

INVEST NORTHERN IRELAND BOARD MINUTES 2020

January 29, 2020

February 26, 2020

March 25, 2020

April 29, 2020

May 27, 2020

June 24, 2020

August 26, 2020

September 23, 2020

October 21, 2020

November 25, 2020

**ONE HUNDRED AND SEVENTY FIRST MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 29 JANUARY 2020
INVEST NI HQ, BEDFORD STREET, BELFAST**

Present:

Invest NI Board

Rose Mary Stalker (Chair)

Brian Baird

Padraig Canavan

Deborah Lange

Ken Nelson

Dr Mark Sweeney

Mark Nodder

In Attendance: Kevin Holland, Amanda Braden, Mel Chittock, Brian Dolaghan, Donal Durkan, Jeremy Fitch, Peter Harbinson, Steve Harper, Alan McKeown and Alistair Moffett

Presentations: Mark Gillan & Lorraine Acheson, Innovate UK
William McCulla and George McKinney

Apologies: Dr Gerard O'Hare, Scott Rutherford, Judith Totten

Minute Taker: Simon Marnier

The meeting commenced at 1.00pm.

1 Declaration of Conflicts of Interest

Mark Nodder indicated that he would excuse himself from the meeting during discussion on Family Owned Businesses. Chair provided an update on the current process for the recruitment of new members to the Invest NI Board and the conflict of interest issues that arose with some candidates. Chair indicated that all current non-executive Directors should continually consider their own management of potential conflicts. Mel Chittock agreed to assist with this process.

Chair provided Board with an overview of separate project that she is involved with. 4C UR Future is a not for profit organisation set up by Chair, which she runs on a pro bono basis.

Action: Mel Chittock to write to Board to highlight responsibilities in regard to conflicts of interest.

1.1 MINUTES

The minutes of the November Board meeting were agreed as a full and true record of the meeting.

1.2 MATTERS ARISING

The Action table was reviewed and addressed.

Mel Chittock advised that he would address the outstanding action allocated to him within item 2.6 Finance Report to Board. Donal Durkan provided an update on the first meeting of the Business Strategy Board Sub Group, which took place on the morning of this meeting.

1.2.1 FAMILY RUN BUSINESSES

Mark Nodder left the meeting for this discussion.

Brian Dolaghan provided an overview of the paper provided as part of the briefing papers. Brian emphasised that businesses of this nature are an extremely important part of our economy but that there are many pros and cons associated with such companies. Brian then went on to provide detail around the issues that led to the downturn in fortunes of the Wright Group and how Invest NI engaged with the company at the time. Brian also confirmed that, on reviewing the case, he believed that the decisions taken by Invest NI, at the time, were correct.

Mark Sweeney stated that he had experience of similar issues, with family run businesses, throughout his career and that he believed there should be an active role for Invest NI in skills development, succession planning and key risk identification. Brian Baird stated that he feels Invest NI should be able to apply conditionality to offers made to such companies, which would help mitigate against the negative factors experienced in the past. Padraig Canavan stated that he too has worked alongside many family run businesses and has seen first-hand how such issues can manifest themselves. Padraig firmly believed that Invest NI has the right to apply conditionality and insist on the involvement of Non-Executive Directors. Jeremy Fitch stated that conditionality can be applied on a case by case basis, though our influence may be limited in certain circumstances. He stated that the Invest NI Leader and Non-Executive Director Programmes can assist in identifying issues arising within family businesses.

Action: Donal Durkan to add this topic to the agenda for Board Strategy Day.

2. ITEMS FOR DISCUSSION

Mark Nodder re-joined the meeting at this stage

2.1 INVESTING IN INNOVATION – MARK GILLAN, INNOVATE UK

Chair welcomed Mark Gillan, Chief Technology Officer and Lorraine Acheson NI Manager, Innovate UK to meeting. Mark provided Board with details of his background and career to date, prior to presenting an overview of the work of Innovate UK and how it engages with businesses. Mark said that awareness of Innovate UK is low in Northern Ireland and that he is keen to work with relevant bodies, including Invest NI, to promote the funding streams available to businesses. Lorraine advised that there was a low number of applications from NI and that other regions across UK are more prominent in lobbying on behalf companies in their respective locations. To address this Kevin Holland was encouraged to take up an invitation to attend a Science & Innovation Strategy Forum in London on 13th February. Kevin indicated that he has a prior engagement but that he would give consideration to sending a deputy.

Action: ELT to consider possible attendees and engage with Lorraine Acheson.

Mark Gillan informed Board that he would be meeting the new UKRI CEO on Tuesday 4th February and would welcome input from Invest NI on potential topics of discussion.

Action: Jeremy Fitch agreed to compile input from across Board & the Executive Team and provide to Mark ahead of his meeting.

Lorraine advised that timeline barriers currently exist regarding getting consortia together in time to enter funding competitions. Only early engagement will make the timelines work.

Jeremy advised that the Innovation, Research & Development Division will be looking to work with the companies identified to ascertain if Invest NI support can be provided in order to assist with bids which are seen as good projects.

Mark Sweeney asked Mark Gillan if he believed there were any areas in which NI should be doing better, to which Mark replied that NI should be doing a better job of promoting the benefits of Belfast Harbour being a deep water port with an airport close by.

Chair thanked Mark for making Northern Ireland the first of his regional visits in his new role. Mark's point in regards to the benefits of lobbying was well taken and Chair gave assurance that Board would work with Ministers to better support companies progressing with bids.

2.2 BREXIT, ECONOMIC & POLITICAL UPDATE

Donal Durkan provided an overview of the current state of play in regards to the UK's exit from the EU on Friday 31st January 2020 and advised that the Transition Period begins immediately. Donal advised that a Joint Committee between EU/UK is to be established to consider the NI Protocol, and that, as outlined in the 'New Decade, New Approach' document the UK Government has committed to ensuring that representatives from the NI Executive are invited to be part of the UK delegation in any meetings of the UK/EU Specialised or Joint Committees discussing NI specific matters. Donal added that that within 'New Decade, New Approach' there is a commitment to establish a Brexit Sub-Committee, to be chaired by the First and deputy First Ministers, or their nominated representatives.

Donal advised that Invest NI would continue to work closely with colleagues in DfE as further clarity is provided on the impact of the NI Protocol on NI businesses. Advice, guidance and support will continue to be available to businesses throughout this process.

Donal advised Board that the Economy Committee will be holding a committee meeting at Invest NI HQ on 12th February. The committee has requested a briefing on Brexit related actions and activities.

2.3 CEO REPORT TO BOARD

The CEO advised Board on the amendments made to the presentation of the CEO Report and that, alongside the full version, there now sits a shorter abridged version. Several Board members complimented the new format and confirmed it made the large volume of information easier to digest.

In response to Kevin's Economic Context overview, Mark Sweeney stated that, whilst NI was in a period of full employment, growth is sluggish and the stress on skills may become greater and flow of skills may decrease post-Brexit. He asked are we ahead of the curve on this.

Deborah Lange stated that independent contractors are finding it increasingly hard to find that type of work and explained that this may possibly be due to IR35. This labour market detail may be an early indicator of an economic downturn and should be incorporated into the Business Strategy planning.

Action: Donal Durkan to provide relevant detail on any labour market trends as part of Board Strategy day.

Kevin noted that he had already undertaken 30 visits and participated in roundtable meetings with >90 stakeholders. He noted interaction with Councils and explained that he had found them to be very open and honest discussions and that interesting things can be done together regarding selling NI as a whole, and then the regional differences around this. During his visits

he noted great evidence of entrepreneurship and identified that engendering this entrepreneurial spirit in young people is vital.

Kevin confirmed that Clarendon have successfully tendered to run the appointment process for HR Director. Chair stressed the success of outreach for the Board appointment process and asked that Board and Executive do this for the HR Executive Director role.

2.4 CHAIR / CEO ROLE OBJECTIVES

Chair introduced this item for discussion and confirmed with group that everyone had reviewed objectives, as defined for roles of both Chair and CEO.

Kevin gave an overview of each of his individual objectives and stressed that, a) he is keen to fully develop a well-articulated investment proposition for NI b) he will seek a detailed understanding of the organisations budget for the coming years and sectoral breakdown of where budget will be focused and c) he sees the importance of outreach and the role Board can play in that outreach.

Action: Board members to indicate how and where they can involve themselves in outreach events

In providing feedback, both Pdraig and Mark Sweeney stated that these objectives needed to become more SMART in nature.

In going through her objectives, Chair stressed that they were written by the previous Permanent Secretary and, with a Minister now in place, there may be the opportunity for adjustment/refocussing. It was clear from current objectives that a great deal of focus has been placed on Governance issues and Invest NI's engagement with DfE. Mark Sweeney and Mark Nodder said these objectives could be SMART with the primary purpose of Invest NI and could be more inspiring in tone and that, rather than monitoring and reacting, objectives should focus on being proactive and forwarding planning in order to drive and improve.

Brian Baird stated that outreach could be prioritised and that he sees ongoing contact with Enterprise Ireland as essential and a key route into Europe. Deborah Lange agreed with Brian and emphasised that the Belfast – Dublin – London triangle would be critical in a post Brexit environment.

With possible Budget reduction coming into force, Brian Dolaghan stated that Board should focus on the importance of messaging and how we highlight the importance of the Economy, set against wider societal issues. Chair agreed with Brian's comments and added that, with

forthcoming changes to funding model, priority should be given to securing projects which provide biggest societal impact.

2.5 Q3 PERFORMANCE UPDATE

William McCulla and George McKinney joined the meeting in order to present an update on Quarter 3 performance. The update was focused on performance against Invest NI's Operational Scorecard and was provided on the basis of offers approved.

In covering the Customer Satisfaction quadrant William advised that, whilst outturn tracked down across Q2, it still remains comfortably within target across all three measures.

Within the People & Culture Quadrant, absence rate has remained broadly static across the previous 3 months, to December 2019 and we are on course to deliver target by year-end. William also stated that the Best Companies top 100 target had been missed and that Paddy Robb, Strategy Manager, will come to Board at a later stage in the year to present the full results.

In covering the Performance Quadrant George stated that strong performance continues across Local Jobs, with External Jobs and 'New to NI' jobs slipping slightly behind profile.

Steady progress continued through December on R&D Investment and the forecast position has improved again for Skills Investment through December (increased from c£44m to c£46m). A strong performance across December (c£2m investment secured) on Innovation Investment has lifted forecast to just below the £16m target (£15.6m). Trade targets have been achieved on both an annual and a 4 year basis

George stated that the 86% of external jobs are paying above NI PSM in 2019/20 and 77% across the current Business Strategy, the Chair asked that further information be provided to ensure that these assisted jobs are not responsible for driving salary / wage inflation in specific sectors.

Action: Steve Harper to provide update to March Board

In regard to First Time Innovator target Chair queried whether there was any ways in which Invest NI could capture details of those companies who are innovating but who we are yet to engage with. Brian Baird agreed and stated that we need to better understand how many businesses we can target in this area

Action: Jeremy to look at potential new levers in order to assist in hitting 4 year Corporate Target by end 20/21.

2.6 FINANCE REPORT TO BOARD

Mel Chittock asked the Board to note the Finance Report and stated that his update would cover two main areas, current year progress and outlook for future years.

Mel stated that Year to Date expenditure on Programme activity, to the end of December, was £98.2M, which was slightly up on the same period last year. On Admin we had reported that we were bidding for the increase in pension costs, c.£464k. Mel confirmed that the majority of this has been allocated.

In terms of forecasting to the end of the year we do have some Resource pressure based on current estimates, which could be up to £1.5M. Finance continues to work closely with divisions to manage this and anticipates delivering an outcome close to budget.

Initial indications are that the Centre will be allocating 1 year budgets again, which creates some difficulties in forward planning. The Department have been clear that they are facing a Resource pressure of between £29M - £31M. This is believed to be in the main salary pressures across Colleges.

For 20/21 the Department have identified uncommitted Resource of c £29M, which includes £27M in what they call Economic and Business Development – largely Invest NI.

Mel stated that he would dispute this figure for Invest NI and that it fails to take account of the loss of ERDF for next year and future years.

Ministers met last week to discuss Executive priorities and discussions are also ongoing with Treasury. Mel expects that decisions on budget allocations will be clarified in the next two to three weeks. If we are subject to a budget cut, and indications are that we will be, we will introduce controls on when and how we commit expenditure. The extent of this will be dependent upon how severe a cut is imposed on us.

2.7 ENGAGEMENT WITH KEY PARTNERS & STAKEHOLDERS

Donal reviewed the paper provided to Board which outlined in detail ongoing engagement with key partners and stakeholders.

Chair praised the extent of the work being done with partners and stakeholders and asked that a new column be added to the table to incorporate Board members, so that they too can

be engaged in outreach activities. Chair encouraged Board to self-nominate against respective stakeholder areas.

Action: Board support to seek nominations from Board Members on further engagement with partners and stakeholders.

2.8 BOARD STRATEGY AGENDA

Donal provided an update on plans ahead of the Board Strategy Day, scheduled for Wednesday 26th February and confirmed that the first meeting of the Business Strategy Sub-Group took place earlier today. In taking the Board through the Board Strategy Agenda, Donal stated that there may be a requirement for Invest NI to have 1 year strategy to facilitate alignment with a new PfG in 2022.

Chair stated that another meeting of the Business Strategy Sub-Group should be considered before the Board Strategy Day in order to clearly set out the agenda and focus for the day.

Action: Donal to arrange another meeting of the Board Sub-Group

Brian Baird added that, with full employment in NI, we should be creating value. However we must be able to measure that value, because if we can't measure it, we can't articulate it. Donal responded that he would work to incorporate this within Strategy Day agenda and confirmed that he is due to meet with Neil Gibson on 5th February in order to agree format and facilitation of Strategy Day.

Action: Donal to ensure that the 'value proposition' is considered as part of the Board Strategy Day agenda

Chair asked if consideration should be given to establishing a Next Generation Board. Donal replied that we currently have an Under 35 Strategy Working Group and that he would facilitate connections between that group and external bodies regarding the potential for joint workshops.

Action: Donal to facilitate engagement between the Invest NI Under 35 Strategy Working Group and external bodies

3. MONTHLY REPORTING TO BOARD BY EXCEPTION

3.1 MARKETING AND COMMUNICATIONS REPORT

This report was noted by Board members and taken as read.

3.2 CASEWORK REPORT TO THE BOARD

This report was noted by Board members and taken as read. Brian Dolaghan thanked Board members who were involved in recent time consuming casework panels.

4. CHAIR'S BUSINESS

Chair provided some brief feedback on breakfast event with Business Organisations that both Chair and CEO hosted earlier in the day. Kevin stated that it had been a good engagement and discussion centred on what business can do for society and that there was universal support for a common business message.

Chair also provided some feedback on the recent Partnership Agreements Workshop, which Chair, CEO, Judith Totten & Mel Chittock attended. Mel then went on to inform Board of the ongoing discussions that were taking place with Department around possible changes to Invest NI delegations. Mel committed to providing further update as the project progresses.

Chair provided overview of project which she is currently taking forward with QUB & Manufacturing NI around the formation of an NI Productivity Forum. Plans are at an early stage but Chair committed to keeping Board informed on progress.

A.O.B.

5. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be Wednesday 26th February 2020 and will be held at Invest NI HQ.

The Board Meeting ended at 4.50pm.

Simon Marnier, January 2020

Chair

**ONE HUNDRED AND SEVENTY SECOND MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 26 FEBRUARY 2020
INVEST NI HQ, BEDFORD STREET, BELFAST**

Present:

Invest NI Board

Rose Mary Stalker (Chair)	Brian Baird
Dr Gerard O'Hare	Judith Totten
Padraig Canavan	Deborah Lange
Ken Nelson	Dr Mark Sweeney
Mark Nodder	

In Attendance: Kevin Holland, Amanda Braden, Mel Chittock, Brian Dolaghan, Donal Durkan, Jeremy Fitch, Peter Harbinson, Steve Harper, Alan McKeown

Apologies: Scott Rutherford

Minute Taker: Simon Marnier

The meeting commenced at 9.00am.

1 Declaration of Conflicts of Interest

No Conflicts of Interest were declared

1.1 MINUTES

The minutes of the January Board meeting were agreed as a full and true record of the meeting.

1.2 MATTERS ARISING

The Action table was reviewed and addressed.

