

Minutes of the 195th Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.

Tuesday 25th June 2019 – InterTradeIreland (08:30am – 10:15am)

Present:

Board Members:

Mr Ken Nelson MBE	Chairman
Mr Micheál Briody	
Mr Terry Crossan	
Mr Paul Greenfield	
Mr Patrick Joy	
Ms Ann Rudden	
Mr James Spratt	
Mr Timothy Cairns	

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 Operations
Ms Nicola Quinn	Finance Manager (acting as Board Secretary)

195.01 Apologies

Apologies were received from Mr Paul O’Sullivan, Ms Adrienne McGuinness, Ms Florence Bayliss and Ms Orla McGlennon.

195.02 Opening Remarks

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

195.03 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.

195.04 Approval and Authorisation of the 28th May 2019 Board Minutes

The minutes of the 28th May 2019 Board meeting were agreed as a true record of the meeting and were approved by the Board and authorised by the Chairman.

195.05 Matters Arising

Mr Gough advised that all matters arising from the May 2019 Board meeting have been addressed. The involvement of the Body as a partner with Ulster Bank for an event involving female entrepreneurs is being progressed. In relation to Brexit and related working capital issues, Mr Gough reported that whilst there is anecdotal evidence of stockpiling, cash flow is not being noted as a major concern by SMEs in the Business Monitor, although profit margins are a concern.

195.06 Chairman's Business

The Chairman reported that he had attended the Interreg VA Programme Monitoring Committee meeting in Edinburgh, and had advised the Committee that the Body would be willing to host a future meeting. Very positive feedback is being received about the Co-Innovate Programme.

The Chairman noted the value of the previous Board self-evaluation exercise and suggested that this should be progressed again over the summer. The feedback from the survey should be reported to the August meeting of the Board.

195.07 Designated Officer Report

Mr Gough informed the Board that that an Oversight & Liaison meeting had been held with the Body's Sponsor Departments in Dublin at which the Body's budget was discussed.

In relation to Brexit, Mr Gough advised that the Body continues to endeavour to offer the best support possible with its limited budget. ITI will continue to focus on the voucher scheme and on providing information in various formats on key issues, such as customs and supply chain issues, which are most relevant to SMEs. The validity of developing a sectoral focus is being explored, with further analysis being required before a decision can be made.

Mr Gough reported that the collaboration between the Cancer Trial Networks both North and South has expanded to include the National Cancer Institute in the United States. This has led to the reigniting of the relationship fostered by the All-island Cancer Consortium and the three jurisdictions will be renewing the Memorandum of Understanding at a celebratory tripartite conference to be held in Belfast in December

2019. The networks provide strong evidence that working with other partners can leverage greater impact, and ITI's role in facilitation has been recognised. The Board commended this initiative.

Finally, Mr Gough noted that following an invitation from the Secretary of State for Exiting the European Union to join the Alternative Arrangements Business and Trade Union Group, he would be attending the first meeting of the group in London the following day.

195.08 Board Sub Committee Reports

Innovation Sub Committee Report

Mr Morrow reported back from the Innovation Sub Committee meeting held on 28th May 2019. Ten new FUSION applications were considered by the Sub-Committee, all of which were approved. This brings the total for the year to forty-one approvals, compared with the target for 2019 of seventy-nine, with demand for the programme still being strong.

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

Trade Sub Committee Report

Mr Greenfield reported back from the Trade Sub Committee meeting held on 28th May 2019. He 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 of eligibility from Enterprise Ireland. This confirmation had now been received.

Ms Hearty advised the Committee of both the strong demand for the programme and also the quality of the applicant businesses. The introduction of the export diagnostic aspect of the programme is resulting in businesses being more focussed on specific opportunities once they reach the full application stage.

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

195.09 For Consideration, Discussion and Noting.

Operations Directorate Progress and Activity Report

Ms Hearty thanked all who had contributed to the successful 'Spinathon' organised by the Trade Team on 28th May, at which £650 was raised for Motor Neurone Disease, the nominated charity.

