

Minutes of the 199th Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.

Tuesday 26th November 2019 – InterTradeIreland (08:30am – 10:10am)

Present:

Board Members:

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

Mr James Spratt – via teleconference call (8.30am – 10.10am)

Observers:

Ms Florence Bayliss
Ms Adrienne McGuinness

Executive:

Mr Aidan Gough	Designated Officer
Ms Margaret Hearty	Assistant Designated Officer
Mr Martin Agnew	Corporate Services Director
Mr Alan Morrow	Assistant Director of Operations
Ms Orla McGlennon	Board Secretary

199.01 Apologies

An apology has been received from Ms Alayne Kinver.

199.02 Opening Remarks

The Chairman welcomed all to the meeting and thanked Mr James Spratt for joining the meeting via teleconference call.

199.03 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.

199.04 Approval and Authorisation of the 29th October 2019 Board Minutes

The minutes of the 29th October 2019 Board meeting were agreed as a true record of the meeting and were approved by the Board and authorised by the Chairman.

199.05 Matters Arising

Mr Gough advised that the matter arising had been addressed.

199.06 Chairman's Business

The Chairman advised the Board that both Mr Paul O'Sullivan's and Mr Patrick Joy's terms of office are due to expire on 12th December. On behalf of the Board, he paid tribute to both Board members and acknowledged the significant contribution and service they had made to the Body. He advised that Paul had been appointed as Board member in December 2015 and was Vice Chair from December 2016 and Chair of the Innovation Sub Committee and a member of the Communications Sub Committee from 2017. Patrick was appointed as a Board member in 2015 and Chair of the Funding for Growth Programme Steering Committee and Chair of the Trade Sub Committee from 2016. He thanked both members for their enthusiastic commitment to the work of InterTradeIreland and wished them every success in the future.

The Chairman reported that he continues to receive very positive feedback from the 20th Anniversary event held on 24th October. He also informed the Board that he had recently attended the very successful Northern Ireland Water and InterTradeIreland Supplier engagement event in Belfast with over 550 registrations and asked that the Board's appreciation be passed on to all staff involved in the event.

The Chairman advised that he and Mr Gough had attended a meeting with the Management Board of the Department for Business, Enterprise and Innovation (DBEI).

On behalf of the Board, the Chairman reported that he had written to Mr Terry Crossan, expressing their appreciation for the significant contribution he had made to InterTradeIreland during his term of office as Board member.

The Board were informed that following the retirement of Mr Noel Lavery, Mr Mike Brennan would take up the post of Permanent Secretary at the Department for the Economy. Mr Brennan would be invited to meet with the Board in early 2020.

The Chairman advised that he had written to the Secretary of State for Northern Ireland but to date no response had been received.

He thanked Ms Bayliss for agreeing to join the Audit and Risk Assurance Committee.

Given that this is the last Board meeting of the year, staff had been invited to join the Board to thank them for their work throughout the year and the new Corporate video would be played.

199.07 Designated Officer Report

Mr Gough advised that both he and the Chairman had presented the 2020 – 2022 Corporate Plan to the Management Board of DBEI. There was a very positive discussion, particularly around our focus on sectors, clusters, small firm productivity and the low carbon economy. He advised that the Body has had good engagement at policy level in Ireland and there is a recognition that the Body can contribute to the Government's targets. Mr Gough reported that the Executive hope to have a similar opportunity to discuss our Corporate strategy with the senior officials in the Department for the Economy (DfE).

Mr Gough reported back from a recent Oversight and Liaison meeting at which our performance against targets, budgets, the Co-Innovate programme, Brexit activities and the new Corporate and 2020 Business Plan were discussed. There had been positive engagement and support for the work of the Body and was recognised by both Sponsoring Departments.

The work that the Body is doing on all island clusters was recognised at a workshop attended by Minister Humphreys and the DBEI Secretary General, Dr Orlaigh Quinn.

Mr Gough updated the Board on a recently published OECD report, commissioned by Minister Humphreys on a review of entrepreneurship and SME growth and development in Ireland. The report examines how to strengthen SMEs and entrepreneurship across the economy and the work of InterTradeIreland is recognised in the report. Mr Gough advised that Ms Kerry Curran, Research Manager had worked with DBEI and had provided input to the OECD report. In an accompanying publication 'A Road Map for SME and Entrepreneurship Policy in Ireland' it is recommended that the number of beneficiaries of InterTradeIreland's supports is doubled.

Mr Gough reported back from a CBI/IBEC Joint Business Council meeting at which key issues were discussed.