Mel Chittock provided an update in regards to Action 1 and advised that, as part of the induction process for new Board members, he planned to include an exercise on conflicts of interest, which will also be rolled out to existing Board members. Chair supported by Secretariat plans to have a Col review with all new and continuing Board Members. Additionally, Mel reminded the Board, should any real or perceived conflicts of interest arise for Board members, specifically in regard to their interactions with Invest NI, then individual

Board members should direct their enquiries to the relevant ELT member to avoid any risk of conflict arising.

Deborah Lange requested that specific training for ARC members be factored into the forward planning.

Board indicated that, on review of the paper provided by Jeremy Fitch, they were content to close off the specific action in regard to family run businesses. However, the Board asked that the subject be added to the rolling topic list for future review

Alan McKeown advised that work is ongoing in regard to developing a strategic approach to engagement with key partners and stakeholders and that he will bring an updated proposal to Board in April.

Steve Harper provided verbal update on Action 6 and analysis he had undertaken to assess any correlation between jobs above the NI PSM and wage inflation. Steve's analysis was focused on 5 job roles and used information from a number of sources. Steve compared growth rates in Northern Ireland to those in the US, RoI and the rest of the UK and found that NI was lower than the US, similar to RoI and somewhere in the middle, when comparing to the rest of the UK. Over the 5 year period assessed it was shown that the NI roles have the lowest compound inflation in comparison to London, Manchester & Dublin. Salaries in NI were found to be lower than the other regions mentioned. A study, by Bond, found that NI has better control of all salaries and, unlike other regions, it is not over-paying for certain job roles. Steve concluded that there is currently no cause for alarm but that he will continue with his analysis and provide a further update to Board.

Action: Steve Harper to provide update at April Board.

Remaining actions from January Board meeting were noted and agreed.

2. ITEMS FOR DISCUSSION

2.1 CEO REPORT TO BOARD

The CEO provided an overview of the meeting he, and the Chair, had with the Minister on Tuesday 25th February to provide a briefing on Invest NI actions and priorities. The meeting had been very positive and there would be an opportunity for Board members to meet Minister, at the Board Strategy Dinner, later in the day.

The CEO provided an update on the ongoing Coronavirus outbreak and the work the organisation is doing to mitigate any impact on operations.

Kevin reflected on the CEO Report itself and went on to address a few of his highlights throughout the month of January. He noted that the Leadership for Growth programme had now commenced and that we hosted the Journey to Business Excellence Conference at the Titanic Belfast, which was attended by approximately 350 companies. There were also two very positive inward visits, with delegations from Qatar and Cambodia.

Kevin confirmed that there will be a Ministerial visit to the US in March, to include FM, dFM and Economy Minister. Interviews for post of Executive Director, HR, will commence week commencing Monday 2nd March.

2.2 FINANCE REPORT TO BOARD

Mel Chittock asked the Board to note the Finance Report and stated that the report shows that we are broadly in line with the final allocated budget, post monitoring rounds, although we were reporting pressure in both Resource and Capital.

To bring the Report up to date Mel highlighted that this is in relation to a small element of Resource and Capital pressure of £1.5M and £1.0M respectively. Some element of pressure was within the Regional Team but, with easement in other Divisions, we have been able to allocate budget cover to the Regional Team and the overall organisation wide pressure has largely dissipated over the last few days. In relation to Capital we have some additional clawback and therefore anticipating an outturn close to the budget allocation.

With respect to future year allocations, we have not yet had confirmation of future years. The pressure facing Invest NI has been clearly articulated and was discussed directly with the Minister.

Mel provided feedback on recent discussions, with both the Dept and Minister, in respect of recent budget discussions and advised that it may be some weeks before the outcome on future allocations is known. In the meantime, Invest NI was continuing to progress active projects from WIP. The Chair reminded ELT that the Board were keen to receive a presentation on Board approved/completed projects and this would be scheduled for a future meeting. It was also agreed that the Finance Report to Board would incorporate information on current WIP to provide a snapshot of future levels of anticipated demand.

2.3 ARC MINUTES NOVEMBER 2019 & VERBAL UPDATE FEBRUARY 2020

Deborah Lange, ARC Chair, presented minutes of November ARC meeting, which were noted by Board members.

Deborah also provided a verbal update in regards to discussions that took place at the February ARC meeting. Deborah began by thanking Gerard O'Hare and Scott Rutherford, whose term as Board members ends in March, for their service to ARC.

Deborah noted that ARC had received a presentation from Mel Chittock on PPEs and that, with Stephen Wightman will present to Board in the near future.

With regards to Internal Audit Service, Deborah confirmed that the Internal Audit plan 2020-21 was agreed but that the Competence Centre audit would be deferred to the new year.

Deborah advised that the NIAO will report on the Wrightbus loan and Competence Centres and that they also have a report forthcoming about Promoting an Entrepreneurial Culture which will, in all likelihood, look at the role played by Invest NI as part of that ecosystem.

Deborah discussed the December 2019 Risk Register and advised that there are currently two risks rated as Very High, in regards to Budget & Skills, and that one new risk had been added, in relation to City Deals. The December 2019 Corporate Risk Register was endorsed by ARC.

Finally, Deborah highlighted a paper provided to ARC which showed that, to December 2019, only 21% of overall 2019/20 spend, on projects, was reviewed by Board. This prompted much discussion by Board and Mel Chittock indicated that he is currently progressing a paper which will give Board a greater visibility of Casework approvals; approved projects with a tail of spend; Work in Progress and details of drawdown against projects (PPEs).

3. MONTHLY REPORTING TO BOARD BY EXCEPTION

3.1 MARKETING AND COMMUNICATIONS REPORT

This report was noted by Board members and the Customer Satisfaction score of 89%, from the broad business base, was highlighted as excellent

3.2 CASEWORK REPORT TO THE BOARD

This report was noted by Board members and taken as read.

4. CHAIR'S BUSINESS

Chair provided some brief feedback on recent and very positive meetings that Chair and CEO had had with Enterprise NI and Enterprise Ireland.

A.O.B.

Gerard O'Hare provided commentary on a recent Irish News article, which highlighted disparity on the number of Invest NI hosted FDI visits to Belfast compared to other regions of Invest NI. Gerard noted his disappointment in the spread of these figures and, as Chair of the Board sub regional group, requested that Invest NI do more to ensure a better sub regional split.

It was acknowledged that a large number of inward visits (741) had taken place, although this was only one element of work with Councils and more needed to be done.

Following an extensive discussion the Chair concluded that the Board needed more time to discuss and review data and planned regional activities on a more regular basis and were keen for the Executive to continue to develop regional strategies for Board discussion.

5. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be Wednesday 25th March 2020 and will be held at Invest NI HQ.

The Board Meeting ended at 10.40am.

Simon Marner, February 2020

Chair

**ONE HUNDRED AND SEVENTY THIRD MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 25 MARCH 2020
MEETING HELD VIA SKYPE FOR BUSINESS**

Present:

Invest NI Board

Rose Mary Stalker (Chair)

Brian Baird

Dr Gerard O'Hare

Judith Totten

Padraig Canavan

Deborah Lange

Ken Nelson

Dr Mark Sweeney

Mark Nodder

Scott Rutherford

In Attendance: Kevin Holland, Amanda Braden, Mel Chittock, Brian Dolaghan, Donal Durkan, Jeremy Fitch, Peter Harbinson, Steve Harper, Alan McKeown

Minute Taker: Simon Marner

The meeting commenced at 1.00pm.

1 Declaration of Conflicts of Interest

No Conflicts of Interest were declared

1.1 MINUTES

The minutes of the February Board meeting were agreed as a full and true record of the meeting. Mark Nodder proposed and Judith Totten seconded. The Chair reminded ELT that the Board are keen to receive a presentation on approved/completed projects and Mel Chittock advised that this would be scheduled for a future meeting.

1.2 MATTERS ARISING

The Action table was reviewed and addressed and it was agreed that updates, for both outstanding Actions, would be brought to the April Board meeting.

2. ITEMS FOR DISCUSSION

2.1 CEO REPORT TO BOARD

The CEO began his update with giving brief details on the Invest NI response to the ongoing Covid-19 pandemic; Kevin put on record how proud he is to lead the organisation at this time and thanked the team for their continued efforts.

Kevin reviewed the CEO Report itself and began by referring to the Economic Paper, which detailed the global response to Covid-19 and how the impact to the economy will be huge and long term, with many job losses expected.

Within the following Sections of the Report, the CEO noted that, in February, they were offers made to business at a total value of £5m, directed toward 257 projects. Kevin also reflected on the hugely positive NI visit by the Aerospace Growth Partnership in February, and how important it will now be for Invest NI to work with them, in order to assist the Aerospace sector, post Covid-19.

Kevin provided some feedback on his recent trip to the US, where he and Minister Dodds met several companies and made some positive announcements. It also gave them both the opportunity to meet with the East Coast Advisory Council and Kevin emphasised how impressed he was with the NI connections contained therein.

Kevin concluded by assuring Board that, although the current Covid-19 challenge and response is moving at a rapid pace, Invest NI would not lose sight of its Governance responsibilities. Chair thanked Kevin for his Report and applauded his leadership in current environment, noting positive feedback she has received from high levels of Government on the work of Invest NI.

2.2 FINANCE REPORT TO BOARD

Mel Chittock asked the Board to note the Finance Report

Mel highlighted that; as at two weeks ago, the organisation was forecasting an outturn close to budget, although there was still a significant amount of work to be completed in order to manage both the outturn and cash utilisation. He then explained the variances YTD, in respect of both timing and split between capital and revenue.

Mel then detailed the Finance Group's response in reacting to the Covid-19 impact. The initial response was to ensure that payments continued to be made to both clients and suppliers, recognising that cash flow was a significant issue. In respect of the forecast outturn the position was moving rapidly and there was a very high number of changes to Divisional activities and forecasts. Whilst it was difficult to predict the outturn, the Finance Team were working hard to continue to track movements, adjust controls appropriately and still seek to

land the outturn close to budget category. Plans were still to close the books at end of play on 27th March. The Team were still planning to complete the Annual Report and Accounts in line with the original timetable.

20/21 Budgets - Whilst initial verbal indications from the Department were for a flat cash budget allocation it was important to receive formal confirmation of control totals across all categories as there remained an outstanding issue in relation to expenditure from previous ERDF projects.

Finally, Mel explained how the Department was proposing to implement the Minister's announcement of grant support to small companies eligible for Small Business Rate Relief, a grant of £10,000 plus support of £25,000 for companies in the hotel, leisure and retail sectors. The Department had proposed channelling support through Invest NI, as it did not have direct grant giving powers. Whilst there was an urgency on this intervention, there was an ongoing discussion as to the appropriate legislative framework. If the funding is to flow through the INI Accounts, this would lead to an excess vote and a qualification of the Accounts. Discussions with the Department were continuing.

3. MONTHLY REPORTING TO BOARD BY EXCEPTION

3.1 MARKETING AND COMMUNICATIONS REPORT

This report was noted by Board members and taken as read.

3.2 CASEWORK REPORT TO THE BOARD

This report was noted by Board members and taken as read.

4. CHAIR'S BUSINESS

The Chair took the opportunity to thank the departing Board Members, Gerard O'Hare, Ken Nelson and Scott Rutherford for their service to Invest NI and noted that the new appointees to the Board would be in place in time to attend the April 2020 Board meeting.

6. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be on Wednesday 29th April 2020 and will be held at Invest NI HQ.

The Board Meeting ended at 2:15pm

Simon Marner, March 2020

Chair

**ONE HUNDRED AND SEVENTY FOURTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 29 APRIL 2020
VIA SKYPE**

Present:

Invest NI Board

Rose Mary Stalker (Chair)	Brian Baird
Judith Totten	Deborah Lange
Padraig Canavan	Kieran Kennedy
Dr Mark Sweeney	Michael McQuillan
Mark Nodder	Kevin Kingston
Marie-Therese McGivern	Colin Coffey

In Attendance: Kevin Holland, Amanda Braden, Mel Chittock, Brian Dolaghan, Donal Durkan, Jeremy Fitch, Peter Harbinson, Steve Harper, Alan McKeown, Denise Black, Ian Maxwell

Minute Taker: Simon Marnier

The meeting commenced at 12.30pm.

1 Declaration of Conflicts of Interest

Chair welcomed all attendees to the meeting and highlighted that it was the first Invest NI Board meeting for the newly appointed Board Members. Chair handed over to Ian Maxwell who provided details in regards to the management of Conflicts of Interest. It was confirmed that each Board Member would write to the Board Secretary on their respective Interests, and how they plan to manage any real or perceived conflicts. The Chair & Board Secretary will then meet with individual Board members to discuss.

Colin Coffey, Padraig Canavan, Brian Baird, Judith Totten, Michael McQuillan, Kevin Kingston and Deborah Lange provided detail in regards to their other interests and how their customers may have previously received Invest NI support or may indeed seek to secure future support. All aforementioned members assured the Board that they will handle materials provided sensitively and recuse themselves from any discussions where they see a Conflict arising.

Chair declared her interest in 4 C UR Future and how several Invest NI customers would support the initiative but confirmed that there are no Conflicts to manage.

Kevin Kingston declared that Invest NI is a customer of Danske Bank, and the bank has received financial assistance from Invest NI. Mark Nodder, Mark Sweeney, Kieran Kennedy & Marie-Therese had no Conflicts of Interest to declare but confirmed that all material would be handled sensitively.

1.1 MINUTES

The minutes of the March Board meeting were agreed as a full and true record of the meeting.

1.2 MATTERS ARISING

The Action table was reviewed and addressed.

Steve Harper gave an overview of the wage inflation paper. Steve's analysis concluded that wages, in NI, are not driving inflation at any greater rate than that of the other cities/regions compared, with wage inflation similar, or lower, in NI. Board thanked Steve for the update but noted the impact on smaller businesses from large FDI companies entering the market and offering larger salaries for similar roles.

Steve also addressed the paper provided in relation to the FDI Regional Plan. Steve gave an overview of the work in progress and what the organisation is doing to highlight the role FDI can play in regional economies, and the steps taken by Invest NI to showcase all regions of NI to potential investors. Board indicated that they were content with the paper,, which will be helpful in their conversations with regional stakeholders. Steve would discuss this in more detail with the Sub Regional Board working group.

2. ITEMS FOR DISCUSSION

2.1 CEO REPORT TO BOARD

The CEO began his report by providing a brief overview of the impact of Covid-19 and the subsequent response packages put in place by Government to support business. Kevin touched briefly on an emerging work stream within the Department of International Trade (DIT) to inform an FDI recovery plan, and how Invest NI will have a role to play in this.

Kevin noted how, in March, the organisation was very much focussed on closing out year-end and that, within the month, while dealing with the Covid-19 implications, we were able to

deliver 172 projects with circa £11m funding committed. Kevin detailed the latest figures in relation to company furloughs/redundancies and closures but also highlighted the ability of some firms to diversify and adapt during the current crisis, to seek opportunities, and to identify alternative approaches to help them maintain business.

Kevin then provided overview on Invest NI Operational Performance, the preliminary 19/20 year-end Report, and the results in relation to the 4 quadrants of Customer; People and Culture; Processes; Performance.

Kevin concluded by requesting that, given current Covid-19 implications, the Board discussion to finalise 2020/21 objectives should be deferred to June Board. The Board were in agreement with this suggestion.

Chair thanked Kevin for his presentation and specifically highlighted the excellent results in regards to employee absenteeism.

2.2 FINANCE REPORT TO BOARD

Mel Chittock asked Board to note the Finance Report and stated that his presentation would focus on the 4 areas of Draft Financial Outturn 19/20; Major Projects & Outcomes; Programme Effectiveness (Overview); and Current resource allocation (Headcount)

Mel noted that the financial outturn for 19/20 is still a provisional outturn and, whilst we do not expect any further material adjustments, it is possible given current circumstance. Mel stated that Paragraph 3 of the Finance Report details what sits behind the programme underspend and shows that the largest element is the £1m overspend on Resource, which was matched by additional receipts in year.

Mel also provided an update on ERDF, Capital and Cash positions and confirmed that the Finance Team is now focussed on completing the draft accounts and submitting to the NIAO for audit by 15th May and, secondly, completing the June Monitoring in which we are being asked to surrender budgets or consider if any bids should be made.

On the topic of Major Projects, Mel noted that, over the last 3 years, Invest has supported over 4,000 projects, circa 1,400 per annum. Typically, this is approx. £100m per annum in offers, with the main programmes being SFA and R&D support

The Overall the number of Projects has been consistent over last three years (+5% +1%) with the majority of Projects c. 85%, below £50k each year. Mel stated that care needs to be applied when looking at trends however, as large projects distort the value of assistance figures

Mel provided an overview, and detailed the outcomes, of the projects approved at Board level over the last six years, highlighting that the two main areas are SFA and R&D projects and how, together, these account for 87% of all projects approved.

