

**Minutes of the 196th Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.**

**Tuesday 27<sup>th</sup> August 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	
Mr Patrick Joy	
Ms Adrienne McGuinness	
Ms Ann Rudden	

**Executive:**

Mr Aidan Gough	Designated Officer
Mr Martin Agnew	Corporate Services Director
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)

**196.01 Apologies**

Apologies were received from Mr James Spratt, Mr Timothy Cairns, Ms Florence Bayliss, Ms Margaret Hearty and Ms Orla McGlennon.

**196.02 Opening Remarks**

The Chairman welcomed all to the meeting and asked that the Board’s best wishes should be sent to Ms Orla McGlennon.

**196.03 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 involved with 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.

#### 196.04 Approval and Authorisation of the 25<sup>th</sup> June 2019 Board Minutes

The minutes of the 25<sup>th</sup> June 2019 Board meeting were agreed as a true record of the meeting and were approved by the Board and authorised by the Chairman.

#### 196.05 Matters Arising

Mr Gough provided an update on the matters arising from the June 2019 Board meeting. He advised that the Body would not now be seeking additional funding for the Co- Innovate programme due to the short timescale available for incurring the related expenditure. The proposed joint meeting with the Secretary General and Permanent Secretary, originally scheduled for September, has had to be postponed due to the Secretary General's diary commitments. There would be an opportunity to meet with these officials at a meeting of all agencies in November. The Chairman noted that the arrangement of a joint meeting could be revisited early in 2020.

In respect of the 20<sup>th</sup> anniversary event, the keynote address would now be given by Minister Humphries. The list of invitees is currently being finalised and it was agreed that this would include previous Board members.

#### 196.06 Chairman's Business

The Chairman reported that the Board self-evaluation exercise had been conducted as agreed at the previous meeting in June. Actions arising would be discussed at the September Board meeting. The Chairman thanked Aidan Monaghan for co-ordinating the survey. He noted that two Board members had attended an event in Dublin hosted by the US Ambassador.

#### 196.07 Designated Officer Report

Mr Gough informed the Board that the Brexit campaign had been re-energised and relaunched to try to engage greater numbers of SMEs. The ITI cross-directorate Brexit team, working with the Body's new advertising agency, had developed an impressive campaign which is expected to have significant impact. The campaign had been co-ordinated in conjunction with both Sponsor Departments.

Mr Gough reported that the US Ireland R&D Partnership activities had further expanded into the area of cyber security. This is expected to generate valuable opportunities for the Body.

The next All Island Innovation Programme event would be held on 17 September in Cork, and all Board members are invited.

The Board noted the Designated Officer's report.

## 196.08 Board Sub Committee Reports

### *Innovation Sub Committee Report*

Mr Morrow reported back from the Innovation Sub Committee meeting held on 25<sup>th</sup> June 2019. Two new FUSION applications were considered by the Sub-Committee, both of which were approved.

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

### *Trade Sub Committee Report*

Mr Joy reported back from the Trade Sub Committee meeting held on 25<sup>th</sup> June 2019. He advised that twelve new Acumen applications had been considered and approved, four from Northern Ireland and eight from Ireland. The recent introduction of application pre-screening had enhanced the quality of proposals.

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

### *Audit & Risk Assurance Committee*

Mr Crossan reported back from the Audit & Risk Assurance Committee meeting held on 25<sup>th</sup> June 2019. The 2018 accounts had now been certified by the C&G offices in both jurisdictions. The internal auditors had completed the audit of Programmes, with an overall 'satisfactory' assurance rating having been awarded. The Risk Management Policy had been updated to incorporate internal audit recommendations, and the revised policy would be presented to the Board at today's meeting. The Risk Register had also been updated, with Brexit remaining the highest ranked risk, due to the ongoing absence of agreed arrangements.

The Board noted the Audit & Risk Assurance Committee report. The Chairman thanked Mr Crossan for his update.

