

Minutes of the 198th Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.

Tuesday 29th October 2019 – InterTradeIreland (08:30am – 10:20am)

Present:

Board Members:

Mr Ken Nelson MBE Chairman
Mr Micheál Briody
Mr Paul Greenfield
Ms Ann Rudden

Mr Patrick Joy – via teleconference call (9.40am – 10.20am)
Mr James Spratt – via teleconference call (9.40am – 10.20am)

Observer:

Ms Florence Bayliss

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 Orla McGlennon	Board Secretary

198.01 Apologies

Apologies have been received from Mr Paul O’Sullivan, Mr Timothy Cairns and Ms Adrienne McGuinness.

198.02 Opening Remarks

The Chairman welcomed all to the meeting. He advised that the agenda had been amended to firstly address, those items for information and noting, followed by items requiring Board decisions and the Board to be quorate. He advised that Mr James Spratt and Mr Patrick Joy had kindly agreed to join the meeting via teleconference call.

198.03 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.

198.04 Matters Arising

Mr Gough advised that all matters arising had been addressed.

198.05 Chairman's Business

The Chairman reported on the highly successful 20th Anniversary event held in Christ Church Cathedral, Dublin on 24th October. He advised that feedback from Minister Humphreys, Dr Orlaigh Quinn, DBEI Secretary General, Mr Noel Lavery, DfE Permanent Secretary and other attendees had been extremely positive. He informed the Board that he had received a warm note of congratulations to the Board and Executive on the event from Mr Paul O'Sullivan who had been following coverage of the event on social media whilst in Beijing. The Board asked that their appreciation be passed on to all staff involved in the very successful event.

The Chairman advised that he had written a letter on behalf of the Board to the Secretary of State for Northern Ireland. The letter highlighted the Board's concerns, that given the absence of the North South Ministerial Council, we are unable to have new Board members appointed or have the terms of office of existing members extended.

The Chairman reported that Mr Terry Crossan's term of office completed on 21st October. He advised that he would write to Mr Crossan, on behalf of the Board to express our appreciation for the significant contribution he has made to the Body and wishing him every success in the future.

The Chairman informed the Board that both Mr Gough and himself were meeting the DBEI Management Board on 5th November in Dublin to update officials on our new Corporate Plan and Brexit activities. He also highlighted the forthcoming Seedcorn event to take place on 28th November in Dublin to which all Board members are invited to attend.

198.06 Designated Officer Report

Mr Gough advised that Brexit continues to be the Body's main priority. The Day 1 planning scenario is based on a no deal Brexit and all staff have received training to deal with enquiries from cross border traders.

Mr Gough reported that the issue of Board appointments has been raised with senior officials. We have been assured that both Governments recognise the significance of this issue and are actively seeking a resolution. In the interim, the sponsoring departments have agreed that they would be supportive of a reduced Board quorum if the Board so decided.

Mr Gough informed the Board that the 2020 – 2022 Corporate Plan has been redrafted to reflect the Boards comments from last month's meeting. This final version will now be formally submitted to sponsor Departments.

Mr Gough gave an update on the various meetings he had recently attended. He advised that he had attended a meeting hosted by Dr Orlaigh Quinn and senior representatives of the DBEI agencies on the implementation of the Future Jobs Ireland strategy. InterTradeIreland will become more involved in strategic policy discussions in Ireland going forward.

The Board were updated on a recent meeting with officials from SEUPB attended by Mr Gough and Mr Ryan to discuss the Co Innovate programme. A number of issues were raised, including progress against targets, the withdrawal of our acceptance to take on additional spending, request to extend programme timelines and the request from SEUPB to resubmit pre letter of offer records used to justify approved unit costings. Mr Gough advised that Mr Ryan would provide a more detailed update later in the meeting.

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

198.07 Board Sub Committee Reports

Innovation Sub Committee Report

Mr Morrow reported back from the Innovation Sub Committee meeting held on 24th September 2019. Five new FUSION applications were considered by the Sub Committee, all of which were approved. There have been sixty-two Fusion approvals to date this year and the Sub Committee will consider a further eleven applications next week. Mr Morrow advised that Mr Peter Grant from Helix Innovation Partnerships, the Managing Agents for Fusion, presented the biannual progress report and statistics to the Sub Committee and no issues had been raised.

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 24th September 2019. He advised that fourteen new Acumen applications, a previous deferral and an appeal to a previous rejection had been considered at the meeting. Fifteen projects were approved (six from Northern Ireland and nine from Ireland) and the rejection decision was upheld.