Mel went on to provide a brief summary on Programme Effectiveness and how a Programme review took place in 2015, with some 70 interventions assessed. Since this early work, a number of our programme solutions have developed and evolved. A number of changes have resulted in funding to some sector bodies ceasing, changes in the structure of support, rationalisation of overlapping activities and simplification on schemes and finally some interventions have been terminated. A new review is currently underway with 57 programmes in scope and early indications are that the economic rate of return ranges from less than 1:1 to as high as 9 to 1, however some programmes cannot yet be fully assessed as these types of interventions are designed to have a much longer-term impact.

Mel concluded by summarising the current headcount within the organisation and how it is split across Teams, both locally and overseas.

3. STRATEGIC DISCUSSION

3.1 BUSINESS STRATEGY AND COVID-19 RECOVERY PLAN

The CEO began this section of the agenda by explaining that the ensuing presentation and discussion would be framed to help inform the next steps for the organisation and encourage feedback from Board members to help shape direction in determining the appropriate interventions for each sector.

Donal Durkan provided an overview of the impact Covid-19 has had on business and focussed on the furloughs/redundancies across locally and externally owned companies as well as across sectors and NI regions. Donal also gave a synopsis of the April Invest NI Purchasing Managers Index.

Kevin Holland presented Board with an outline of the emergency support interventions that have been made available to business since the beginning of the pandemic. Kevin moved on to provide a synopsis of the proposed new DfE Hardship Fund, and shared specific details of

the request, from DfE, that Invest NI administer the fund, but underlined that our delivery role has still to be agreed with the Department.

Kevin referenced the previous meetings of the Invest NI Board, in March and April 2020. Kevin detailed how the Executive Team have been taking forward the out-workings of those discussions and the agreements reached; that we need to move from our emergency response to developing the most appropriate recovery interventions and how and where to target those interventions, in order to simulate recovery in the most effective way. Kevin concluded this section with providing a brief overview of the 2020/21 Budget position and the potential impact of any future Resource bids.

On the Customer evidence piece, Brian Dolaghan emphasised the importance of gathering the right information from companies and the role that that information can play in helping to shape the recovery pathway and influence key decisions within central Government in terms of developing targeted interventions & altering existing interventions. Brian presented data sourced from a large pool of Invest NI customers, where we requested information on the impact to the business, the thought process behind decision-making and what support packages have been utilised; and views on future pathways when lockdown eases. Results were shared with the group on a sectoral basis.

Steve Harper provided a run through of the current activity within International Business Team and how his four Heads of Territories were working to understand the varying global market impact and the work being carried out by economic development bodies. Steve's analysis has determined that most bodies are offering similar packages to NI but that the majority are still relief focussed, and not yet looking towards stimulus and recovery. Few markets are opening up, although China is starting to slowly re-emerge.

Alan McKeown provided some detail on the Partnership discussions that have been taking place, at both the strategic and operational level. Engagement continues with Councils, Chambers of Commerce and representative bodies and has aided in gathering intelligence of industry and sector challenges and needs. Through working with Councils and Chambers on recovery plans we have received positive feedback on Invest NI actions and impact to date and there appears to be signs of a strong desire to get back to work.

Peter Harbinson concluded the Executive Team update by emphasising our focus on providing clear official information to our staff and to business and stakeholders to support their decision-

making, which plays a key role in influencing public mood. Peter advised how we are moving to extensive digital delivery, which will give us a much wider reach to all businesses, especially through NIBusinessinfo. Our future focus will be to digitally promote the extensive range of advice, guidance and financial assistance that we offer to businesses to include, for example, virtual FDI visits.

The Chair thanked the Executive Team for their presentation and asked the non-executive Board members for comments.

Judith Totten provided feedback on the challenges faced by her customers and her fears that some SMEs may be falling through the cracks within the Government interventions on offer and how it will be important to bear that in mind, when developing new products. Judith also noted that there may be forthcoming opportunities for Invest NI to work with Private Funders and would encourage the leadership to consider this step, which could help provide stimulus to the economy. Judith also noted concern within the insurance industry and the potential impact of underwriters reviewing positions

Kevin Kingston noted movement, by business, to expand their suppliers and help mitigate the impact of supply chain issues and provide greater contingency options. Kevin also outlined details on the level of demand experienced, by Danske Bank, in regards to uptake of the Government loan schemes and detailed the proposed Bounceback Scheme.

Michael McQuillan provided some detail on the level of engagement he has had with businesses through his work with Enterprise NI and gave an overview of the difficulties being experienced while attempting to meet the criteria for the £10k grant scheme. Michael committed to sharing the Enterprise NI 10 point recovery plan with Board post the meeting, and also stated that he sees Invest NI playing a key role in informing business of when their international markets will open up again. Steve Harper confirmed that his team were already engaged on activity in this area.

Marie-Therese McGivern focussed in on the potential to work in partnership with other organisations in order to maximise our offerings. Marie-Therese suggested exploring opportunities with councils to share resources and work collaboratively on aspects of the new Hardship Fund. Marie-Therese also queried the INI role with regard to City Deals and proposed that we align ourselves with the various propositions. Marie-Therese stated that she

believes Invest NI has the capability and is ideally placed to help shape and influence a new and improved Economic Strategy.

Brian Baird stated that he believes INI should focus on working with SMEs and locally owned business. By using the Hardship Fund to drive SME product, we can help businesses with international penetration & growth. Brian added that we also need to protect the core base of 1,500 companies that offer the greatest potential for growth, which directly influences our international competitiveness.

Mark Sweeney noted that, during last week's Covid Response Grant casework, there was an expressed desire from the feedback of a number of Board members to be more relevant to the wider business base but that Invest NI also has core responsibilities, and with limited funds, must not lose focus on those businesses best placed to help the economy grow.

Mark Nodder commented on how companies he is working with are now looking at how they can return to work and that INI need to be ready with a package of support, such as the Hardship Fund, for when that happens. Kieran Kennedy encouraged the team to promote messages to customers about exploring alternate supply chains and looking for the opportunities to diversify into new markets.

Deborah Lange provided an update in regards to the Covid-19 Risk Register. Deborah advised that the register has now been drafted and is close to finalisation but that it would need to be brought to full Board in order to secure agreement that all members are content with the identified Risk factors.

Chair closed this part of the discussion by thanking Board for their input, summarising the themes raised and confirming that Board are content with the direction of travel being proposed by the leadership team.

3.2 BUDGET IMPLICATIONS

Mel Chittock presented on the Budget implications of the Covid-19 Recovery Plan and began with an overview of uncertain Invest NI Budget Position in 2020/21. Baseline Budget Allocation is a flat cash position and pre Covid crisis we were forecasting a small pressure on budgets of c. £4m on Resource.

Mel stated that typically we would start the year at c. 70 to 75% of our budget for the year already committed but that this year the position was slightly higher. The challenge is estimating what the demand will be as the crisis develops in the coming weeks and months.

Mel highlighted the challenging issues that we need to consider in trying to determine what the likely demand is on our normal level of business, those issues include existing projects; furloughed employees; WIP Conversion; and FDI Activity. Mel relayed communication from DfE that there will continue to be central oversight and scrutiny of everything that is Covid-19. Mel concluded by providing current state of play in regard to our Work in Progress (WIP).

Chair thanked Mel for his update and both Chair and CEO encouraged Board members to provide feedback and input in the coming days as work progresses. Kevin also committed to engaging again with Board in the near term as recovery plans develop further.

4. MONTHLY REPORTING TO BOARD BY EXCEPTION

4.1 MARKETING AND COMMUNICATIONS REPORT

This report was noted by Board members.

4.2 CASEWORK REPORT TO THE BOARD

This report was noted by Board members and taken as read.

5. CHAIR'S BUSINESS

5.1 A.O.B.

Chair provided details of a Board 'Buddy' system and allocated a contact point, within existing Board members and ELT, for each of the new Board members as they adjust to their new role. Chair also provided a summary of the revised makeup of the Board sub committees and working groups.

Chair was able to confirm that, after consultation with all existing Board members, the unanimous choice to succeed Gerard O'Hare, as Deputy Chair, was Deborah Lange. Chair confirmed that necessary engagement with DfE would now take place to confirm Deborah in post.

Denise Black echoed the positive comments of the other Board members in relation to the insight and future focus thinking provided in the ELT presentations. She added that although the focus had been explicitly on Business Recovery, the People recovery piece warranted

equal attention. Denise commented that Invest NI are in a very positive current position of zero reported cases of Covid-19, largely due to the swift action of ELT/HR in getting everyone to work from home. However with a pending potential return to work we could have depleted numbers of staff and therefore should prioritise our focus through a “must do” lens and implement cross-skilling opportunities amongst teams. This People Contingency approach needs to align and reinforce our Business Recovery focus.

6. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be Wednesday 27th May 2020 and will be held via Skype.

The Board Meeting ended at 5.10pm.

Simon Marner, April 2020

Chair

**ONE HUNDRED AND SEVENTY FIFTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 27 MAY 2020
MEETING HELD VIA SKYPE FOR BUSINESS**

Present:

Invest NI Board

Rose Mary Stalker (Chair)

Brian Baird

Deborah Lange

Judith Totten

Padraig Canavan

Kieran Kennedy

Kevin Kingston

Dr Mark Sweeney

Mark Nodder

Michael McQuillan

Colin Coffey

Marie-Therese McGivern

In Attendance: Kevin Holland, Denise Black, Mel Chittock, Brian Dolaghan, Donal Durkan, Jeremy Fitch, Peter Harbinson, Steve Harper, Alan McKeown, Ian Maxwell

Presenters: Chris Conway and Graeme McCammon (NI-CO); Katrina O'Dowd, Colin Morelli

Minute Taker: Simon Marnier

The meeting commenced at 1.00pm.

1 Declaration of Conflicts of Interest

Marie-Therese McGivern noted that she sits on the City Deals Executive Board. Deborah Lange referred to her role on the Belfast Harbour Commissioners Board. Colin Coffey highlighted his role as Chair of Flint Studios. Michael McQuillan noted his role with Enterprise NI and his Chair role with INI Client Company, Snuggle. Kevin Kingston restated that Invest NI is a customer of Danske Bank, that Invest NI and Danske Bank will have customers in common, and that Danske has previously received support from Invest NI.

No other Conflicts of Interest were declared.

1.1 MINUTES

The minutes of the April Board meeting were discussed. Mark Sweeney requested an amendment to the wording used to capture his comments at Section 3 of the meeting and Board confirmed that, pending this change, the minutes could be agreed as a full and true record of the meeting. Mark Sweeney proposed and Mark Nodder seconded.

1.2 MATTERS ARISING

There were no formal Actions or updates required from April Board meeting. It was noted that the Board members had provided extensive feedback to the Executive Team to help inform Recovery Plan and Resource bids.

2. ITEMS FOR DISCUSSION

2.1 CEO REPORT TO BOARD

The CEO began this section by looking at the current economic context and the continual impact of Covid-19. Kevin noted the gradual easing of restrictions across many of the world's major economies and how they are being replicated tentatively in NI. However, it is still too early to predict the knock on effect of the health crisis on businesses and consumers.

Kevin referred to the Invest NI Purchasing Managers Index, for May 20, and the dramatic decline in March and April, in the areas of output; new business; employment and new export business.

Kevin continued by detailing the key current Invest NI priorities, and the work undertaken, since the Board last met in April. He highlighted the completion of the extensive Client evidence collection exercise, the successful launch of the NI Micro-Business Hardship Fund and the task of submitting the Invest NI proposed Covid-19 Response Interventions, currently being evaluated by DfE, with the response from this being key to finalise the 20/21 organisation objectives.

In April 2020, 114 projects offered £5.3m Total Assistance. Sector Initiatives and Business Development activities also continued and the Innovation Voucher programme has been extended for a further 5 years.

Kevin also discussed Brexit and the immediate challenges for NI Businesses; how the topic had fallen off the agenda somewhat, with the Covid-19 pandemic, but is rapidly returning to prominence with the fourth round of UK/EU discussion upcoming and the NI Protocol detailed workings still to be resolved. The potential for funding gaps and the impact Covid-19 interventions will have on potentially limiting the size and scale of any ERDF replacement scheme (e.g. Shared Prosperity Fund) will place a challenge on Invest NI going forward.

Kevin provided an overview of the data compiled in regards to job losses and company closures across client customers group but also the positive indications that around 20% of furloughed workers have now returned to work, in some capacity.

Kevin noted that, on 4th May, the NI Executive announced match funding of £562m for City & Growth Deals and £55m for the Inclusive Future Fund. Discussions with DfE are ongoing to agree specifically what role Invest NI will play while it is clear we have an essential contribution to make as the Deals move forward.

Kevin concluded by advising that the Executive Team are reviewing the way forward under/post lockdown and consideration is being given to a return to limited office opening, safe travel to customers and long term home working.

The Chair thanked Kevin for his presentation and acknowledged the phenomenal effort made by Kevin, the Executive Team and the wider organisation over the last few months

Kevin Kingston queried if INI has held any discussions in regards to Project Birch, a government plan to provide funding to strategically important companies. Following comment from the CEO, the Chair requested that the Executive Team should gather data from our client base on the potential impact from this type of intervention.

Action: Brian Dolaghan to gather data

Kevin Kingston also offered to engage with UK Finance, on Invest NI's behalf, should it be required on any matters.

Michael McQuillan commented that going forward our interventions must support businesses as they deal with Covid-19 and plan for EU Exit but also we should seek targeted ways to grow a greener and more sustainable economy. Kevin Holland confirmed that the bids submitted to DfE covered both Covid/Brexit but that he would be keen to incorporate Green Sustainability as we move forward and this fits with the strategy discussions we have had. Donal Durkan commented that DfE are looking at our bids through the Covid/Brexit prism, but that the newly set up Digital Innovation Board Sub-Group may provide a vehicle to identify Green and Sustainable opportunities.

Colin Coffey queried whether any sector specific interventions had been proposed, as part of the Resource bid to DfE. Kevin responded by confirming that the team would need to work to

get a better understanding of exactly what would be required and there will be an opportunity to place further bids at a later stage which could focus on detailed sectoral initiatives.

2.2 NI-CO YEAR-END RESULTS

Chris Conway, Chair and Graeme McCammon, Chief Executive joined the call. Chris began by providing an overview of who NI-CO are, the work that they do and their relationship with Invest NI. Graeme continued by providing details of 2019/20 year-end results and noting some highlights from the year. Graeme also commented on current state of play at Quarter 1 2020/21 and NI-CO plans/projections for the remainder of the year. Chris concluded the presentation by focussing in on the key challenges NI-CO will face as they look forward beyond UK EU Exit.

Kevin Holland commented on the talent pool within the organisation and how there may be opportunities for Invest NI to use NI-CO skills in the future, should appropriate projects be forthcoming.

2.3 FINANCE REPORT TO BOARD

Mel Chittock asked the Board to note the Finance Report

Mel provided an update on the 19/20 provisional outturn. Specific reference was made to Table 2 in the Report which detailed the variances against each of the main budget areas. Mel noted the under spend on ERDF expenditure which was fully matched by a corresponding under receipt of EU income. Overall the net provisional outturn shows an under spend of £0.43M against budget, which was equivalent to an outturn of 99.6%. The Resource budget was within the 1% under spend tolerance set by DfE with a 99.8% outturn. The Capital Budget was outside tolerance at 97.3%, which was largely a consequence of the very small amount of net capital budget.

Secondly Mel reported that the 20/21 budgets have now been confirmed by DfE. In summary on the Resource baseline budget a flat opening position was allocated as compared to last year. In relation to Capital the amount of the allocation has resulted in a small opening pressure of c.£2.3M.

At the same time, the June Monitoring was commissioned, with Invest NI surrendering £17m of Resource to reflect an anticipated reduction in drawdown this year and to support DfE's

priorities in response to Covid-19. In parallel Invest NI has submitted a number of Covid-19 Response bids to the Department totalling circa £125M and are awaiting approval to proceed for the selected bids.

Finally, Mel summarised progress on the Micro-Business Hardship Fund that opened on 20th May. This was the third of three DfE interventions undertaken by way of Ministerial Directions.