## 196.09 For Consideration, Discussion and Noting.

### *Operations Directorate Progress and Activity Report*

Mr Morrow presented the Operations Directorate Progress and Activity Report. Brexit team activities have increased, with a higher volume of enquiries from SMEs in recent weeks. More than 3,000 businesses have now engaged with ITI in 2019 to date. The Body had been represented at DBEI events in July in Cavan and Monaghan, and would be attending a further DBEI event in Louth in September. A large scale event, to be held north of Dublin, is planned for November. Drop-in clinics, which are informal and cost-effective, were hosted by ITI in Dundalk and Mullingar and had been very successful. A further clinic is planned for Omagh in September. Mr Greenfield suggested that a similar event in Newry, possibly in the Body's offices, could be considered.

Mr Morrow advised that current Tendering team activities include the hosting of a supplier engagement event in conjunction with OGP in Athlone in October. A similar event with NI Water will be delivered in November in Belfast, which will replicate the Translink event previously held. The Local Government Management

Association is also working with the team to organise a large scale event in October, which will complement the ITI 20<sup>th</sup> anniversary celebrations.

Demand for Trade Team programmes remains strong. The additional recruitment support for Acumen companies is proving to be very successful in reducing the risk of approved projects not starting.

In respect of the Innovation team, it was reported that the Fusion graduate recruitment message is currently being reviewed, given the extremely competitive graduate recruitment marketplace, to assist Fusion companies to attract the best graduates. A tender competition for a Networking and Co-Ordination manager for the Innova programme should be completed in September. In response to a query from the Chairman, Mr Morrow noted that demand for the Fusion programme is high, with fifteen projects being considered by the Sub-Committee this month, and a strong pipeline expected for consideration before the end of the year.

Finally, Mr Morrow reported that 186 of the 205 initial applications for the 2019 Seedcorn Competition had now been invited to submit a Business Plan by 30<sup>th</sup> August.

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

#### *Financial Assistance Scheme Project Proposals*

*Ms Karen McCallion joined the meeting for this agenda item.*

The Chairman advised the Board that two Financial Assistance Scheme (FAS) proposals would be presented to the Board for approval. Ms Kinver noted that due to budgetary constraints the Scheme had not been open for applications since 2009, but had been re-introduced in the 2019 Business Plan as a vehicle to source and pilot new innovative approaches to business development on the island from third party organisations. A rigorous internal assessment process is in place, which includes Board approval. Mr Gough noted that the Scheme will be an important element of the new Corporate Plan, as it is an effective mechanism for broadening the Body's range of supports. The Scheme will be reviewed to ensure it will contribute to the achievement of the corporate strategic objectives in the new Plan. He also confirmed that the two proposals being presented would not result in a budgetary pressure.

#### *Cocoon*

*Mr Aidan Browne (Head of Innovation and Business Development DKIT) & Ms Tracey Rice, Manager of Business Support and Innovation Southern Regional College (SRC), joined the meeting for this Agenda item*

Mr Browne presented the project proposal to the Board. The Cocoon pilot will support 10 student start-up businesses in the North Leinster and South Ulster region over a 9 to 12-month period, to develop new products, processes or services. It will facilitate cross-border team development and aims to prepare each project for investment. Utilising a team of students from "across the border" to act as "employees/pseudo consultants" to each start-up to complete a specific work package, managed and informed by academic staff and industry expertise and mentors, each business will be supported to bridge both the resource, domain knowledge and management capability gaps. Mr Browne noted that both promoters have extensive experience of delivering cross-border projects and it is hoped that the Cocoon project will provide a pipeline for other ITI programmes, such as Fusion. In response to a question from the Chairman, Mr Browne confirmed that DKIT would take the lead on the administration of the project, and that it was likely that if successful, other colleges would introduce similar projects across the island.

Mr Briody queried how the success of the project would be measured. Mr Browne advised that it was hoped that three of the ten supported student businesses would progress to further funding and incubation within SRC or DKIT, with both institutions having successful incubation units. The other students involved may move on to graduate programmes such as Fusion, and all would have gained valuable new skills as a result of their participation in the Cocoon programme. In strategic terms, the programme would contribute to the promotion of the area as an innovative region.