The issue of the Board quorum was discussed and Mr Gough provided an update on the current situation. In the absence of Northern Ireland Executive Ministers, the North South Ministerial Council (NSMC) is unable to meet and NSMC decisions relating to the work and governance of the North South Implementation Bodies cannot be taken in relation to critical appointments. Mr Gough reported that this matter has been receiving the attention of the Government of Ireland and the UK Government and work is advanced on developing an interim mechanism to allow certain critical matters requiring NSMC decisions to be addressed. The UK election has however prevented further progress.

The Board discussed the matter of the quorum and Ms Rudden proposed, Mr O’Sullivan and Mr Spratt seconded the motion to enable the Executive to circulate by written procedure, urgent decisions to Board members for their consideration prior to 11th December 2019. All Board members unanimously agreed to this approach. Mr Gough advised the Board that this course of action has been recommended by the NSMC and in the past the Board has taken decisions by written procedure via email. The Chairman advised that he would continue to raise this matter with the NSMC.

Mr Gough reported that a session had been held with all staff on the new Corporate Plan and the Senior Leadership team are meeting to develop implementation plans on critical actions identified in the plan.

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

199.08 Board Sub Committee Reports

Innovation Sub Committee Report

Mr O’Sullivan reported back from the Innovation Sub Committee meeting held on 6th November 2019. Eleven new FUSION applications were considered by the Sub Committee, one of which was a ‘large’ company and all were approved. Nine of the projects approved were for an 18-month period and 2 for a 12-month period from various sectors. Mr O’Sullivan thanked the Innovation team for all their work and support.

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

Trade Sub Committee Report

Mr Joy reported back from the Trade Sub Committee meeting held on 30th October 2019. He advised that thirteen new Acumen applications and a previous deferral had been considered at the meeting. Thirteen projects were approved (five from Northern Ireland and eight from Ireland) and one project was deferred. Mr Joy reported on the very successful year for Acumen projects and complimented the Trade team for the work carried out internally, prior to the review by the Trade Sub Committee. He advised the Board

that he had really enjoyed his time as Chair of the Trade and Funding for Growth Sub Committees. Mr Joy wished Mr Greenfield well in his new role as Chair of the Trade Sub Committee.

The Chairman thanked Mr Spratt for agreeing to Chair of the Innovation Sub Committee and Mr Greenfield for agreeing to Chair the Trade Sub Committee.

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

199.09 For Consideration, Discussion and Approval/Noting.

Operations Directorate Progress and Activity Report

Ms Hearty presented the Operations Directorate Progress and Activity Report. She advised that as indicated by Mr O'Sullivan and Mr Joy, Fusion and Acumen programme targets are on track to be achieved by the end of the year. She commended the work of the Managing Agents and the Executive team for the improved quality of Fusion and Acumen applications being brought forward.

The focus of the Brexit team is on working with businesses and Service Providers to progress 'active/live' vouchers and move forward those which have been approved. Ms Hearty reported that the Brexit taskforce are currently reviewing Brexit Advisory services and preparing new digital content in the form of Frequently Asked Questions which will be live before January 2020.

Ms Hearty reported on the very successful NI Water Supplier Engagement event held on 21st November with over 500 attendees from N.I. Ireland and UK.

The pipeline for Trade programmes remains strong and approval for all trade programmes are on target. There have however been indications that some companies do not wish to progress appointing Acumen sales representatives until early 2020.

Ms Hearty informed the Board that the five 2019 Fusion Exemplars have been chosen on criteria including level of innovation, benefits achieved and overall contribution to Fusion. An awards presentation will be held on 23rd January 2020 at which project partners will have their efforts acknowledged and receive their awards. All Board members were cordially invited to attend the event.

The 2019 Seedcorn Investor Readiness Awards ceremony is taking place in the Guinness Storehouse, Dublin on 28th November and all Board members were invited to attend. Ms Hearty advised that this year, saw the highest number of entrants to the competition with excellent finalists selected. She thanked Mr O'Sullivan for agreeing to Chair the Judging Panel and thanked Mr Joy for all his work as the Chair of the Funding for Growth Steering Committee.

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

Funding Advisory Service Programme for Established SMEs

Mr Shane O’Hanlon, Funding for Growth Manager, joined the Board meeting for this agenda item.