Brian Baird queried whether the team are in a position to track if applicants, to Hardship Fund, are Invest NI clients. Mel confirmed that he does not have that information to hand as yet, but that it was likely, given the qualifying criteria, that the majority of applicants would come from the wider business base. Alan McKeown confirmed that these checks would take place and there would be no double accounts.

Mel provided an overview of the MOUs in place to run the £10k, £25k and Hardship schemes and the Invest NI responsibilities detailed in each. In response to a query from Kevin Kingston, Mel and Alan both confirmed that a Decision Log and a Risk Register were established, for the development of the Hardship Fund.

2.4 ARC MAY MEETING UPDATE

Deborah Lange, ARC Chair, provided an overview of the discussions that took place at the May ARC meeting. Deborah confirmed that the organisation received a satisfactory opinion for 19/20 from Internal Audit Service with no Limited Opinions or Priority 1 Recommendations. Deborah also advised of discussions on the Hardship Fund MOU and the procurement for a new contract to review External Delivery Organisations. ARC reviewed the draft Invest NI Annual Report and Accounts and the Corporate Assurance Statement. The external audit was progressing in line with normal timeframes, although the availability of up to date valuations for Associate companies could result in late changes to the Accounts. ARC approved the Covid-19 Risk Register, which has seven Risks in the Very High category. ARC approved the Corporate Risk Register, and agreed that the four Risks, in the Very High category, could be notified to DfE. In addition, there were two risks moved from the Corporate Register back down to the Group Registers. The Invest NI Anti-Fraud Policy and the Fraud Response Plan were also reviewed. Deborah concluded by confirming that ARC and Board Secretariat are actively seeking options for additional training for ARC members.

2.5 EMERGING RISKS REGISTER

Deborah Lange reviewed the Emerging Risk and provided commentary on those Risks that had been removed, added, had proximity altered or have been escalated to Corporate/Group Registers.

The Risk titled *Dilution of Focus* was discussed, with Mark Sweeney stating that this Risk has increased with the current Covid-19 crisis and expanded role Invest NI is playing. Brian Baird agreed with Mark's comments and stated that Invest NI's goal is to increase global competitiveness and the more we dilute this Risk the greater the chance of our raison d'être becoming blurred. The Chair commented that Invest NI's objective is to grow the NI Economy for the benefit of all and that the NI Executive will ultimately dictate the role Invest NI will play in doing that. The Board agreed that ELT should consider changing the description of this risk to capture Invest NI's role going forward.

The risk titled *Higher and Further Education funding reductions* was discussed. Marie-Therese McGivern stated that this is now a real risk. With UCAS confirming that up to 100,000 students have deferred entry to university for September, incomes will be impacted and the ability to invest in other projects will be vastly reduced. Pdraig Canavan and Michael McQuillan concurred with Marie-Therese on this point and Pdraig noted the potential impact on Skills availability given the increase of online working and the ability to attract talent on a global level. Michael also suggested that the team keep a watching brief in regards to the impact of risks to Council funding, and give consideration to potentially adding as a separate risk.

Action: ELT to review for inclusion in Corporate Risk Register

On *Bank Funding and Liquidity* Kevin Kingston queried whether this risk, in the current economic environment, would be more appropriately defined as the appetite for credit risk as opposed to liquidity. Colin Morelli would consider rewording this risk.

Denise Black commented on the People Front from an emerging risk perspective. Denise stated that the Reskilling risk, captured under category 2, might be better described with a 'People Agility' heading - agility not just in capability but also in mind-set. Going forward staff will need to be both agile and flexible in both their attitude and in being able to move different projects/pieces of work. Denise said although there is a clear need to get clarity on our objectives, as in the 'what', we should also be mindful of the "how" in the way in which we will deliver them. She said she is currently working on a proposal paper and set of initial principles, positioning with a "carpe diem" wraparound, in that we have a unique opportunity to seize the moment and look at a possible return to work in a fundamentally new way.

Mark Nodder queried why the *FDI Flight (Brexit)* risk had been removed, and it was confirmed that as the Risk is no longer 'emerging', it has been moved to the Brexit Risk Register. Steve reported that these is a Covid-19 risk to FDI on the International Group Risk Register.

Deborah thanked Board for their feedback and emphasised that the Register is a living document and any further comments could be fed through to herself or Colin Morelli, Risk Manager.

3. RECOVERY PLAN DISCUSSION

3.1 CUSTOMER SURVEY RESULTS AND FORWARD LOOK

Brian Dolaghan presented data, gathered from 1650 structured customer interviews, which provided detailed analysis on the company scale of each respondent and the factors that impacted their business when lockdown commenced.

Brian also detailed the use of government schemes, broken down on a sectoral basis and specifically highlighted the uptake of the Job Retention Scheme, across the sectors and council areas. Factors likely to impact companies beyond lockdown was also analysed.

Brian continued his presentation by providing a significant level of qualitative evidence gathered through discussions with business across the sectors. This evidence summarises responses from business and captures views on changes to sector dynamics and, what types of interventions are required, to assist future growth.

Brian passed over to Kevin Holland, who concluded the presentation by detailing how the team have used the feedback received from business to inform the Invest NI Recovery bids, submitted to DfE. Kevin outlined that the Economy Minister is currently considering the bids documentation and that he will communicate Minister's funding decision to the Board, once received. Further sector by sector recovery planning will still be needed.

Colin Coffey commented in regard to the Agri-Food sector. With the impact of Covid-19 and Brexit, Farmers and Processors are developing USPs (Unique Selling Propositions), in order to reposition themselves and compete globally. However, market closures will affect product distribution and the industry may require targeted interventions.

Judith Totten noted that she is detecting more positivity throughout business, that order books are beginning to fill up and people are keen to get back to work; however, there is still some uncertainty, created by the differing messages of the UK and NI Governments.

Kieran Kennedy remarked on the focus to support supply chains within the Recovery Plan but also highlighted the need for companies to diversify and develop USPs and seek alternative markets. Kieran commented on how his own business has sought contracts with the NHS and Kevin Holland and Donal Durkan confirmed that Invest NI are very active in connecting other NI companies into similar opportunities. Kieran also mentioned the potential possibilities in regards to the future supply of PPE in NI. Chair agreed with Kieran on this point and highlighted the benefits to both the Economy and the Health & Social Care Sector, should appropriate measures be put in place, to develop sustainable solutions.

Chair concluded this section by thanking the team for the effort required to gather such excellent data and emphasised how vital data, such as this, will be for forward planning and recovery.

3.2 HARDSHIP FUND UPDATE

Alan McKeown presented a summary on the newly launched NI Micro-Business Hardship Fund, which Invest NI administered according to DfE policy guidelines. Alan detailed the qualifying criteria, set by DfE, and how the fund is open to applicants from 20th May to 12th June. Alan applauded the efforts of the whole Invest NI Team who were able to develop, test and launch this national scheme in just over two weeks, a truly remarkable achievement.

Alan continued by providing an overview of the key delivery issues and the next steps within the process, which include finalising the MOU with the Department, assessing applications, HMRC data checking, validating bank & personal details and making payments. The process will be concluded by conducting an internal compliance audit and lessons learnt exercise.

Chair thanked Alan for this update and, on behalf of the Board, paid tribute to the achievement of the whole Invest NI Team.

4. MONTHLY REPORTING TO BOARD BY EXCEPTION

4.1 MARKETING AND COMMUNICATIONS REPORT

Peter Harbinson presented a Covid-19 Communications update. Peter advised how we have moved much of our communications activity to online delivery and introduced several new approaches, with one example being the first virtual ministerial investment announcement.

We have been delivering the business element of The Executive Office campaign and focus has now moved to the NI Miro-Business Hardship Fund with two main aims of a) promote the fund & eligibility criteria and b) manage volumes of applications.

Peter advised that our future communications will be shaped by the organisational response to many factors, to include Covid-19, Brexit and a new Invest NI Business Strategy to name a few, and communications will be focussed on supporting businesses in line with the key themes of recovery to enable businesses and the economy to Return, Reset and Rebound. Supporting our economy to Return, Reset and Rebound will require real partnership, real collaboration and a collective focus. Peter stated that he is currently developing a briefing document on key headline points and he will share with Board & Executive Team as soon as possible.

Mark Nodder highlighted the use of Return, Reset and Rebound and encouraged Peter and his team to engage with business organisations, regarding collaboratively promoting this message. Board agreed that engagement with Business Organisations should commence as soon as possible in regards to consulting and agreeing common messaging on Return, Reset, Rebound.

Action: Peter Harbinson to take forward

4.2 CASEWORK REPORT TO THE BOARD

This report was noted by Board members and taken as read.

5. AOB

Mark Nodder noted that, with lockdown restrictions easing, it would be important, where safe, for Invest NI officials to visit customer's premises. Kevin Holland commented that plans are being put in place to safely accommodate such visits and plan a way forward.

Chair noted that first meeting of NI Makers Productivity Panel is scheduled for Thursday 4th June and, secondly, thanked Chairs of Board Working Groups, who have held their first meetings.

6. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be on Wednesday 24th June 2020.

The Board Meeting ended at 5:30pm

Simon Marner, May 2020

Chair

**ONE HUNDRED AND SEVENTY SIXTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 24 JUNE 2020
MEETING HELD VIA SKYPE FOR BUSINESS**

Present:

Invest NI Board

Rose Mary Stalker (Chair)

Brian Baird

Deborah Lange

Judith Totten

Padraig Canavan

Kieran Kennedy

Kevin Kingston

Dr Mark Sweeney

Mark Nodder

Michael McQuillan

Colin Coffey

Marie-Therese McGivern

In Attendance: Kevin Holland, Denise Black, Mel Chittock, Brian Dolaghan, Donal Durkan, Jeremy Fitch, Peter Harbinson, Steve Harper, Alan McKeown, Ian Maxwell, Katrina O'Dowd, Michelle McLoughlin

Minute Taker: Simon Marnier

The meeting commenced at 1.00pm and was conducted via Skype for Business. Rose Mary Stalker, Deborah Lange, Kevin Kingston, Colin Coffey, Michael McQuillan, Judith Totten, Kieran Kennedy and Marie-Therese McGivern joined as a group, from Danske Bank Board Room.

1 Declaration of Conflicts of Interest

Marie-Therese McGivern noted that she sits on the City Deals Executive Board. Deborah Lange referred to her role on the Belfast Harbour Commissioners Board. Colin Coffey highlighted his role as Chair of Flint Studios and AFBI. Michael McQuillan noted his role with Enterprise NI and his Chair role with INI Client Company, Snuggle. Kevin Kingston restated that Invest NI is a customer of Danske Bank, that Invest NI and Danske Bank will have customers in common, and that Danske has previously received support from Invest NI. Kieran Kennedy stated that O'Neills have received support from Invest NI.

No other Conflicts of Interest were declared.

1.1 MINUTES

The minutes of the May Board meeting were discussed. Deborah Lange requested an amendment to the wording, so that the discussion on the Emerging Risks Register would be better captured. It was confirmed that, pending this change, the minutes could be agreed as a full and true record of the meeting. Judith Totten proposed and Marie-Therese McGivern seconded.

1.2 MATTERS ARISING

The Actions table was reviewed.

Brian Dolaghan commented on the high-level analysis that has been undertaken to understand the impact of business failure and significant reduction of activity on the NI Economy. While only a very small number of companies would have such a material impact on their own, the majority of those that do, are not under UK ownership and therefore would fall outside the scope of Project Birch, as currently designed. UK Government retains discretion to expand the scope for Project Birch companies and ELT will engage with BEIS if they do this. ELT will also continue to monitor the significant NI companies relative to this area. Kevin Kingston referred to a meeting INI was due to have with the Recapitalisation Group and an EY Financial Services Partner and Brian Dolaghan undertook to join that meeting.

Peter Harbinson provided an update on engagement sessions with key business organisations and Councils, on Recovery Planning and messaging and that these messages will be reiterated in any future Invest NI participation at NI Executive daily press briefings and the forthcoming update to Economy Committee. Key underlying messages have also incorporated in to CEO interview in Ambition (NICCI magazine) June edition.

It was noted that an update for Action 2 in regards to the addition of a Risk, to Corporate Risk Register, would be provided at August 2020 Board Meeting.

2. ITEMS FOR DISCUSSION

2.1 CEO REPORT TO BOARD

The CEO referred to his Report to Board.

Kevin noted that the impact of the Covid-19 has gradually worsened and that the Economy is now a quarter smaller than it was in February. However, with the growth of digital technologies, home-working and on-line retail, the downturn has been less severe. As we help support the

NI recovery from COVID-19, we also have a key role to equip businesses for post-EU Exit trading and operating environment.

Kevin referred to the key Invest NI priorities since previous Board meeting, in May, and highlighted the NI Micro Business Hardship Fund project; significant online comms activity in response to Covid-19; his press conference with Minister and his upcoming appearance at the Economy Committee. Kevin also referred to a Freedom of Information request, which was submitted, and reminded the Board of the need to undertake the online FOI training available to them.

Kevin provided an overview of the first Recovery bids that have been awarded to Invest NI, at a quantum of £9m, and noted that there would be further opportunities to bid at a later stage, for proposals not awarded at this round or, indeed, for new proposals. Further recovery activities are needed and Invest NI has recently engaged with Secretary of State for BEIS to highlight leveling up needs, including replacement for ERDF funding for R+D/innovation.

Kevin highlighted that, in May 2020, 127 Invest NI projects were approved which offered companies expertise and £4.1m total assistance, bringing the combined April and May approved projects to 239 providing business expertise and £9.4m total assistance. A variety of sector initiatives are also taking place with a focus being placed on Aerospace and Defence. Invest NI is also actively engaged in PPE sourcing and work by the Beijing and Tokyo offices is ongoing, with the first China PPE landed in NI.

An overview of job losses and company closures was provided and Kevin noted that, although the furlough/redundancy numbers are unprecedented (41,000 workers in the Invest NI target client pool), approximately 25% are on a pathway back to work and, while this is good news, we would like to see it increasing at a more rapid pace. 280,000 workers in NI ended May on Furlough or SEISS which, with 56,000 claimants, indicates 340,000 workers are directly affected, so a substantive recovery effort is needed. Kevin commented how he was pleased to see the launch of the DfE Recovery Plan, which Invest NI provided input to, but cautioned that, as Government support schemes move towards an end, the Economy is facing a near term cliff edge, where companies need to decide whether they will return to work or move to a redundancy position.

Kevin concluded by taking a look at upcoming activities and the key role Invest NI will play in bringing City & Growth Deals to life and driving the Economic Recovery pathway. Invest NI

will introduce a new senior leadership position to drive this program and ensure close commercial output ownership with DfE. Kevin also put on record his thanks to the Invest NI team for the work done, so far, on the Hardship Fund.

Michael McQuillan queried what Invest NI support is in place for post redundancy and back to work programmes. The Chair followed up by stating that Invest NI is uniquely placed to proactively look at the redundancy ecosystem to determine what gaps exist.

Action: Alan McKeown to provide an update paper to Board which sets out the collective response to Bad News and Redundancy Notices. Paper will articulate the Invest NI role in the redundancy and recovery system.

2.2 FINANCE REPORT TO BOARD

Mel Chittock asked the Board to note the Finance Report

Mel provided an update on the end of year Accounts process and current position in respect of 20/21 budget allocations. In recent weeks, the focus has been on closing the 19/20 Annual Report and Accounts.

In respect of 20/21 the Board were previously aware of the £17M surrender of Resource to assist in the response to the impact of Covid-19. In addition, the organisation had submitted a number of bids for specific Covid-19 interventions. Following these actions, a budget exercise has now been commissioned to identify requirements across all divisions for the next three years. In addition, we are seeking input on Operating Plan forecasts for the final year. Finally, Mel noted that work continues on the Hardship Fund and that the first payments have now been issued.

2.3 MAY ARC MINUTES AND JUNE ORAL UPDATE

Deborah Lange, ARC Chair, referred to the draft minutes of the May ARC meeting and advised that an update, on discussions at the June ARC meeting, would be provided under the Annual Report and Accounts item of this agenda. Deborah highlighted an action, allocated to Mel Chittock, within the draft May ARC minutes, which stated that an update on the Post Project Evaluation (PPE) Action Plan would be provided to September ARC meeting. Chair commented that, whilst she is pleased to see progress in this area, it is critically important for the Board to be provided with an update in regard to Programme effectiveness and Project outcomes. Chair emphasised the significance of analysing this information as we continue to develop new products to assist the Recovery Plan.

Action: ELT to provide paper on Programme Effectiveness, Large Project Outcomes (Board approved) & Overall Project Outcomes to August Board

Deborah concluded by stating that the Covid-19 Risk Register is now available to Board Members, through Decision Time, and encouraged Board to review and provide any comments to ARC Chair or Invest NI Risk Manager.