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

Audit and Risk Assurance Committee Report

Mr Briody reported back from the Audit and Risk Assurance Committee meeting held on 24th September 2019 which had been chaired by Mr Crossan. He advised that the draft Internal Audit Plan for 2019/20 was presented and approved by the Committee. The Plan will include audits of Procurement and Contract Management, Programmes and Payroll. No new risks had been identified and the scoring of the other risks was still deemed to be appropriate and an accurate representation of the risk profile of the Body.

Mr Briody informed the Board that concern was expressed at the meeting, that the Board would imminently lose a total of three members by the end of the year, including the Chair of the Audit and Risk Assurance Committee. The Committee agreed that this does not represent robust governance practise.

The Board noted the Audit and Risk Assurance Committee report and the Chairman thanked Mr Briody for his report.

198.08 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 business programmes are on or ahead of target and there continues to be a good pipeline of applications to the various programmes. In addition to the ongoing outreach activities, staff have been extremely busy in preparation for a potential 'No Deal' Brexit and all staff underwent training in the event of a spike in enquiries. Ms Hearty advised that a new Project Manager had been appointed and a fixed term Executive. She noted the number of applications for both posts were lower than previous exercises. The Board discussed the current salary levels and how they compared unfavourably with the private sector and how this could impact on recruitment.

Ms Hearty informed the Board that a pilot initiative with the Brexit Voucher Service Providers would be introduced in the event of a No Deal Brexit, with providers being available to respond to specific queries from companies requiring a quick response.

A large scale Supplier Engagement event took place in Dublin on 1st October and feedback received from participants has been very positive.

Ms Hearty reported that a recent independent interim evaluation of Fusion Phase V was carried out by Perspective Economics. Mr Morrow gave a summary of the findings of the report which demonstrate that Fusion addresses a clear and continued need for public investment to stimulate innovation among SMEs. The programme is one of the few knowledge transfer initiatives on the island. The Fusion programme fits well

with the new Corporate Plan particularly as it helps increase competitiveness and productivity for participant companies. The report shows that whilst Fusion Phase V companies come from a broad range in sectors, increased sales revenue to date have predominantly been driven by construction and manufacturing companies. Mr Morrow advised that the satisfaction ratings from companies, graduates and academics was extremely high. In Phase V of the programme, the pool of Fusion academics has broadened and diversified with a total of seventy-three new academic engaged in the programme. The evaluation shows that a significant number of businesses have a lasting legacy on completion of the programme with improvements in their innovation capacity and capability.

Mr Morrow reported that recommendations from evaluation on further enhancements to the next programme will feed into the Fusion 6 economic appraisal which is currently underway.

The Board were informed that following the launch of the Career Boost branding for graduate recruitment on to Fusion, the programme itself will be known as the Innovation Boost programme, powered by Fusion going forward.

The Board discussed the evaluation and noted that the report had identified Fusion as a unique model of cross border knowledge exchange in the UK and Ireland. It was suggested that the Executive explore the extent to which Fusion is unique in a European context and seek to promote the programme internationally as a good practice example of effective cross border knowledge exchange. Ms Hearty reported that Perspective Economics had highlighted the impact and success of the Fusion programme compared to other similar programmes across the UK. The Board noted the Fusion V Interim Evaluation report.

The Board discussed ways of promoting InterTradeIreland and the work of the entire organisation going forward. Given our track record from the past twenty years, it was proposed that the Executive explore corporate brand building and awareness among key decision makers to holistically market the work of the Body. The Board discussed an annual event, e.g. a lecture to consider policy, best practices, thought leadership and to highlight the Body as a voice of authority which would be attractive to the business community on the island. Mr Gough advised that the Senior Leadership Team would consider the matter and bring proposals to a future Board meeting for the Board's consideration.

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 of the Co-Innovate Programme. Mr Ryan advised that both he and Mr Gough had recently met with Mr Mark Feeney and Ms Leanne Massey from SEUPB. 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. A decision was expected in October, however SEUPB representatives advised that the decision on an extension would not be made until Q1 2020.

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

Brexit Verbal Update

Mr Gough advised that given the extension to the Brexit deadline from the EU, the Brexit team is continuing to assist companies to prepare for a deal or a no deal scenario. Ms Hearty advised that the 5th November Brexit event has been postponed.

The Board noted the Brexit verbal update.

Communications Update

Mr Agnew provided an update on recent Communications activity. He advised that the Bitesize Brexit campaign is continuing until the end of October.

Mr Agnew reported on the recent Local Government Supplier Engagement Event which took place in the Citywest Hotel, Dublin as evidenced by the positive feedback from all stakeholders. The event was very successful with c600 delegates in attendance. Suppliers were able to meet face to face with over 70 local government professionals from eight councils in the Greater Dublin area and North East region.

Mr Agnew complimented the InterTradeIreland Communications team and Morrows Communications for the very successful 20th Anniversary event in Dublin. He asked the Board to note upcoming events and in particular the Seedcorn Finals at which Board members would be formally invited to attend. Any Board member who would like to attend the event was asked to contact the Board Secretary.

