progressed during May and should be complete by the end of the month.

The Board noted the Communications Update and the Chairman thanked Mr Gough for his report.

*Brexit Update*

Mr Gough advised that work continues on planning for Brexit. Strong demand for the Brexit Start to Plan vouchers continues given the uncertainties for businesses on the island. Once more information becomes available regarding the plans for Brexit, the voucher scheme will be reviewed to ensure the best package of funding for SMEs is made available.

Ms Hearty provided an example of one company which had been advised to register with a customs agent, but is now training to become an agent due to the anticipated shortage of these in Ireland. This is potentially one area in which ITI could become involved.

The Board agreed to have a further discussion regarding Brexit at its next meeting, and would consider if ITI can provide support to address the issue of Brexit-related working capital pressures.

The Board noted the Brexit update and the Chairman thanked Mr Gough for his update.

*Business Plan Budget Variance and Milestone Exception Report*

Ms Kinver presented the Business Plan Budget Variance and Milestone Exception Report and provided explanations for minor issues highlighted.

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

**194.10 AOB**

The Chairman thanked the Executive and asked that the Board's appreciation be passed on to staff.

.....Authorised by

Mr Ken Nelson, Chairman, InterTradeIreland  
25 June 2019