She presented the Operations Directorate Progress and Activity Report and advised that all programmes are on or ahead of target. Brexit supports remain a key priority, since some SMEs have effectively 'switched off' since the announcement of the extension to the exit deadline. The Body's new advertising agency is currently reviewing all Brexit communications with a view to designing a campaign with a fresh perspective to re-engage businesses. Given the urgent need to increase the number of businesses engaging with the Brexit Advisory service, in particular cross border traders, this will now require the frontloading of communications and voucher activity included in the Brexit Economic appraisal in line with demand and the current critical

deadline of 31st October. The Board noted this approach. Further, the Brexit team are working to encourage SMEs to utilise the new on-line portal. Two on-line webinars are being delivered to demonstrate the portal, with seventy businesses registered for these.

Ms Hearty advised that ITI would be participating in two Brexit events in July in Monaghan and Cavan which had been organised by DBEI at the request of the Minister.

Tendering programme activity is now focussing on specific opportunities, such as construction industry workshops, rather than more general Meet the Buyer type events. Several Councils are now delivering procurement workshops, and hence the Body needs to move towards more value added activity. The Chairman noted his concern at the small number of public construction tenders being advertised in Northern Ireland at present.

The Acumen and Elevate programmes are experiencing healthy demand. The Acumen managing agent delivered two sales training workshops in May in response to previous programme participants' feedback. These workshops were very well received and provided valuable networking opportunities in addition to skills to help secure new cross border business. Further workshops are planned for Cork and Galway in September.

Ms Hearty reported that recent visits have shown that the Fusion programme is delivering in recognised priority sectors, which is very encouraging. The interim evaluation of the Fusion programme, which will inform the planning for the sixth phase of Fusion, is now in progress.

An 'Access to Finance – Funding Options for Successful Growth' Conference was hosted in Belfast on 14 June by ITI in conjunction with the British Business Bank (BBB) and InvestNI. The event, which addressed equity and other financing methods, was very successful and attracted over 300 businesses. Some excellent case studies were presented, one of which involved a Scottish based fund investing in a NI construction business. A similar event in association with Enterprise Ireland is planned.

It was agreed that there would be merit in inviting the Northern Ireland Entrepreneurship Ambassador, Ms Eleanor McEvoy, who had presented at the conference, to ITI, to discuss potential opportunities. The Body would also confirm if there is someone in a similar role in Ireland.

Finally, Ms Hearty reported that a total of 205 initial applications had been received for the 2019 Seedcorn Competition – an increase from 160 applications in 2018.

In relation to the Operations Activity Report, Ms Hearty advised that the Brexit implementation vouchers had only recently been launched, hence the low level of activity to date. It was expected that numbers would increase substantially as the October Brexit deadline approaches. Further, the details of the various Brexit supports are still being fine-tuned.

The Chairman enquired if there is sufficient consultancy support available for the Brexit voucher scheme. Ms Hearty advised that this is not a concern at present and that the quality of reports has improved. She noted the shortage of skills in the area of customs and supply chain matters.

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

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. She advised that a decision had been expected from SEUPB in respect of the additional funding requested for Strand 3, however the meeting due to approve this had not yet taken place. The Chairman and Board expressed concern that this delay could impact on the programme's ability to spend the funding within the required timescales. Mr Gough confirmed that any additional funding would only be accepted if the Programme Partners are confident that this could be spent, and agreed to contact SEUPB to follow up on the funding request. This was supported by the Board.

Ms Baird advised that an extension has been sought to the deadline for the completion of expenditure on the Programme. Indications are that it may be possible to incur expenditure until March 2022, however this has still to be confirmed.

The Chairman noted that it would be useful to review the extent to which Co-Innovate projects provide a pipeline for other ITI programmes. Mr Gough commented that the rate of conversion is not expected to be high because of the nature of the Co-Innovate programme which is designed to progress businesses' innovative capability within its own structure. The Body is, however, currently looking at how it can support Co-Innovate with its project pipeline.

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 are awaiting certification by the C&AG offices in Belfast and Dublin. He drew the Board's attention to the key issues highlighted in the Statement of Internal Control/Governance Statement. Mr Agnew advised that the financial statements would be reviewed by the Audit & Risk Assurance Committee at its meeting immediately after the Board meeting, and requested the Board's approval for the financial statements. The Board were content to approve these.

The internal auditors have recently issued their report on the audit of Programmes.

ITI continue to liaise with both Sponsor Departments on the draft revised Financial Memorandum and the Departments have reverted with a proposed amended wording to the draft revised Financial Memorandum in relation to the staffing of the Body.