2.4 KPI PRESENTATION 2019/20

Brian Dolaghan presented on 2019/20 Key Performance Indicators which detail where we are, in terms of performance, after the close of the third year of our four year Business Strategy. Brian confirmed that the data is sourced from our export focussed Account Managed customers, which is approx. 1700 businesses. Brian's presentation showed that, in the first 3 years (2016-19) of the 4 year plan, **29,113 additional jobs were created**, against a 4-year target of 30,000 - 40,000 jobs; **£4.5bn growth in all sales was achieved**, against a 4-year target of £3.2bn - £4.2bn; **£3.5bn growth in external sales (outside NI) was achieved**, against a 4-year target of £2.4bn - £3.1bn; and **£2.0bn growth in export sales** (outside UK) was achieved, against a 4-year target of £0.8 - £1.2bn. The strong business results have not been widely communicated externally, due to the Covid challenges and change in the environment since the results were generated. Brian also provided an overview of the changes, performance and impact of customers within the Invest NI Portfolio.

Padraig Canavan asked Brian for his views on any potential impact to the Financial and Business Services sector in regards to the changed landscape, in light of Covid-19, and the increase of people working from home and the drive for digitisation. Brian stated that some smaller companies have fed back fears about winning new business. Brian also noted that the NI Economy could be impacted as companies use the global market to secure employment, however this opportunity can work both ways and NI based companies will have the ability to source employees on a global level also.

Denise Black and Marie-Therese McGivern commented that, whilst people are now embracing the benefits of home working and the positive impact on productivity/efficiency, there is evidence to suggest that, particularly for those under 40, they would prefer to return to normal practices.

Chair closed this section by thanking Brian for his presentation and commending the team for an excellent set of results.

2.5 ANNUAL REPORT AND ACCOUNTS

Katrina O'Dowd and Michelle McLoughlin joined the meeting to present the Annual Report and Accounts. Katrina detailed how the Draft Accounts moved forward in an iterative process and, throughout that process; detailed feedback was received from ARC and ELT. Ahead of submission to NIAO, the team were satisfied that key officials had adequately reviewed the Accounts.

ARC Chair continued by indicating that, through their sampling review of the payments under the small business grant scheme, which had been delivered by DfE and LPS but accounted for through Invest NI accounts, NIAO have communicated that they had discovered erroneous payments to some companies, who had successfully applied to the Small Business Grant Scheme but, who may have been ineligible for the scheme. NIAO are therefore in the process of determining the scale of this and whether a Qualification is required on the Invest NI accounts in respect of payments under this scheme.

Deborah clarified that the Small Business Grant Scheme was designed and managed by the Department for the Economy (DfE) and, that eligibility and payments were processed, using data sourced from Land and Property Services (LPS). Invest NI's only responsibility was to account for the scheme.

Deborah advised on the discussions that have taken place between ARC, DfE and NIAO and the agreement that there is no fault attributed to Invest NI, however, should a Qualification be deemed necessary, it will be recorded on the Invest NI Accounts, as well as the DfE accounts. In the event of a Qualification, ARC will insist on the inclusion of a strongly worded paragraph, within the Governance Statement, which clearly absolves Invest NI of any failure of governance.

Deborah continued by providing detail on the next steps within the process, agreed at ARC. Should there be no Qualification; the Accounts will be presented to Board Chair for signature as they are, with a recommendation from ARC to approve. However, in the event that a Qualification is confirmed, prior to ARC recommending the accounts to the Board Chair for signature, the C&AG report will be shared with all Board members by email, together with the revised draft accounts, which will include the agreed insertion for the Governance Statement. The ARC Chair will also confirm to the Board Chair that ARC members have agreed the final version of the Governance Statement, are content with the additional disclosures added, and

have had an opportunity to review the draft Report To Those Charged With Governance.

As NIAO consider what action they will take, the ARC Chair asked the Board to agree the next steps, as set out above. Agreement was unanimous to proceed on the basis set out by Deborah and that, in the event of a Qualification, the Governance Statement clearly sets out that there was no Invest NI failure of governance and the Accounts are not misstated.

Deborah referred to the Report To Those Charged With Governance (RTTCWG) and noted that the report has not yet been received but that the NIAO has indicated that they are content with the Competence Centre review and that Competence Centre Board Working Group will continue to monitor the Action Plan. Deborah noted a comment in relation to Anaerobic Digester Loans and the need to monitor large projects and, how it is essential that Board are doing likewise. Deborah indicated that the C&AG will likely comment in his report on the Wrightbus Buying Time Loan, to confirm that NIAO have reviewed and are content that everything is in order. Deborah concluded by confirming that a paper will be submitted to ARC to provide clarity around the ownership of an, ROI based, NI-CO entity.

3. COVID / BREXIT UPDATES

3.2 HARDSHIP FUND UPDATE

Alan McKeown presented an update on the NI Micro-Business Hardship Fund (HSF), which closed to applications on 12th June 2020. Alan provided detail on the level of applications and the quantum of payments processed in the first tranche. Alan praised the Invest NI team for successfully delivering this project, in conjunction with others, during lockdown and noted that it evidenced the agility, flexibility and dedication of staff.

Padraig Canavan and Michael McQuillan both thanked Alan and the team for their work on HSF but queried which businesses have fallen through the cracks in systems and if there are any plans afoot to help such businesses. Alan indicated that help for sole traders; charities & social enterprise may need to be considered but, to date, there is no movement on new schemes by DfE.

Mark Sweeney thanked the team for their effort on the scheme and queried, as we move towards Recovery, if Invest NI will be given a greater role in shaping Programmes as opposed to being a delivery body. CEO responded by confirming that, whilst we are a delivery body for

the Emergency support we will play a much greater role, and have a stronger voice, in shaping Recovery support.

Chair thanked Alan for his presentation and noted that, in light of the NI Audit Office investigations on the Small Business Grant Scheme, we need to ensure we maintain an accurate audit trail of decisions and capture lessons learned. Chair also queried what action the team were taking to ensure accuracy of LPS data, in light of the aforementioned issues with Small Business Grant Scheme.

Action: Alan McKeown to set out the lessons learned, and implemented, in the operation of the delivery of the Hardship Fund following NIAO feedback on the 10k Small Business Support Grant Scheme accounted through Invest NI.

3.2 COVID-19 PROPOSALS

Jeremy Fitch presented on the Covid-19 Programme Bids, which focussed on supporting business in line with the key themes of safe working, digital solutions, supply chains, growth and competitiveness and the NI grand challenge. Jeremy detailed the criteria used by DfE to select programmes and, of the seventeen bids submitted; eight have now been selected to move forward. Six of these programmes will be open to the wider business base and two will be targeted. Teams will now work on preparing business cases with the aim to move toward casework approval in July/August and launch in September/October. Jeremy also noted that, although the bids are for multi-year programmes, budget approval has only been secured for single year and, with no current confirmation on Shared Prosperity Fund, baseline budget cover may be required. Jeremy highlighted broader work that is currently ongoing in regards to safe working, going digital, supply chains and NI grand challenge and highlighted that ELT will continue to push for approval on those programmes not selected at this stage. ELT will also review the need to refresh with new bids as the market environment changes.

3.3 UPDATE ON EU EXIT

Donal Durkan presented an update on current state of play in regards to EU Exit. Donal noted that the team were engaging with businesses to prepare for EU Exit in advance of the Covid pandemic and, although focus moved to emergency and recovery, EU exit preparedness support has continued. Donal confirmed that the UK intends to implement the Northern Ireland Protocol with effect from 1st January 2021 and that new customs & regulatory obligations will arise as a result of the Protocol. It is envisaged that there will be a number of new responsibilities and requirements for both importers from, and exporters to, GB. Trials of the new arrangements are planned for the autumn with the details still to be developed and agreed with the EU.

Donal outlined impact of NI-GB and GB-NI trade and the actions required to meet the needs of business to prepare. Donal concluded by providing detail on the awareness raising activities taking place and the organisation's dual focus, to support Covid-19 recovery and to fully support businesses in the transition to any new regime.

4. INVEST NI GOAL / ROLE

4.1 20/22 OBJECTIVE SETTING PROCESS

The CEO presented on the Invest NI objectives, goals and role for 2020/21. Kevin began by detailing how the team have prioritised the safety and welfare of our staff and maintaining business continuity through the Covid-19 pandemic. Quarter 1 has been fast paced with achievements presented in each of the 4 goals for the quarter. As we move from Emergency to Recovery and look at our objectives for the remaining 9 months of the year, we will focus 70-80% of activity on the 4th year of our Business Strategy; with 20-30% of activity focused on being agile and flexible, in response to Covid, Brexit and Green New deal activities.

Kevin outlined the timeline to the proposed launch of a new 2022-26 Business Strategy and how, in the intervening period, we will need to develop a new mid-term recovery plan and adapt to new challenges and opportunities. Strong guidance and leadership will be required as we refocus INI expertise and experience to deliver Year 4 programmes; combat the 340k non-working NI employees and 12% shrinkage in the NI economy; define and implement mid-term recovery plan to address Covid crash, post Brexit global opportunities and steps towards sustainable future and try to maintain 4 year outcomes targets.

Kevin continued by stating that with the year 4 actions and forecasts being updated and the approved recovery bids moving to implementation, it is now important for the Executive Leadership Team and Board to come together to identify the other "big ticket" priorities, as a group, and combine these with year 4 to complete a set of ambitions and attainable 20/21 objectives and targets. Kevin identified a series of key projects and asked Board to provide feedback and input on the potential to explore opportunities in each.

Mark Sweeney thanked Kevin for his presentation and noted the potential opportunities. Mark referred to the DfE Recovery Plan and the possibility for Invest NI to play a key bridging role on connecting public and private sector on large-scale initiatives. Pdraig Canavan concurred with Mark on this point and emphasized the need for Invest NI involvement in these initiatives.

Brian Baird was supportive of CEO's direction of travel and championed the importance of working in partnership with wider government, councils and universities; however, it is important that INI is clear on its role and objectives, within the team.

Mark Nodder noted his agreement on objectives, that they are strong and aspirational and he congratulated the team on recognising the need to development the organisations talents and skills as we move forward into a volatile environment.

Judith Totten and Marie-Therese McGivern encouraged the team to seize the opportunity to become an honest broker between parties, how there is great potential to play a bridging role to help bring coherence and encourage engagement within ecosystems. Marie-Therese stated that INI should use its platform to inject Skills onto the agenda for the future of NI. Marie-Therese also praised the ability of Invest NI to produce quality data and how that data could be used to provide an evidential base, for NI Government, to make effective decisions.

Kieran Kennedy encouraged the team to continue to promote the opportunities that exist for NI companies to trade north/south and east/west and Kevin Kingston welcomed the clarity provided as we move from the next number of months into the 2022-26 Business Strategy.

Michael McQuillan and Colin Coffey agreed on the need for Invest NI to develop its role as an honest broker and work in partnership, with other bodies, to help grow the economy. Michael continued by stressing how important it is for the organisation to be agile and flexible to adapt to opportunities as they arise. INI needs to align with the DfE Recovery plan, 99% of businesses in NI are micro/small and therefore enterprise and entrepreneurship should be front and centre in recovery planning.

Deborah Lange was supportive of the proposals put forward and the call for Invest NI to become a key partner and play a bridging role in connecting ecosystems and initiatives to achieve the best outcomes for NI, as a whole.

Chair thanked Kevin for his presentation and the Board for their respective inputs and indicated that she too envisages the organisation playing a fuller role in connecting organisations and identifying the benefits of collaborative working. Chair also indicated that it will be important for Board members to play a key role as we move forward, to engage with organisations and highlight the benefits of working together to achieve common goals.

5. MONTHLY REPORTING TO BOARD BY EXCEPTION

5.1 MARKETING AND COMMUNICATIONS REPORT

Paper was noted

5.2 CASEWORK REPORT TO THE BOARD

Paper was noted.

6. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be on Wednesday 26th August 2020.

The Board Meeting ended at 5:50pm

Simon Marner, June 2020

Chair

**ONE HUNDRED AND SEVENTY SEVENTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 26 AUGUST 2020
MEETING HELD AT INVEST NI HQ & VIA SKYPE FOR BUSINESS**

Present:

Invest NI Board

Rose Mary Stalker (Chair)

Brian Baird

Deborah Lange

Judith Totten

Padraig Canavan

Kieran Kennedy

Kevin Kingston

Dr Mark Sweeney

Mark Nodder

Michael McQuillan

Colin Coffey

Marie-Therese McGivern

In Attendance: Kevin Holland, Denise Black, Mel Chittock, Brian Dolaghan, Donal Durkan, Jeremy Fitch, Steve Harper, Alan McKeown, Ian Maxwell,

Apologies: Peter Harbinson

Minute Taker: Simon Marnier

The meeting commenced at 1.00pm. Rose Mary Stalker, Kevin Kingston, Colin Coffey, Michael McQuillan, Kieran Kennedy, Mark Nodder, Kevin Holland, Jeremy Fitch, Denise Black, Brian Dolaghan and Steve Harper met at Invest NI HQ, with the remainder of the participants joining via Skype for Business.

1 Declaration of Conflicts of Interest

No Conflicts of Interest were declared.

1.1 MINUTES

The minutes of the June Board meeting were agreed. Kevin Kingston proposed and Kieran Kennedy seconded.

1.2 MATTERS ARISING

The Actions table was reviewed.

Alan McKeown noted Action number 1 and confirmed that there is no evidence to suggest that the impact of Covid-19 to Council funding should be added to the Corporate Risk Register. Alan will continue to monitor.

Chair noted that Actions 2-5 would be covered as part of the meeting Agenda.

2. ITEMS FOR DISCUSSION

2.1 CEO REPORT TO BOARD

The CEO referred to his Report to Board and began by providing some economic context. Kevin noted that, after a steeper than expected decline, there are now signs of a reset in parts of the UK and global economies and, although NI has suffered significant job losses, business optimism is increasing. UK Government has increased communications and funding for Brexit and post EU operations but outcomes of negotiations remains uncertain and the remaining four-month countdown requires detailed contingency planning.

Kevin referred to the key Invest NI priorities and activity since the last Board meeting and noted that the organisation continues to focus 70-80% on the core Business Strategy with 20-30% on COVID-19 response, Brexit and Green initiatives. During June and July 2020, 435 projects offered £11.6m total assistance and expertise and, since the start of this year, 686 projects have offered £21.3m total assistance. Kevin highlighted that the Agri-Food Investment Scheme (AFIS) will not proceed and that work continues with DoH and DoF on companies repurposing to supply the PPE market. In regards to job losses and company closures Kevin confirmed that, during the pandemic, 43,177 workers were furloughed with 4,051 made redundant (inc 2,820 originally on furlough). 483 businesses have indicated the potential return to work of 21,726 staff, while 75 of these businesses are also intending to make redundant 2,207 staff who were originally on furlough.

Physical events are beginning to restart and our China office represented six companies on the NI stand at the 2020 IE Expo in Shanghai from 13 - 15 August. Our second physical event in International market event was at 2020 CACLP Expo in Nanchang, China, 21 - 23 August.

Kevin concluded by noting that Invest NI is now office ready, with the building on track to reopen to staff on 1st September 2020; that the 12 month rolling absence rate decreased to 2.95% in July against agreed target of 3.50% for 2020/21 reporting year and by congratulating

Donal Durkan on his temporary promotion to new Grade 3 Executive Director, Outcomes, Value and Impact.

Colin Coffey queried what policies are in place to address staff Covid-19 testing and internal tracking and tracing. Colin also asked what mental health support there is for staff. Denise Black responded by outlining the processes currently in place and referred to the staff health questionnaire, daily reporting on any identified symptoms; desk booking to record staff in building at any one time and promotion of new behaviours to minimise proximity between staff. Denise also referred to the steps being taken to support staff mental health.

Kevin Kingston commented on the need for the organisation to be adequately prepared and consider setting a timeframe on when to move toward no deal communications and strategies, in the event that a settlement on the EU Withdrawal Agreement is not reached.

Several Board members noted encouraging signs from business as staff begin to return from furlough but also cautioned that there are challenges ahead, that some sectors are recovering quicker than others and that some companies may, as Government support schemes close, take the opportunity to move towards redundancies.