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

Mr Patrick Joy and Mr James Spratt joined the Board meeting via teleconference calls at 9.40am.

The meeting was deemed quorate at this point.

198.09 Approval and Authorisation of the 24th September 2019 Board Minutes

The minutes of the 24th September 2019 Board meeting were agreed as a true record of the meeting and were approved by the Board and authorised by the Chairman.

198.10 For Consideration, Discussion and Noting.

Schedule of 2020 Board and Sub Committee Meetings and Membership of the Board Sub Committees.

The Board approved the proposed schedule of 2020 Board and Sub Committee meetings as outlined in the Board documentation.

The Board discussed membership of the various Board Sub Committees from January 2020 given the completion of some Board members terms of office at the end of the year. The Board unanimously agreed that Mr Briody would take over the role of Chair of the Audit and Risk Assurance Committee, Mr Greenfield would Chair the Trade Sub Committee and Mr Spratt would Chair the Innovation Sub Committee. Ms Rudden would remain Chair of the Communications Sub Committee and that a member of the Senior Leadership team would be involved in the Co-Innovate programme project assessment panels.

Draft InterTradeIreland 2020 Business Plan and Budget

Ms Kinver presented the draft 2020 Business Plan and associated budget. She advised that the 2020 Business Plan has been written in the absence of Joint Guidance, however we have conformed to the usual format and content requirements. The Board were informed that all of the 2019 half year targets have been met and we anticipate all year end targets will be achieved.

Ms Kinver outlined the key additional activities planned for 2020. These include new areas:

- Research into areas of industrial focus;
- Further development of the Brexit Advisory Service;
- Development of the Synergy programme to support cross border clusters;
- Digitalisation strategy;
- Development of a Data Analytics Plan;
- Introduction of Supplementary Performance Indicators;
- A Personal Development Strategy in line with key strategic enablers;
- Investors in People Gold Standard and the Customer Service Excellence Accreditation and
- Development of an annual CSR action plan

Ms Kinver advised that the 2020 Business Plan has a budget of £12.5m. DfE has expressed concern to fund beyond the 2016 baseline figure which would result in a shortfall of c£1.4m. The matter is due to be raised at the next Oversight and Liaison meeting. Mr Spratt enquired if there was an issue regarding pensions but was assured that pensions are not included within the baseline Business Plan.

The Board discussed and approved the 2020 Business Plan and associated budget.

The Chairman thanked Ms Kinver for her report.

Governance and Financial Matters

Mr Agnew presented the Governance and Financial Matters report. The Chairman advised that a letter had been received from both sponsoring Departments to advise that they were content that the Board quorum could be reduced to 50% of Board members plus one, given the current situation regarding Board appointments. The Chairman reported that efforts are being made by the Departments to address this urgent matter, however legislation may need to be introduced to rectify the problem.

The Board discussed the current Board quorum and expressed concern at the current position but reluctantly agreed to reduce the Board quorum to four Board members from January 2020.

Mr Agnew reported that the accounts and Annual Report should be laid in both jurisdictions before the end of the month. He advised that the internal auditors have carried out a review of the Body's implementation of GDPR and a review of the implementation of previous recommendations. A draft report has been received with no major issues being raised.

Mr Agnew advised that the Body has an account with Investec Bank in Dublin for the purposes of currency transfers. As part of the bank's Brexit planning it has established a subsidiary in Ireland, Investec Europe Ltd, which will be the new vehicle for the bank's operation in Ireland. The Body therefore needs to open an account with Investec Europe Ltd. The Board passed a resolution to amend the name of the existing Investec bank account.

Mr Agnew gave an overview of the Body's financial outturn and advised that spend is currently on target. He advised that there is an underspend on payroll costs, primarily due to the vacant Chief Executive Officer position. The strengthening of sterling has contributed to an exchange loss, which largely accounts for the overspend on operating costs. Programme costs budgets are expected to achieve full spend by the year-end. The Board were informed that the funding position remains the same. Mr Agnew advised that a bid to the DfE October monitoring round resulted in additional funding of £176k which can be drawn down this year. A further bid will be made to the DfE January 2020 monitoring round.

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

The Board approved Mr Agnew's request to extend the recruitment period of the current Innovation Challenge programme until August 2021 at no additional costs.

Mr Agnew asked any Board member who wishes to participate in the evaluation tender of the All Island Innovation Programme Digital Content tender was asked to contact the Board Secretary.

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

198.11 AOB

The Chairman informed the Board that staff would be invited to an informal Board and staff reception following the Board meeting on 26th November.

.....Authorised by

Mr Ken Nelson, Chairman, InterTradeIreland
26th November 2019