Mr O’Hanlon informed the Board that the Funding Advisory Service for Established SMEs resulted from an InterTradeIreland research report – ‘Access to Finance for Growth for SMEs on the Island of Ireland’ which highlighted an over reliance on short term funding sources and a lack of awareness of alternative/non-bank funding sources. The first pilot ‘Finance for Growth’ Advisory Service ran from February 2015 to December 2016. Phase 2 ‘Funding Advisory Service for Established SMEs’ ran from January 2018 to November 2019 including the delivery of 24 workshops (12 per annum – 4 in N.I. and 8 in Ireland) and 40 one to one meetings with delivery agents with over 800 companies involved in the service.

Mr O’Hanlon outlined the programmes objectives:

- Create a more sophisticated and diverse financial eco-system across the island of Ireland;
- Improve the flow of good quality relevant information regarding available finance;
- Improve awareness, understanding and capability to access alternative source of finance among growth-oriented SMEs; and
- Widen the availability of suitable funding options for growth-oriented SMEs.

An external independent evaluation of the service was recently carried out by Perspective Economics. Mr O’Hanlon advised that the findings of the evaluation were extremely positive and he outlined the outcomes and impacts identified in the report:

- High levels of satisfaction
 - > 90% of respondents were either satisfied or very satisfied with the Funding Advisory Service workshops
 - > 2/3rds of respondents believed participation in the workshop improved their ability to raise funding
- High engagement and impact, low cost initiative
 - Contributes c9% of the organisation’s target for company engagement versus only c0.5% of its annual budget
 - 31 Funding Advisory Service companies have gone on to raise just under £40m
- Recognised by stakeholders as filling a unique space by providing information and advice and being targeted at established SMEs rather than start-ups.

Mr O’Hanlon reported on the evaluation’s conclusions and main recommendations:

- Recommend the Funding Advisory Service be continued for a further 2 years with an option to extend for a 3rd year subject to satisfactory performance;
- Evaluation concludes there is a clear and ongoing need for the Funding Advisory Service;
- Sustain and broaden engagement with public sector agencies including Councils and Local Enterprise Offices;

- Seek additional resource to raise awareness, marketing and promoting Funding Advisory Service workshops; and
- Consider refreshing the format and content of the workshops.

The Board discussed the proposal. Mr Joy reported that at the last Funding for Growth Steering Committee held on 30th October 2019, the Committee, including representatives from HBAN, Venture Capitalists, EI and INI reviewed the evaluation report and there was unanimous support for the findings in the report.

The Board noted the contents of the independent evaluation of Phase 2 of the Funding Advisory Service Programme for Established SMEs and unanimously approved funding for a three-year period subject to a satisfactory performance review after 2 years. The Board also approved Mr O’Hanlon’s request to go to competitive tender for a suitably qualified delivery agent.

The Chairman thanked Mr O’Hanlon for his presentation and work in this area.

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 of the Co-Innovate Programme.

Mr Ryan reported that a formal request for a nine-month extension to the Co-Innovate programme was formally submitted to SEUPB in July 2019 but will not be considered until Q1 2020 and he again outlined the consequences if delayed further, particularly in relation to Strand 4 and 5 of the programme. The Board were informed that the Co-Innovate Management Committee had approved the request to go to tender for a resource to identify potential leads for Strand 4 of the programme. Mr Ryan advised that no additional funding would be required as costs would come from an underspend on staff costs.

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

Third Party Financial Assistance Scheme Proposals

All Island Bio Map

Ms Gráinne Lennon, ITI Collaborations Broker joined the Board meeting for this agenda item.

Mr Gough outlined the Third Party Financial Assistance Scheme and advised that all proposals are reviewed by a cross directorate assessment panel and then by the Senior Leadership team before consideration by the Board.

Ms Lennon presented a proposal from the Irish Bioeconomy Foundation (IBF). She advised that the Foundation is a Bioeconomy and innovation cluster founded in 2017 to establish a forum of industry, academia and policy leaders around Ireland’s emerging Bioeconomy. This project will support the

development of the Bioeconomy by expanding the interactive Bio Map (currently covering the Republic of Ireland) and database with information on the all island Bioeconomy with particular emphasis on N.I. organisations. Funding from InterTradeIreland is sought to employ a full time Masters graduate for a 12-month contract. The database will include organisations in the agri-food, marine, dairy, forestry and functional food sectors and provide market and business intelligence. Ms Lennon reported that the Bioeconomy has become a policy priority of the European Commission in recent years and both Governments recognise the importance of the Bioeconomy. She provided an explanation of the Bioeconomy and how cross border collaboration, particularly in the circular Bioeconomy will benefit from this mapping exercise. This project will facilitate collaborations between organisations from both jurisdictions that complement each other and it could potentially lead to Joint EU funding bids and/or the development of new bio-based products. The Irish Bio Economy Foundation will continue to support the project via IBF membership fees.