2.2 FINANCE REPORT TO BOARD

Mel Chittock asked the Board to note the Finance Report

Mel provided an update on Programme budget and noted that Invest NI had surrendered £17m in April to contribute to the Department's crisis interventions. At the same time, a range of bids were submitted to the COVID-19 response funds, as previously presented to Board. A number of these bids were successful and we received an allocation of £22m. In July our update analysis of client performance led to additional bids (£8.4M resource and £1.3M capital) to offset increasing pressures. Decisions on this later bid have been delayed until September. In addition, October Monitoring has been commissioned and we have bid a further £6M of baseline resource as we see companies increasing activities. We have also signalled that we will require budget cover of £9M for the expected credit loss impact of a loan, following recent developments. Mel noted that we are seeking to surrender some elements of the Covid allocations, on the basis that some expenditure cannot be incurred this year. The in-year allocation, for the Hardship Fund, will be reduced as the Scheme ends.

Without confirmation of additional allocations of funding in year we run a risk that the organisation would be faced with an overspend position.

In respect of the current Comprehensive Spending Review (CSR) exercise, Mel explained that Finance Team were collating and analysing forecast demands from Divisions. Some of the key elements of the submission would cover the replacement of ERDF and the continuing focus on rebuilding the economy through job creation, skills development and investment in innovation.

Action: Mel Chittock to provide a summary of the Comprehensive Spending Review submission

Mel concluded by noting that 2019-20 Annual Accounts final outturn was submitted to DfE on 16th July and the C&AG has issued a qualification on the Invest NI 2019/20 accounts in respect of potential for irregular expenditure identified from the review of the Small Business Grant Scheme.

2.2 BAD NEWS / REDUNDANCIES AND HARDSHIP FUND UPDATE

Alan McKeown presented on role played by Invest NI when companies move to a redundancy position. Alan highlighted how the Department for Communities (DfC) are the lead body, who work with the employer and local council to arrange a bespoke response and Invest NI play an active support role in this ecosystem.

Kevin Kingston requested detail on the process leading up to redundancy announcements and the level of engagement Invest NI has with such costumers. Brian Dolaghan provided an overview and explained how, in most cases, ongoing Invest NI monitoring would highlight any issues in advance and, should it be required, the organisation will look to provide Rescue & Restructuring support.

Mark Nodder noted the need for Invest NI staff to continue to sensitively interact with companies, who are engaged in the redundancy process. Michael McQuillan stated his belief that the need for Rescue & Restructuring will grow as the economic impact of the Covid-19 pandemic continues and, that it is important for Invest NI to communicate to all businesses, that support is available. Marie-Therese McGivern acknowledged the lead role played by DfC in the process but shared her view that Invest NI be key in knitting together, and communicating, Government's response mechanisms.

Action: ELT to review the Invest NI capability of providing Rescue and Restructuring support, particularly in the event of increased demand from companies

Alan McKeown concluded by providing brief summary of figures on the Hardship Fund and indicated that a review would be conducted, and lessons learned shared with Board, as soon as possible.

2.4 PROGRAMME EFFECTIVENESS

Jeremy Fitch provided a presentation in regards to Invest NI Programme and Project effectiveness. Jeremy's presentation focussed on three key areas of a) Programme effectiveness - how our Programmes perform, their strategic alignment and life cycles b) Board approved large Project outcomes - an update on project monitoring of Board approved projects, and c) overall Project outcomes. Jeremy detailed how Invest NI funding/resourcing (input) leads to commitments from customers (output), resulting in economic growth delivered (outcomes). Jeremy provided Board members with comprehensive statistical information, which provided detailed analysis of programme and project evaluations.

Coin Coffey sought clarity on how Invest NI benchmarks against other regions, in order to improve performance. Jeremy explained the difficulty in making like for like comparisons with other regional development agencies as the roles of other agencies could vary greatly – for example, some had urban regeneration responsibilities. Where Invest NI had been able to compare against other agencies Invest NI had compared favourably on an efficiency basis. Jeremy also confirmed that the organisation benchmarks against its own past performance and, in response to a question from Kevin Kingston, Jeremy explained that the ultimate test of a Programme's success would be assessed at the programme evaluation stage.

Kieran Kennedy asked for detail on who sets the criteria and goals for Programmes and how Invest NI communicates with staff on how their respective roles contribute to Programme success. Jeremy explained that the Organisation works in partnership with DfE in the early stages of development to ensure each new Programme aligns with strategic pillars and, through individual job plans, staff can see where their role fits in with Divisional plans and the Invest NI Business Strategy.

On large project outcomes, Jeremy explained how ELT would introduce mechanisms to keep Board members informed of progress on 'Board approved' projects and, as part of this, RAG analysis is being developed and will be introduced. A key aim will be to be more dynamic, in order to allow the organisation to benchmark and evaluate Programmes during their life cycle.

Action: Deborah Lange requested that the Board Members, who sat on Casework for the four Projects rated with a Red status ('significant challenge to achieve objectives'), be provided with details on current state of play.

Mark Sweeney noted that it was important for Board to view data from a strategic perspective and be careful not to cross over into operational activity.

Judith Totten was supportive of the forthcoming RAG analysis and the prospect of seeing high-level data. Judith noted that it is important to challenge what we do and how we do it, to measure effectiveness of our Programmes, in order to improve efficiency of our services.

Mark Nodder agreed that Board members do not need to see the minute detail but that a high-level overview would provide necessary insight. Mark also noted that some of the data captured by Jeremy would be useful when sitting on Board casework, as it would help set strategic context and aid decision making.

Chair thanked Jeremy for his presentation and highlighted the importance of having available data, which shows how we have maximised our impact. Having data enables us to benchmarking which is key to understanding where we are with respect to best in class. In order to aid future resource bids, it is critical to have the evidential base that supports our past performance. ELT are the experts (and need to manage the data) but Board need to see high level data and a dynamic dashboard would be good tool to show this. The Board are keen to hear how the Executive propose to move this forward and present info to the Board in future.

Action: ELT to consider providing a case study analysis with regard to companies who have received multitude of interventions from Invest NI.

Action: ELT to agree how Effectiveness and Outcome data is best presented to Board going forward

2.5 UPDATE ON COVID-19 PROGRAMMES

Jeremy Fitch provided an update on the successful Programmes, which secured outline approval as part of first round of Covid-19 bids and the varying stages with the casework process.

Denise Black noted the need to be mindful of the staff engaged on these projects and the increased demands placed on them. Denise suggested consideration should be given to pausing other activity in order to prioritise Covid responses.

2.6 LEADERSHIP PROJECT UPDATES

Brian Baird and Pdraig Canavan provided an update on the Digital Innovation Leadership Project and noted the overlap with the Digital Innovation Board Working Group. Brian stressed the importance for all sectors to invest in Digital Innovation and the critical role Invest NI will play in communicating this need. Brian stated his belief that the Makers Forum would be an excellent vehicle for driving Digital Transformation within the manufacturing sector. Rose Mary Stalker was content that, as Co-Chair of the Makers Forum, she would work with members on this agenda. Brian also secured agreement from Board to create a forum, which will bring together the ecosystem to aid a better understanding of the Digital Innovation Framework.

Mark Nodder gave an update on the Export Growth Leadership Project, which is working within the context of the Economy Minister's commitment that Invest NI will provide support to companies to be more resilient and succeed in international markets, by growing capacity and capability. In order to build Capacity there is now an outline proposal to establish and enhance our trade development client support, both in NI and overseas, with the creation of 7 new offices in near-shore locations. To grow capability we propose to double the Graduate to Export programme and develop a suite of export sales capability development solutions. Mark caveated that these proposal are subject to appropriate budgetary allocation.

Donal Durkan provided an update on the status of the five City and Growth Deal Projects and how, his new role, will help facilitate a joined-up approach between DfE and Invest NI going forward.

Updates for the EU Exit opportunities and Global Supply Chain were deferred until September Board meeting.

3. MONTHLY REPORTING TO BOARD BY EXCEPTION

3.1 MARKETING AND COMMUNICATIONS REPORT

Paper was noted

3.2 CASEWORK REPORT TO THE BOARD

Paper was noted.

3.3 R&D AND INNOVATION REPORTING

Paper was deferred to September Board meeting.

4. ANY OTHER BUSINESS

Chair requested an update on Invest NI Clawback Policy and status in light of increased redundancy notices.

Chair proposed that the October Board meeting is brought forward to Wednesday 21st October 2020.

6. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be on Wednesday 23rd September 2020.

The Board Meeting ended at 5:10pm

Simon Marner, August 2020

Chair

**ONE HUNDRED AND SEVENTY EIGHTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 23 SEPTEMBER 2020
MEETING HELD AT INVEST NI HQ & VIA SKYPE FOR BUSINESS**

Present:

Invest NI Board

Rose Mary Stalker (Chair)

Brian Baird

Deborah Lange

Judith Totten

Padraig Canavan

Kieran Kennedy

Kevin Kingston

Dr Mark Sweeney

Mark Nodder

Michael McQuillan

Colin Coffey

Marie-Therese McGivern

In Attendance: Kevin Holland, Denise Black, Mel Chittock, Brian Dolaghan, Donal Durkan, Jeremy Fitch, Steve Harper, Alan McKeown, Peter Harbinson, Ian Maxwell, Annesley Harrison

Minute Taker: Simon Marnier

The meeting commenced at 1.00pm. Mark Nodder, Mark Sweeney, Marie-Therese McGivern, Brian Baird and Deborah Lange joined the meeting via Skype for Business, with the remainder of the participants present at Invest NI HQ.

1 Declaration of Conflicts of Interest

No Conflicts of Interest were declared.

1.1 MINUTES

The minutes of the August Board meeting were agreed. Judith Totten proposed and Kieran Kennedy seconded.

1.2 MATTERS ARISING

The Actions table was reviewed.

Mel Chittock advised that Action no.1 would be covered as part of the Finance Report to Board.

Annesley Harrison joined the meeting to provide an overview of the current Rescue and Restructuring support provided by Invest NI. Annesley detailed how, in all troubled business situations, Directors and Owners must seek independent professional advice but that Invest

NI provides a wealth of online advice on relevant business topics; support from Client Executives; and targeted financial support, in very specific circumstances

Kevin Kingston asked Annesley for his thoughts on the impact of the current pandemic on this field of work and, whether he feels the team has sufficient resource, to meet an expected increase in demand. Annesley noted that Covid-19 was a sudden event but one that could not be predicted and one that has had unprecedented impact across all sectors. It is envisaged that there will be further UK Government initiatives introduced to mitigate against impact and the nature of those initiatives will determine the resource impact on Invest NI. Any future Invest NI support will be targeted and limited.

Chair indicated that she was content that Actions 3-5 could be covered as part of the CEO's review of effectiveness and that Action no.6 could be deferred to October Board meeting.

2. ITEMS FOR DISCUSSION

2.1 CEO REPORT TO BOARD

The CEO referred to his Report to Board and began by providing some economic context as we continue to live with the impact of Covid-19 and as we look towards EU Exit and the end of the current transition period. Kevin provided commentary on key Invest NI priorities since the last Board meeting and gave details on key projects, sector initiatives, business development activities, inward visits and trade activity in August. Kevin continued by providing an update on job losses and company closures. As part of his forward look, Kevin discussed City and Growth Deals, the NI Centenary Forum and PPE Supply. Both the Chair and Kieran Kennedy reinforced the need for Invest NI to encourage the local production of PPE where possible, with the goal for NI to be self-sufficient in PPE production.

2.2 ECONOMIC RECOVERY PLAN / OPERATING PLAN 2020/21

The CEO presented his Draft Recovery Plan. Kevin noted that, given the large volumes of activity currently taking place, it is important to look at the activity in its entirety and develop a strategic narrative that clearly identifies a direction of travel for the organisation. Kevin provided detail on each of the eight Recovery Plan Priorities and noted that the Plan aligns with ongoing work streams within the ELT/Board Leadership Projects. Kevin sought input and agreement from the group to adopt his plan, as we move forward.

On Priority number one, Grow External Sales, Colin Coffey asked Kevin if Board members would be provided with detail on what the enablers are to help secure this growth. Kevin noted

the need for Invest NI to continue to engage with the NI Executive, that there are many opportunities, but it is important to communicate our narrative, on what our targets are and what the key enablers are, to help us achieve these.

On Priority number two and the associated Innovation targets, Colin Coffey sought clarity on how Invest NI could influence levelling when bids are assessed on a competitive basis. Kevin noted that this issue was raised in conversations with BEIS, UKRI and Innovate UK and solutions may be found if funding is divided on a regional basis and is channelled via bodies such as Invest NI.

Chair highlighted that the measuring and monitoring of Innovation spending will continue across NI and, to raise awareness and facilitate lobbying, it is important that associated consultations are highlighted to, and shared with, Board members. Jeremy Fitch noted that Invest NI are actively engaged with companies to make them aware of opportunities to bid for projects and Chair encouraged team to look at opportunities for NI companies to be part of UK consortia, on Innovation projects.

Action: Jeremy agreed to share Invest NI's lines to take on Innovation Funding and details on the Innovate UK grant process, in comparison with the Invest NI Grant for R&D, with Board Members.

Mark Sweeney and Brian Baird endorsed the innovation targets. Mark encouraged the team to seek clarity on which mechanisms we can use to drive better performance and interest in innovation. Brian emphasised the key role Invest NI should play to facilitate and communicate with Business/wider society to help bring a cultural shift, which promotes innovation and engineering. Pdraig Canavan strongly endorsed the innovation target but also noted levelling concerns in a competitive bidding process; Pdraig stressed the importance of engaging with the NI Executive to ensure steps are taken to ensure NI gets a fair share of UK funding. Pdraig also noted the difficulties SME's experience in bidding processes and encouraged a specific SME classification, in future funding rounds.

Marie-Therese McGivern commented on the Skills priority and undertook to follow up with CEO on additions to the narrative.

Chair noted, during discussion on the Investment Priority, the need to share the investment pipeline with DfE/DoF at an early stage to aid budget planning and give early notification of the upcoming requirements. Chair requested that pipeline summary is shared with Board

Members

Action: Steve Harper to share pipeline summary with Board members.

Chair provided an update on recent meeting with the NI Utility Regulator, when discussing Priority six and the Green Economy. Chair noted that Invest NI would have a key part to play in identifying and highlighting the legislation changes required to drive growth, and an important facilitation role to bring stakeholders together in order to seize opportunities.

Deborah Lange encouraged the Executive Team to look at how Invest NI works with universities to commercialise innovation and to investigate where IP is owned and how proceeds are used in the future. Kieran Kennedy urged the Team to work with Innovate UK to assess and improve internal application processes. Kevin Kingston was in full support of the Plan but noted the need to include more detail around operational excellence and continuous improvement planning. Finally, Brian Baird stressed the importance of clustering in regards to research and development and the benefits it can provide to SME's.

Chair confirmed that Board were in full support of CEO Recovery Plan and Kevin asked that any further inputs be provided as soon as possible, post meeting.

Action: Board Members to provide input on Recovery Plan narrative before COP Thursday 24th September

2.3 EU EXIT

Donal Durkan provided an update on EU Exit. Donal reviewed the timetable of key dates as we move towards the end of the transition period and gave detail on the EU Exit Action plan and the ongoing work of the EU Exit Steering Group, most notably the online tools developed and the comprehensive range of advice, information and guidance on nibusinessinfo and investni.com, to help businesses prepare.

2.4 LEADERSHIP PROJECTS UPDATE

Brian Dolaghan updated the group on the ongoing Supply Chain work and how that work will focus on Supply Chains from three separate, but inter-related, perspectives; these being Covid-19 repurposing, global supply chain realignment and, EU Exit supply chain opportunities.

Judith Totten provided an update on the work that she and Kevin Kingston have been taking forward in relation to alternative funding sources. Judith stated that it is important to look at this area differently from what we have previously done; to step back, assess what the market

needs and react to it, in order to maximise results. To that end, Judith and Kevin are recommending the commencement of an external review of current finance interventions. Work in this area will continue, in conjunction with the Access to Finance Board Working Group and Judith/Kevin will update Board at November meeting.

Michael McQuillan provided an update on MSME's and Regional Objectives. Delivery of objectives will be through, and to, the objectives/targets of the Sub Regional Board Sub Committee and will spotlight the work of all of Invest NI in regional settings. It will not all be about Invest NI having sole responsibility to deliver outcomes, but will transition to a joined up regional set of actions, where highlighting the work and impact of partners is just as critical to success as that of Invest NI. Whilst more will emerge that needs to be done, the ongoing work and impact of the Regional Business Group must continue to be highlighted, supported and acknowledged, internally and externally. It is vital to ensure Invest NI impact is captured, the story told and we are seen for what we are. Padraig Canavan and Kieran Kennedy, as Chair and member of Sub Regional Board Sub Committee, were supportive of Michael's proposals and emphasised the need for more sub regional autonomy and increasing the visibility of Invest NI regional offices.