In response to a query from Mr Joy, Mr Browne confirmed that the programme is not solely classroom-based, but comprises practical workshops. The programme differs from a previous project delivered in 2015 due to the level of collaboration between SRC and DKIT, and the introduction of students as ‘pseudo consultants’ to the student businesses. He further confirmed that the students would be working closely with enterprise and would be aiming to identify solutions to ‘real world’ issues. The programme is not targeted solely at STEM students, and business and humanities students would provide a support infrastructure as consultants. Training would be provided to the consultants, and it is intended that there will be a high level of cross-border engagement both within and between the various teams.

*The project promoters left the meeting.*

Following the departure of the promoters, the Board discussed the project. The Board agreed to approve funding of the Cocoon. The performance of the project should be reported back to the Board on completion.

#### *M1 Payments Corridor*

*Mr Richard Hanlon, Chairperson of the Northeast Regional Enterprise Plan 2020, Mr Thomas McEvoy (Head of Enterprise at Louth County Council and Mr Breannan Casey, Innovation & Enterprise Manager at The Mill, Drogheda’s Enterprise Hub, joined the meeting for this Agenda item.*

Following an introduction by Ms Kinver, Mr Hanlon presented the project proposal to the Board. The M1 Payments Corridor (M1PC) has an ambitious vision for the Belfast to Dublin region to become a significant hotbed of innovation capitalising on the opportunities created within the new eCommerce payments landscape and as a means of utilising and adding value to the geographic concentration of ePayments and Fintech transaction companies along the M1 corridor.

The proposed project is to fund a programme manager for the M1PC for two years, in order to help achieve this vision and to act as a regional facilitator to ‘glue’ together the existing experience and expertise already in FDI and indigenous companies.

The project has potential to drive job creation in the corridor from Dublin to Belfast across startups, scaling companies and FDI. The original M1PC idea was derived from Atlanta’s ‘Transaction Alley’ where more than 70% of US payments are processed by companies in Georgia. Additionally, given the region’s participation in cross border trade, Brexit presents an opportunity with its significant implications for ‘frictionless’ currency fluctuations and cross-border employment. The M1PC could closely align with the newly established C8 Councils’ economic development aims.

The presentation was followed by questions from the Board. The Chairman requested clarification regarding the line management of the programme manager. Mr Hanlon advised that the person will be part of an executive Sub-Committee which will report to a well-established Steering Group. He confirmed that since

there is strong buy-in for the project from industry and academia, that the appointee will be fully managed and supported in his/her role.

It was further confirmed by the promoters that the Steering Group would have a 50/50 North/South representation of members. Until financial support for the project is confirmed, members from N.Ireland have not yet been appointed, although InvestNI and QUB have indicated their support.

The programme manager position, which has not as yet been advertised, is a senior role with fintech experience being required, hence the level of funding being sought from ITI. In response to a query from the Board, the promoters advised that the project should be sustainable following the two years of funding by ITI, since by that stage the private sector companies would be willing to make a greater financial contribution, having experienced the value of the project activity.

The Board Vice-Chair advised that the proposed project activity may be eligible for funding from Skillnet in Ireland, and recommended that this opportunity should be explored.

*The project promoters left the meeting.*

Following the departure of the promoters, the Board discussed the project. It was agreed that the level of funding being sought is high, and that it would be desirable to review the achievement of milestones on a six-monthly basis prior to approving payments, such that the funding would therefore be payable in four tranches subject to satisfactory performance. The Chair noted that the early appointment of Northern members to the Steering Group is considered essential, and that the need for robust arrangements for accountability and support for the programme manager should be addressed in any offer of funding. Mr Gough noted that sustainability, regular project monitoring and the need for ITI branding should also be conditions of any letter of offer.

Subject to the above matters being satisfactorily addressed, the Board approved funding of the M1 Payments Corridor for a two-year period. The Chair requested that progress on the project should be reported to the Board on a regular basis.

*Ms McCallion left the meeting.*

#### *Co-Innovate Programme Update*

Ms Esther Baird joined the Board meeting for this agenda item and provided an update on the progress made on the various strands of the Co-Innovate Programme. She advised that additional funding would not now be sought for Strand 3, due to the short timescale available for achieving expenditure targets.