The Board discussed the proposal and agreed on the strategic fit with the new 2020 – 2022 Corporate Plan. The importance of disseminating the information and the Executive monitoring the project was highlighted. The Board discussed the proposed targets and Ms Lennon advised that a target of up to 60 organisations from Northern Ireland will be mapped. The Board unanimously approved costs towards the development of the All Island Bio Map.

The Chairman thanked Ms Lennon for her work in this area.

InterTradeIreland All Island Business Monitor Results Q3 2019

Ms Kerry Curran, Research Manager and Ms Nicola McGuinness, Project Information and Research Manager joined the Board meeting for this agenda item.

Ms McGuinness gave a presentation of InterTradeIreland's All Island Business Monitor Results Q3 2019. A short video outlining some of the results was played. The business environment outlook remains positive, with 46% of companies in growth mode and 44% remaining stable. Ms McGuinness reported that there are some worrying signs for small businesses, with 3 in 10 micro firms reporting that they are breaking even at best. 25% of construction firms experienced a decrease in sales this quarter. 37% of firms across the island say that Brexit is having a negative impact on their businesses. Ms McGuinness advised that 28% of cross border traders are preparing for Brexit, focussing in particular on their contracts, supply chain and cash flow. 2/3 of businesses do not believe that advances in digital/smart technology will have an impact on their business over the next 12 months.

The Board discussed and agreed that the InterTradeIreland Business Monitor was a very well recognised report which accurately captures and portrays conditions and issues facing the business community.

The Board noted the All Island Business Monitor results Q3 2019 and the Chairman thanked Ms McGuinness and Ms Curran for their work.

Governance and Financial Matters

Mr Agnew presented the Governance and Financial Matters report. He advised the accounts and Annual Report should be laid in both jurisdictions before the end of the month. The internal auditors have carried out a review of the Body's implementation of GDPR and a review of the implementation of previous recommendations which will be presented to the Audit and Risk Assurance Committee, following the Board meeting. Mr Agnew welcomed Mr Briody as the new Chair of the Audit and Risk Assurance Committee.

As reported already, the matter of the Board quorum has been raised at Departmental level and it is hoped that a resolution will be found soon.

Mr Agnew gave an overview of the Body's financial outturn and advised that spend is currently on target.

The Board were informed that the funding position remains the same and the 2017 and 2018 Business Plans have yet to be approved.

The Board 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 as previously reported, the Co-Innovate Management Committee had approved the request to go to tender for a resource to identify potential leads for Strand 4 of the programme. The Board also approved this request to go to competitive tender. This resource does not require any additional funding to procure. It will involve SEUPB approving transfer of current budget underspend from Staff costs to External Expertise.

The Board unanimously approved the request to enter into an Operating Partner Agreement with the Strategic Investment Board to support the recruitment of an all island data and digitalisation expert, to enable the Body to devise and implement a data and digitalisation roadmap, as outlined in the 2020 – 2022 Corporate Plan for one year and an additional year upon satisfactory performance of year one.

The Board noted the Tenders and Variations to Letters of Appointment report and the Chairman thanked Mr Agnew for his report.

Communications Update

Mr Agnew provided an update on recent Communications activity. He advised that the Bitesize Brexit campaign concluded at the end of October. This resulted in a significant increase in visitors to the Brexit website and a spike in applications. The 20 Year networking event on 24th October generated a lot of positive engagement on social media.

Mr Agnew reported on the extensive drive to raise the profile of the Seedcorn regional winners which generated widespread media coverage. The Chairman noted the breadth of communications activities both corporate and programme related which is impacting positively on the brand and approach continues to work well and is impacting across all the programmes. The Communications Sub Committee meeting to be held later today will focus on the development of a Corporate communications strategy aligned to the new Corporate Plan.

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

Business Plan Budget Variance and Milestone Exception Report

Mr Gough presented the Business Plan Budget Variance and Milestone Exception Report and provided explanations for minor issues highlighted. The Chairman thanked Mr Gough for his report and the Board noted the Business Plan Budget Variance and Milestone Exception Report.

199.10 AOB

The Chairman thanked Mr Spratt for joining the meeting via teleconference call and wished Mr O’Sullivan and Mr Joy every success in the future.

.....Authorised by

Mr Ken Nelson, Chairman, InterTradeIreland
28th January 2020