2.5 FINANCE REPORT TO BOARD

Mel Chittock reviewed the Finance Report and noted that there is still a high degree of uncertainty on both the in-year position and the CSR process, as discussions are still taking place at the Executive and funding discussions in the public sector are still very fluid at this moment in time.

Mel summarised the in-year position in three stages: Stage 1 - Covid bids (round 1) which were allocated in June monitoring, with some surrenders done in Oct monitoring. Stage 2 - Covid Bids (round 2). No allocations as yet though indications are that c. £5m of the £8m bid will be allocated and the balance will be added to our general October monitoring bid, and Stage 3 - October monitoring. General resource bid of £6m that will now be increased by c£3m.

The numbers in summary are that we have a best estimate pressure of £17.6M, and we have bid some £14M in addition to the direct Covid interventions.

Many of our clients are continuing to invest in R&D and skills and as a result we are forecasting pressures that have resulted in the bids being made in year following the surrender of the £17M we made at the start of the year.

We are stressing, in conversation with the Department, that everything we do can be linked to economic recovery and this is a theme that runs throughout our CSR submission.

Mel provided an update in respect of the CSR multi-year bids, from April 2021 for three years over base for resource and 4 years over zero for capital. In terms of resource, we have placed bids over base to allow us to work at a similar level as prior years after taking account of the loss of ERDF, increases in salaries and full year impact of other prior year expansions etc. This bid will reduce if the ERDF replacement comes from any other source. Extra monies that will be required for a wider overall economic / Covid recovery is not incorporated in this bid but will form part of the Economic Recovery Plan. This is the overall plan that DfE is pulling together to submit to DoF in the context of recovery for future years.

2.6 PEOPLE STRATEGY OUTLOOK

Denise Black presented, and sought feedback from Board, on the draft People Strategy Framework. Denise noted that the Framework links to the Invest NI Recovery Plan as we face a period of rapid change, and aligns to the concepts of an Attract/Develop/Retain Strategy. Denise highlighted the short, medium and long-term focus areas within the draft Strategy.

Deborah Lange and Marie-Therese McGivern noted their full support for the Strategy and highlighted the steps taken to review and simplify Invest NI core competences.

Colin Coffey requested clarity on what steps are being taken to support staff as they continue to work towards meeting corporate targets whilst managing from home and living within tightened Government restrictions. Denise noted the potential for fatigue within staff but pointed towards initiatives to support staff to take leave when required and to look after their own mental health.

Kevin Kingston noted his support for the Strategy and encouraged Denise to look at organisational culture and how the competency framework could be used as a tool to embed.

Chair thanked Denise for her presentation and noted full support from Board on proposed approach.

2.7 RESOURCE ALLOCATION MODEL (RAM)

Brian Dolaghan provided an update on the ongoing work to refresh the Resource Allocation Model (RAM) and noted the original objective of the model was to enable budgetary allocation in a time of constrained financial resource. Brian highlighted how RAM provided a practical tool to assist teams to plan, discuss, and influence investment proposals at an early stage across a range of common criteria, to establish the degree of fit with Invest NI strategic objectives, and to provide a consistent methodology for determining fund allocation, should rationing be required. To assist with the development of a revised version of the model, Brian sought volunteers to sit on a task and finish group. Chair stated that, going forward, all relevant projects to be assessed against the agreed strategic priorities when considering value for money.

Action: Brian to meet with Chair, Kevin Kingston, Colin Coffey & Jeremy Fitch to seek input on how to develop a revised RAM and, going forward, all relevant projects to be assessed against the agreed strategic priorities when considering value for money.

2.8 ARC MEETING – SEPTEMBER VERBAL UPDATE

ARC Chair provided an update on the discussions which took place at September ARC meeting, on the morning of September 23rd.

2.9 HARDSHIP FUND UPDATE

Alan McKeown provided a brief summary on current state of play of Hardship Fund and noted that only ten successful applicants are remaining, on the list of those yet to be paid. Alan confirmed that the Audit of the Fund has now commenced and he will report to Board once that has been completed.

3. MONTHLY REPORTING TO BOARD BY EXCEPTION

3.1 MARKETING AND COMMUNICATIONS REPORT

Peter Harbinson updated the Board on the recent uplift in proactive communications activity in terms of investment announcements, Covid-19 response and EU Exit preparations and the schedule of forward activities.

In relation to the 20/21 Corporate Scorecard and Business Plan, Peter drew to the Board's attention to the current challenges regarding the three scorecard targets related to customer satisfaction. He noted that our regular customer satisfaction surveying has been on hold in the first half of the year, as it was not considered appropriate to continue with this at a time when

businesses were responding to the immediate challenges of Covid-19. Whilst this remains the case, in addition, Invest NI currently has a number of other activities underway, which involve contacting businesses for feedback on our performance and key issues of importance.

In light of this, Peter advised the Board that it was our intention not to re-introduce the customer surveying activity for the remainder of the year and that, whilst these targets will be removed from this year's scorecard, as we move in to the new environment, we will re-look at how we capture customer satisfaction. The Board agreed with the proposed approach.

3.2 CASEWORK REPORT TO THE BOARD

Paper was noted.

3.3 R&D AND INNOVATION REPORTING

Jeremy Fitch referred to the paper and noted that R&D is a subset of Innovation and that the key reporting measures are highlighted within the paper. Jeremy confirmed that the current R&D Work in Progress is healthy but stressed that we should be aiming to increase overall R&D spend and aim towards UK Government target of 2.4% of GDP by 2027.

Chair concurred that it is incumbent on Invest NI to communicate the importance of R&D

4. ANY OTHER BUSINESS

Nil.

6. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be on Wednesday 21st October 2020.

The Board Meeting ended at 5:15pm

Simon Marner, September 2020

Chair

**ONE HUNDRED AND SEVENTY NINTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 21 OCTOBER 2020
MEETING HELD AT INVEST NI HQ & VIA SKYPE FOR BUSINESS**

Present:

Invest NI Board

Rose Mary Stalker (Chair)

Brian Baird

Deborah Lange

Judith Totten

Padraig Canavan

Kieran Kennedy

Kevin Kingston

Marie-Therese McGivern

Mark Nodder

Michael McQuillan

Colin Coffey

In Attendance: Kevin Holland, Denise Black, Mel Chittock, Brian Dolaghan, Donal Durkan, Jeremy Fitch, Steve Harper, Alan McKeown, Peter Harbinson, Ian Maxwell

Apologies: Dr Mark Sweeney

Minute Taker: Simon Marner

The meeting commenced at 12.30pm. Mark Nodder, Kevin Kingston, Brian Baird, Padraig Canavan, Peter Harbinson, Denise Black, Donal Durkan and Ian Maxwell joined the meeting via Skype for Business, with the remainder of the participants present at Invest NI HQ.

1 Declaration of Conflicts of Interest

Deborah Lange noted her role with Belfast Harbour Commissioners ahead of the agenda item on Freeports. No other Conflicts of Interest were declared.

1.1 MINUTES

The Chair referred to Item 2.7 (Resource Allocation Model) from the draft September minutes and sought an amendment to include a reference for the need for all casework, to be assessed against the agreed strategic priorities when considering value for money.

Subsequent to the above amendment, the minutes of the September Board meeting were agreed. Deborah Lange proposed and Judith Totten seconded.

1.2 MATTERS ARISING

The Actions table was reviewed.

Mel Chittock provided a verbal update on Action no.1 and undertook to provide a further written briefing for November meeting. Deborah Lange queried if a risk exists that could see offers issued to clients whilst current clawback policy is still to be determined. Mel noted that a small risk exists but that relationship Managers are in a position to manage any such risks.

Action: Mel Chittock to update the Board on the clawback policy, and to include some recent examples of the approach taken to determine the clawback position.

Action no.2 and the R&D paper, provided by Jeremy Fitch, were discussed. Jeremy noted that Innovation is one of the key strands of our Recovery planning and will be managed via that process but how we fund Innovation will be dependent on measures taken by the UK Government, in this space. Chair noted the need to seek alternative routes, beyond existing mechanisms to secure innovation funding from Treasury and to proactively engage with the Department and Industry to promote funding options.

Action: Jeremy to investigate strategic options

In addition, Chair encouraged the Executive Team to engage with Board on responses to all future strategic consultations.

Brian Baird noted Jeremy's paper but commented that there are clear indicators that Innovation partnerships, as they currently exist, are mainly between public and academic sectors and do not effectively utilise Industry. Brian stated his belief that Invest NI should play a key role on engaging Industry. Jeremy agreed with Brian's assertions and was content that INI could play a role, whilst being cognisant of the role played by DfE.

Kevin Holland noted that Invest NI would continue to engage with BEIS/UKRI and communicate common messaging, to ensure alignment of all parties ahead of the next Comprehensive Spending Review.

Updates, to Actions 3-5, were noted.

2. ITEMS FOR DISCUSSION

2.5 CEO REPORT TO BOARD

The CEO referred to his Report to Board and began by providing some economic context as growth slowed in August and many markets struggled to adjust, which led to new measures to support the economy as the virus spreads again and initial schemes end. Kevin provided commentary on key Invest NI priorities since the last Board meeting, which included the launch of three new Covid programmes and the agreement on the eight key business planning drivers. Kevin also gave detail on key projects, sector initiatives, business development activities, inward visits and trade activity in August. Kevin continued by providing an update on job losses and company closures. As part of his forward look, Kevin referred to the Belfast City Deal and a number of international events due to take place over the coming weeks. In conclusion, Kevin updated on the recent Leadership Forum, noted areas of resource pressure and the need for staff to remain diligent guardians of our professional reputation as they continue to work in rapidly changing and challenging circumstances.

Chair raised this issue of resource prioritisation and staff deployment, and asked for a resource prioritisation discussion at the next Board Meeting

Action: Resource Prioritisation to be scheduled for November Board meeting

Chair noted the need for the organisation to communicate and provide clarity to those businesses who were unsuccessful in the recent UK Government tender for the provision of PPE. Brian Dolaghan agreed to discuss with Chair, ideas on the best way to take this forward.

Chair indicated that she was content for the Board Leadership Projects to merge with the Economic Recovery themes project, to avoid duplication of effort.

Action: Martin Robinson, supported by Ian Maxwell, to map the Board Priority Projects actions into the key 8 Economic Recovery themes, and to agree with the respective Board and ELT Members.

2.2 EU EXIT

Donal Durkan provided an update on EU Exit negotiations.

Michael McQuillan noted the importance of getting easily accessible information and education to business and highlighted that, whilst most businesses are currently focussing on the pandemic, Invest NI EU Exit support has been well received.

Kevin Kingston and Judith Totten also recorded business focus on Covid but encouraged the team to continue to communicate the support we have on offer. Mark Nodder queried if there

are any plans to introduce a television campaign and Peter Harbinson confirmed that this would be a decision taken at Executive Office level.

Chair highlighted the role currently played by many individuals, as part of the DIT Trade Advisory Groups, and the commitment by the Economy Minister to arrange a meeting between all NI based individuals on advisory groups. Chair also asked Steve Harper to engage with our trade advisors to prepare a list of formal questions to be put to DIT, in order to get a formal response

Action: Donal Durkan to engage with Minister's Special Advisor to discuss the timing of a potential meeting and Steve Harper to liaise with trade advisors on potential questions

Marie-Therese McGivern provided a note of caution to Invest NI staff and emphasised that, given the ever changing environment of EU Exit, we can't have all the answers all the time, but it is imperative that we operate with the best information we have available at any given time.

2.3 FINANCE REPORT TO BOARD

Mel Chittock reviewed the Finance Report and noted that he would address the current in-year position, followed by commenting on future years and the CSR exercise.

Mel summarised the current Finance position and stated that good progress has been made and our profiles are very much in line with what we anticipated. A significant amount of work has been undertaken to review both existing pressures and likely forecast movements in our budget position from now until the end of March, across the entire organisation and working closely with Divisional leads.

Mel highlighted that we are still required to manage our budgets within very tight tolerances and this is coupled with numerous exercises being commissioned from the Department. Mel referred to the £17M of Resource surrendered at the start of the year to assist in the Emergency response and, as previously reported, noted that we are continuing to see a number of companies pushing ahead with projects.

Mel confirmed that we have been successful in bidding back c.£5.4M and we have also indicated that we require an additional resource allocation of £9M, with clarity on this expected in the coming weeks.

In relation to future year's budget allocations and the CSR exercise, Mel noted that all indications are that this is being pushed out by 12 months.

Chair thanked Mel for his update and asked for an update concerning any replacement for ERDF funding and for consideration for the need to pull together a contingency action plan, in case ERDF replacement is by open competition.

Action: Mel to provide the Board with details of options should a replacement for ERDF funding not be secured for next year and future years.

Deborah Lange highlighted this is an extraordinary financial year and landing to budget within tight tolerances will be extremely tough.

2.4 Q2/HALF YEAR PERFORMANCE UPDATE

Ian Maxwell provided an update in regards to the People and Process quadrant of the Scorecard and noted that staff absenteeism continues to fall as we move through the year and, that a revised people strategy is to be shared in the upcoming weeks. Ian also noted that the Customer Survey has been paused for the remainder of the year. Denise Black commented that Investors in People accreditation is under review, with the recommendation that it is paused for one year.

Action: Chair asked Peter Harbinson to bring forward details on proposals to reinstate Customer Surveying and Denise Black was asked to come back to the Board with a proposal, to include potential timing, on developing a new People Strategy target

John Hood provided the group with an update in regards to the Performance Quadrant of the Scorecard and the Q2 OPMR results.

2.5 ARC MINUTES - SEPTEMBER

ARC Chair discussed the draft minutes for the September ARC meeting, which took place on the morning of September 23rd. Deborah provided an update on the write-off loans, detailed in 19/20 Accounts and noted the ongoing Competence Centre review. Deborah also referred to the Internal Audit Service Audit Plan and the fact that ARC are scrutinising the increased level of risk in regards to staff working from home on a long term basis.

The Board Chair queried what lessons had been learned in regards to the Glenmore Anaerobic Digester case. Deborah noted that it would be difficult to establish if there was anything Invest NI could have done differently but committed to reviewing, at ARC, to understand lessons learned.

Kevin Holland and Judith Totten both noted the need to implement measures that would enable staff to safely visit customers, to allow the timely identification of those who are distressed. Judith also noted the need for INI to have a “Distressed Client Team” to work with clients.

2.6 LIFE SCIENCES UPDATE

Brendan McGuigan, Client Manager, joined the meeting to provide the Board with an overview of the historical relationship with Almac, who have delivered several major projects, in partnership with Invest NI, spanning multiple years. Kevin Holland followed Brendan and provided an update on the Life Sciences Leadership Projects and the work underway in three key areas, which influence this sector. Kevin noted that the sector was very strong and there are various companies doing exciting and interesting work but, as the largest company, Almac provides the centre of gravity in this space.

Marie-Therese McGivern highlighted the need for Invest NI to play a role in pushing the skills agenda in this sector, to build capability and grow the talent pipeline.

The Chair acknowledged the strength in this sector in NI and the opportunity to create a strong cluster as a catalyst for growth in Northern Ireland for the future. The Chair also suggested that it might be useful to reflect on how Invest NI supports highly profitable entities, such as Almac. Have we explored other ways, instead of traditional grants, to facilitate sector growth and continued Northern Ireland economic impact going forward

2.7 LEADERSHIP PROJECTS UPDATE

Colin Coffey provided an update on the ongoing work of the Clean Energy sub team and how they have focused their work at looking at initiatives to exploit new Green Economy market opportunities, linked to NI capability and how we can accelerate progress by industry towards net zero, by stimulating investment in a green sustainable recovery.

Brian Dolaghan noted that the realisation of these goals is linked to Government policy and that actions need to be joined up across the UK Government and NI Executive. Chair was in agreement with Brian and emphasised that we need to be explicit in what our role is and we need to act quickly, with NI/UK Departments, to drive a coherent NI Strategy.

ACTION: Chair proposed that ELT consider appointing a lead person. What is INI's role and can we be in this space?