Mr Agnew reminded the Board of the difficulties anticipated with the Board quorum when three Board members complete their terms later in 2019. The issue had been raised during the recent external audit, and it had been noted that due to conflicts of interest declared, the Board would be unable to achieve a quorum for decision making. It was suggested that the quorum could be reduced for Co-Innovate matters, to allow for the declared conflicts. The Board discussed the quorum and agreed that this should be reduced to four members for Co-Innovate matters, and would remain at six members for all other matters. Mr Gough advised that the issue of Board members had been escalated to the Attorney General's office in Dublin.

Mr Agnew provided a brief overview of the 2019 budgetary outturn to date and advised that spend was on target.

The Chairman noted the commitment from the Secretary General and Permanent Secretary of the two Sponsor Departments for a meeting in the Autumn. A date for this meeting should be agreed as a priority.

The Board approved the 2018 financial statements 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 noted that the Board meeting in March had approved the request to go to competitive tender for a web development and maintenance provider for a three-year period. This was to include development and maintenance of the ITI website and the Intranet. The project is now being reassessed to facilitate the potential inclusion of an integrated corporate VLE platform which could be used by other ITI programmes. As a result, the cost of the project will increase and approval is now sought for an increase to allow sufficient approval headroom for the optimal delivery of the project. Mr Gough advised that one integrated platform would represent better value for money as compared with separate projects.

The Board approved the request for increased costs for the web development and maintenance provider contract.

Draft Corporate Plan 2020-2022

Ms Kinver provided an update on the development of the 2020-2022 Corporate Plan. She reminded the Board of the vision and mission of the Body, and outlined the key challenges, including performance measurement and review, relevance, Brexit and Industry 4.0. The Chairman noted that a strong skills/talent pipeline is a key challenge for businesses, and that ITI activities will have a skills and talent impact which should be referred to in the Corporate Plan. Mr Morrow confirmed that graduate recruitment is a significant challenge for the Fusion participant businesses, particularly in the engineering sector. There is also a skill shortage in relation to Brexit issues.

In respect of policy alignment and focus, Ms Kinver noted that a focus on specific sectors may help to achieve greater impact. Whilst trade and innovation would continue to be cross-cutting themes, the Board is asked to consider if a focus on specific sectors would be appropriate, with a higher percentage of activity being delivered within these sectors. Mr Gough noted this would also help to address the challenge of the Body remaining relevant. Board comments included the need to ensure that any sectoral focus is consistent with the mission and remit of the Body, and the need to retain some flexibility so that emerging sectors can be supported.

Ms Kinver advised that the draft Corporate Plan would be issued for external consultation with stakeholders in July, and that a draft would be presented to the Board in September. Mr Gough outlined the key stakeholders who would be part of the consultation and following a suggestion from the Chairman it was agreed that the Business Monitor would be also be used as a consultation tool.

The Chairman noted that the planned meeting with the Secretary General and Permanent Secretary would need to be held after the September Board meeting so that the Plan could be discussed at the meeting.

The Board agreed that it is content with the overall direction of the Plan and noted the 2020-2022 Corporate Plan update. The Chairman thanked Ms Kinver for her presentation.

Communications Update

Ms Eimear Fitzpatrick, Communications Manager, joined the meeting for this agenda item.

Mr Agnew reported that two tender exercises - media monitoring and advertising, design and print services - had now concluded successfully. The Seedcorn competition campaign, which included radio advertising for the first time, had been completed, with an increased number of applications having been received.

Ms Fitzpatrick provided an update on the preparations for the 20th anniversary event. The purpose of the event is to raise awareness among stakeholders of the success of the Body to date, whilst looking to the future by focussing on the Corporate Plan priorities. The Board's views were being sought in relation to a suitable keynote speaker and potential guests for the event, which would be held in Christchurch Cathedral in Dublin on the evening of 15 October.

The Chairman noted that the event should also serve to energise the business community, and Ms Fitzpatrick confirmed that ITI supported companies would be involved in an advocacy role, with a wider marketing campaign being planned around the event. It was agreed that the list of invitees would be reviewed at the August meeting to ensure that all stakeholders and potential influencers had been included, and that there is an appropriate balance across the island. Board members are requested to contribute details of potential invitees.

The Board noted the Communications Update and the Chairman thanked Mr Agnew and Ms Fitzpatrick for their updates.

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.

195.10 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
27 August 2019