Successful launch meetings had recently been held for the first Strand 4 and Strand 5 projects, with more Strand 4 launches planned for September. The first Scottish Strand 5 project had also been approved.

In response to a query raised at the previous Board meeting, Ms Baird advised that eighty-eight Co-Innovate businesses had previously received support from other ITI programmes. This means that almost eight hundred businesses are engaging with ITI for the first time because of Co-Innovate, which is very positive.

The Board noted the Co-Innovate Programme report and the Chairman thanked Ms Baird for her update.

### *Governance and Financial Matters*

Mr Agnew presented the Governance and Financial Matters report and advised that the 2018 financial statements had been certified by the C&AG offices in Belfast and Dublin, and would be laid before the Assembly and the Dail at the earliest opportunity. The Report to Those Charged with Governance had been considered by the Audit & Risk Assurance Committee and is included within the Board papers. One Priority 1 recommendation had been made regarding the Body's inability to appoint new Board members, and the difficulties this has caused in achieving a board quorum.

The internal auditors would shortly commence a review of the Body's implementation of GDPR regulations.

The Body's Risk Management Policy had been updated to incorporate recommendations made following a recent internal audit. The Body's risk appetite framework has been included, as has the consideration of potential future risks which could impact on the Body. The revised Policy was considered by the Audit & Risk Assurance Committee at its June meeting and the Board is now requested to approve the Policy.

Board members were invited to participate in training on Procurement being delivered in ITI in the Autumn.

Mr Agnew provided an overview of the 2019 budgetary outturn to date and advised that spend was on target. A bid had been submitted to the DfE October monitoring round for additional funding for Brexit activities.

The Board approved the updated Risk Management Policy and noted the Governance and Financial Matters report. The Chairman thanked Mr Agnew for his report.

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

Mr Agnew advised that Board permission was being sought for the appointment of an experienced digital content provider for the All Island Innovation Programme activities from September 2019 until March 2021. He also sought approval for the extension of the Go-To-Tender delivery agent contract for a five-month period from January to May 2020, to facilitate the completion of an Economic Appraisal which addresses other similar supports as well as Brexit issues. No additional funding is requested.

The Board approved the request to go to tender for a digital content provider for the All Island Innovation Programme and also the time extension for the Go-To-Tender Delivery Agent contract.

### *Communications Update*

Mr Agnew provided an update on recent Communications activity, including the new Brexit integrated marketing campaign, comprising national and regional radio, media relations, print, outdoor and digital platforms. The call to action will be to act now to plan for Brexit and practical small steps which businesses can take.

The most recent All-Island Business Monitor had generated some of the best coverage for the publication to date, which is extremely beneficial for brand recognition.

Mr Agnew confirmed that plans for the 20 year event on 24<sup>th</sup> October are at an advanced stage. A targeted invite list, agenda and branding have all been developed.

Finally, he advised the Board that Shelley Moore, the Deputy Communications Manager, had left the Body at the end of July. The recruitment of her replacement is currently in progress.

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

#### *All-Island Business Monitor*

Ms Curran joined the meeting for this agenda item. She advised that the Q2 Business Monitor results had been launched on 6 August, with some results having been held back for the launch of the new Bitesize Brexit campaign on 26 August.

The results showed that 40% of firms surveyed are in growth mode, and that levels of growth are strong, however there is a downward trend in growth expectations over the next year. There is concern about the level of preparations for Brexit, with only 14% of cross border traders having reviewed customs issues, 12 % potential tariffs and only 7% having looked at their supply chains. Only 11% of businesses overall have made any preparations for Brexit.

Ms Curran noted that there is evidence of low levels of investment in training, IT, staff and facilities, and that this presents a significant opportunity for ITI to support SMEs.

The Board noted the results of the Q2 2019 Business Monitor and the Chairman thanked Ms Curran for her very comprehensive presentation

#### *Draft Corporate Plan 2020-2022*

Mr Gough advised that the development of the 2020-2022 Corporate Plan is continuing and a first draft would be presented to the Board at its September meeting.

#### *Brexit Update*

This agenda item was discussed as part of the Operations Directorate Progress and Activity Report.

#### *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.

196.10 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  
24 September 2019