Chair provided an update on Freeports and noted that Invest NI is facilitating discussions to develop stakeholder thinking on Freeport policy development and to maximise the economic

benefit to Northern Ireland. There is now broad agreement on stakeholder views and recognition that Freeports policy should address regional disparity and mitigate against displacement. The bidding process will be launched by the UK Government before year-end and they are working with the devolved administrations on establishing at least one Freeport in each of Wales, Scotland and Northern Ireland. This will allow time to further influence policy development and enable stakeholders to develop an optimal collaborative NI bid.

Marie-Therese McGivern updated on the work of the Skills sub-group and the five key areas on which they will focus, these areas being Policy; Invest NI Role; Communication; Demand and Support. In response to a specific question from Brian Baird, Marie-Therese confirmed that we are aligned, with the CBI, on the ongoing initiatives in the ICT/Tech sphere.

Padraig Canavan asked what influence could be brought to bear in regards to education and the supply of talent and if we can help use education to address regional disparity. Marie-Therese stated that we need to use the evidence base that already exists and engage in logical discussion across government, to drive policy and work together for the betterment of NI. Government needs to continue with an inclusion agenda and ensure that every person has the opportunity to fulfil his/her potential.

Michael McQuillan queried what is being done to address the capability of leaders to identify a skills deficit or need. Marie-Therese highlighted existing Invest NI initiatives in this area but noted the opportunity to step forward with more innovative solutions.

The Chair provided an update on ongoing engagement with the NI Makers Panel. Rose Mary noted how the Makers Panel members are championing the digital transformation of the manufacturing sector and detailed the progress of several leading companies as they move through the 4Manufacturing survey process. RM thanked the Invest Team for their outstanding efforts in delivering the 4manufacturing Assessments. The findings so far have confirmed the examples of best practice and members have committed to engaging directly with the wider business community on a number of digitisation themes, which will help grow the capability in the eco-system.

Rose Mary also noted the response of the makers to a presentation on the advanced manufacturing City & Growth Deals, they were “overwhelmed with what they heard a lot of which they were previously unaware”, they wanted to get into more detail in order to ensure that there was no duplication and the projects align with their priorities. They also expressed a need for a single straightforward interface. They recognise the huge potential opportunity and wanted to make sure that they were successful, for all of NI. Rose Mary concluded by emphasising that Invest NI has a key role to play in ensuring integration and alignment across

the projects. In addition, our client executives need to work proactively with businesses to ensure NI City/Growth Deal workstreams are integrated and mainstreamed.

2.8 POTENTIAL EMERGENCY SUPPORT

Alan McKeown provided a brief summary on current discussions with DfE, as the Economy Minister seeks to introduce additional emergency measures to support businesses throughout the Covid-19 pandemic. Alan also provided an update on the Hardship Fund and the subsequent lessons learned. Alan confirmed that he would seek to embed the lessons learned, when introducing future schemes. Deborah Lange and Kevin Kingston offered the Board's support, if required, during the project. The Board highlighted the need to ensure governance issues were maintained to the usual high standards and noted the need for the respective accounting officers to share correspondence to clarify roles and responsibilities particularly as this provided clarity during the Micro Business Hardship Fund and its subsequent compliance audit. Board noted the Invest NI support for the delivery of the scheme and the commitment to good governance and Kevin Kingston suggested that Invest NI should be proactive in the identification and reporting of the risk profile on the Covid-19 support schemes.

Chair thanked Alan for his update and encouraged him to maintain a clear decision-making audit trail. Chair also noted the offer of assistance from Board members.

3. MONTHLY REPORTING TO BOARD BY EXCEPTION

3.1 MARKETING AND COMMUNICATIONS REPORT

Paper was noted

3.2 CASEWORK REPORT TO THE BOARD

Paper was noted.

3.3 NI SCREEN OPEN DOORS EVALUATION

Paper was noted

3.4 COMPETENCE CENTRE BOARD WORKING GROUP

Deborah Lange provided an update on the work of the Competence Centre Board Working Group (BWG). Deborah noted that the BWG met on the 9th October and the Terms of Reference are almost complete. At the June and October meetings, the focus has been on the Action plan post the AFQCC investigation last year, the interim external evaluation re

AFQCC completed Feb 2019, and the Risks and KPIs of all the Competence Centres (CC). Deborah referred to the October minutes and the main CC risks therein.

The BWG was content with the new Guidelines for CC Managers, including the Criteria for Success. The Guidelines clarify the role of the Invest NI Observer, which delicately navigates the autonomy of the CCs and required Invest NI governance. The Guidelines also lay out a flowchart for project assessment and approval, making clear Invest NI's required stated approval – the CCs may not be happy with this, but we feel it is necessary.

With regard to the AFQ Interim Evaluation the BWG agreed that AFQCC must provide a summary of what has been achieved regarding the points raised and this must be included in any application for a Phase 2.

The KPIs of each CC were reviewed. The BWG noted that the CCs have been negatively impacted by Covid 19 especially as many of the projects require lab work.

Two important KPIs relate to Spin Outs and IP License agreements. BWG understands that since the IP is owned by the academic institutions (State aid rule), meeting these requirements can be problematic. It was agreed that Brian Baird would work with the Invest NI team to formulate the correct questions to pose to the CCs to understand the blockers to meeting these KPIs.

The CCBWG has in the past used an international advisor to provide advice re NI CCs relative to international ones. It is now time to identify and retain a new advisor. After discussion it was recommended by the BWG that INI identify 2 advisors – one with expertise in the international perspective and one with experience in the KPI areas in which NI's CCs are having trouble.

4. ANY OTHER BUSINESS

Chair proposed an additional Board Session for Wednesday 16th December 2020.

6. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be on Wednesday 25th November 2020.

The Board Meeting ended at 5:40pm

Simon Marner, October 2020

Chair

**ONE HUNDRED AND EIGHTYITH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 25 NOVEMBER 2020
MEETING HELD AT INVEST NI HQ & VIA SKYPE FOR BUSINESS**

Present:

Invest NI Board

Rose Mary Stalker (Chair)

Brian Baird

Deborah Lange

Judith Totten

Padraig Canavan

Kieran Kennedy

Kevin Kingston

Marie-Therese McGivern

Mark Nodder

Michael McQuillan

Colin Coffey

Dr Mark Sweeney

In Attendance: Kevin Holland, Denise Black, Mel Chittock, Brian Dolaghan, Donal Durkan, Jeremy Fitch, Steve Harper, Alan McKeown, Peter Harbinson, Ian Maxwell

Minute Taker: Simon Marnier

The meeting commenced at 1.00pm. Mark Nodder, Mark Sweeney, Brian Baird, Padraig Canavan, Peter Harbinson, Denise Black, Mel Chittock and Ian Maxwell joined the meeting via Skype for Business, with the remainder of the participants present at Invest NI HQ.

1 Declaration of Conflicts of Interest and Opening Remarks

It was confirmed that the current Register of Interests was up to date, and no Conflicts of Interest were declared.

The Chair opened the meeting by recognising the extraordinary efforts of the entire Invest NI team, as we work to respond to the economic challenges of the Covid pandemic. The Chair noted that we must be mindful of the wider public perception concerning our role in supporting all businesses at this critical time. The Chair highlighted that it was essential that our new Covid response schemes have the maximum impact and that the allocated budgets are fully committed. The Chair acknowledged that it is incumbent on the Board and the Executive Leadership Team to take the necessary priority actions to maximise the effectiveness of our recovery strategy. The Chair confirmed that she has agreed with the CEO that an Invest NI team should be commissioned to conduct an internal review of our processes aimed at improving the flexibility and responsiveness of service delivery. The Chair commented that,

within the public sector, Invest NI has the potential and is best positioned to drive the transformation of the economy.

Board members provided feedback to the Chair's opening statement and it was agreed that it is appropriate to look at our priorities now and assure ourselves that we are focussing our efforts and resources appropriately. Board Members also noted the exceptional efforts of the Invest NI Team in response to the current challenges, but that we must communicate more effectively to address any external perceptions that may exist.

1.1 MINUTES

The minutes of the October Board meeting were agreed. Marie-Therese McGivern proposed and Michael McQuillan seconded.

The Resource Allocation Model (RAM) was discussed. Brian Dolaghan confirmed the plan to pilot the RAM from January 2021, and he will recommend a minimum project value that will use the RAM.

Action: RAM to be tested on recent projects before pilot

1.2 MATTERS ARISING

The Actions table was reviewed.

Mel Chittock gave a verbal update on Action 1 and provided some context to the process and the type of clawback cases dealt with. In the majority of cases, clawback arises when clients enter a formal insolvency process/dissolution or cease trading (following which, the company will automatically move to dissolution when account-filing deadlines are missed). Cases where clients continue to trade, breach Letter of Offer terms and a default is called, are rare. Whilst we have reverted to our normal recovery procedures Mel reassured the Board that cases were looked at on a case by case basis and there is no automatic instigation of recoveries actions without due consideration.

Action no.2 and the R&D paper, provided by Jeremy Fitch, were discussed. Chair noted that Jeremy is the appropriate INI Executive to lead on the analysis of alternative sources of innovation funding, and in bringing other key NI organisations together.

Action: Jeremy to present latest update on the strategy to secure R&D funding for NI and ensure NI has a coordinated approach, which includes the voice of industry.

Updates to the remaining Actions were noted.

2. ITEMS FOR DISCUSSION

2.6 BOARD LEADERSHIP PROJECTS AND RECOVERY PLAN INTEGRATION

Chair introduced this item of the agenda and explained that the project to integrate the Board Leadership actions with the Recovery Plan is a work in progress and the team will continue in their efforts to identify how the actions can become SMART. The Chair handed over to Martin Robinson who provided an overview of the steps taken to date, to align these two key pieces of work.

Action: Team to further develop Recovery Plan Actions Targets to make them more “SMART”.

Colin Coffey commented that Innovation & Entrepreneurship are states of mind, that Clean Technology impacts across multiple sectors of the Recovery Plan and we need to be proactive in building aspiration and maximising projects. Michael McQuillan stressed the importance of a holistic approach to building the Recovery Plan, to help avoid siloing and, that actions need to integrate and create synergies. Marie-Therese McGivern noted the need to take a decision on which sub-regional framework to use and that the effectiveness of frameworks are determined by how granular they are. Mark Sweeney commented on the need to identify the top priorities within the Plan, which would aid resource planning.

2.7 RESOURCE PRIORITISATION

Kevin Holland, Denise Black and Steve Harper presented on Resource Prioritisation. Kevin began by stating that the aim of this Board briefing was to share detail on an ‘as is’ of Invest NI Resources as we adapt to today’s emergency actions and the delivery of the 2021/22 Recovery Plan actions. Denise provided an overview of the current staffing levels and detail of how the headcount split across Divisions and Steve provided detail on how our resources have rapidly migrated from delivery of Business Strategy to new/short-term/emerging priorities. Across the organisation, the Executive Leadership Team estimate that these new activities account for some 40% of activity, although it is important to note that in some areas this has been much higher. We have responded with agility, but at a cost and pressure. Over 150 people redeployed 20/21 and 6-month hiring freeze has been implemented. The team outlined the need to evaluate key considerations, to create short and long-term capacity in a constrained budget. In order to fully scope out this piece of work Denise and Steve will lead a “Get Fit” team to define critical processes and steps, analysing their speed, efficiency and cost.

Action: Denise/Steve to provide 30-day update at December meeting.

Deborah Lange thanked the team for their presentation and was encouraged to see the responsiveness of ELT. Deborah indicated that she would welcome the opportunity to view, in real time, the initiatives taking place within the organisation and it was noted, by Kevin Holland, that the Invest NI Newsletter would be an appropriate tool to give Board members this visibility.

Action: Peter Harbinson to ensure access to Invest NI Newsletter is secured for all Board members

Kevin Kingston asked the team to consider process mapping in order to identify efficiencies that can be made and the resulting freeing up of resource.

In response to queries from Mark Sweeney and Mark Nodder, on whether a 30-day timeline was sufficient to allow the appropriate level of scrutiny, Kevin Holland noted that this initial exercise is not a deep dive, but it is necessary to help give an understanding of key areas of focus, as we look to implement the Board Leadership Projects and the Recovery Plan. The Chair emphasised the importance of this project, which will look at the deployment of resource and identify savings, during this crisis period. The Chair stressed the need to satisfy ourselves that we know what resources we have, what they are doing and where resource can be redistributed, to complete short-term agile tasks and in readiness for recovery. Chair also noted the importance of regular engagement with the Department for the Economy (DfE).

Action: Invite Senior Department team to December Board. Consider discussion on different types of intervention/governance models

Mark Sweeney stressed the need for the Executive Leadership Team to provide Board with reassurance that the issues discussed at the commencement of the meeting have been addressed, at the December meeting. Michael McQuillan complimented the proactive moves to reposition the organisation and communicate effectively with DfE, and highlighted that organisational excellence is a continual process and “Get Fit” will move to “Stay Fit”.

2.8 CEO REPORT TO BOARD

The CEO referred to his Report to Board and began by providing some economic context as the recovery loses momentum and, after a rebound in Quarter 3, a Quarter 4 downturn looks inevitable. Kevin provided commentary on key Invest NI priorities since the last Board meeting, and brief updates on the Covid Restrictions Business Support Scheme (CRBSS) and the

process around the PPE COVID-19 Cabinet Office Mask Manufacturing Machines tender competition. Kevin also gave detail on key projects, sector initiatives, business development activities, inward visits and trade activity in October. Kevin continued by providing detail on job losses, company closures and bad news notices. As part of his forward look, Kevin referred to recovery and budget planning, possible 2021 investment conference and the FDI pipeline. In conclusion, Kevin referred to resource prioritisation, staff movement and noted that absence reached a 5-year low at 2.47% against a target of 3.50%.

2.4 EU EXIT

Donal Durkan provided an update on EU Exit negotiations and the ongoing work of the Invest NI Brexit Team, as they continue to engage with business and assist with preparedness. Michael McQuillan noted that, via Enterprise NI engagement with businesses, NIBusinessinfo.co.uk is seen to be the best source of information for those companies who are taking steps to prepare. However, Michael cautioned that high levels of micro-businesses have not yet taken any steps to prepare. Donal commented that many businesses are awaiting certainty and agreement by EU/UK before moving forward and investing in preparations.

2.9 FINANCE REPORT TO BOARD

Mel Chittock asked the Board to note the Finance Report and provided an update on the current financial position. Mel stated that whilst we may be slightly behind on expenditure against the budget profiles, that does not automatically mean we are in any danger of an underspend. In regard to 2021/22 Mel noted that, on the basis of the current level of commitments and assuming that WIP projects are converted this year, it will result in a fully committed budget for next year. This position for 2021/22 is on the basis that there is no replacement funding for ERDF in 2021/22. At this point a successor fund to ERDF may not be in place for April 2021 so, in attempt to address this position, we have been able to submit two bids for funding this year, which will also have the effect of “freeing” up budget next year.

Mel summarised by confirming that there are a considerable number of movements and still no clarity on budget cover for the remainder of this year and for next year. We need to avoid the scenario where we stop converting WIP but this may be unavoidable unless we get clarity on budget cover. These concerns have been shared with DfE.

Chair and CEO stressed the importance of further engagement with DfE and the Minister and the Chair emphasised the need to keep the Board informed and given the opportunity to review differing budget scenarios.

Action: CEO to engage with Minister/SpAd to detail possible consequences of not having appropriate budget cover in place to convert WIP projects.

2.6 ARC VERBAL UPDATE – NOVEMBER MEETING

This item was deferred.

2.7 COVID RESTRICTIONS BUSINESS SUPPORT SCHEME (CRBSS)

Alan McKeown provided an update on the Covid Restrictions Business Support Scheme and noted current position in regards to Part A of the scheme. Alan detailed lessons learned and reflected on possible process improvements and highlighted the tremendous effort of the Invest NI Team to deliver in challenging circumstances. Alan also provided an update on Part B of the Scheme, discussions with DfE on the MOU and the request for a Ministerial Direction.

Chair thanked Alan for his update and encouraged him to continue to endeavour to meet the needs set out by the Minister. Chair also noted the phenomenal effort of staff to deliver these schemes and the need for Board/ELT to look at resource prioritisation to support direct additional support, where required.

3. MONTHLY REPORTING TO BOARD BY EXCEPTION

3.1 MARKETING AND COMMUNICATIONS REPORT

Paper was noted

3.2 CASEWORK REPORT TO THE BOARD

Paper was noted.

4. ANY OTHER BUSINESS

Nil

6. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be on Wednesday 27th January 2021. A Board workshop will take place on Wednesday 16th December 2020.

The Board Meeting ended at 5:40pm

Simon Marnier, November 2020

Chair