

INVEST NORTHERN IRELAND BOARD MINUTES 2024

January 25, 2024

February 29, 2024

March 28, 2024

April 25, 2024

May 30, 2024

June 27, 2024

August 28, 2024

September 26, 2024

October 24, 2024

November 28, 2024

**TWO HUNDRED AND ELEVENTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 25 JANUARY 2024
MEETING HELD AT INVEST NI HEADQUARTERS, BELFAST**

Present:

Invest NI Board

Colm McKenna (Interim Chair)

Ciaran Mulgrew

Colin Coffey

Dawn McLaughlin

Dominic Darby

Melanie Dawson

Marie-Therese McGivern

Scott Ritchie

Kieran Kennedy

Michael McQuillan

Board Secretary: Trevor Connolly

In Attendance: Mel Chittock, Alan McKeown, Brian Dolaghan, Dónal Durkan, Paula Logue, Peter Harbinson, Steve Harper.

Minute Taker: Wendy Savage

The meeting commenced at 10:15.

The Chair welcomed three members of Invest NI staff, who joined the Board meeting in an observatory capacity. The Chair noted his intention to bring the Entrepreneurship agenda item earlier in the agenda to facilitate an important client meeting.

BOARD STANDING ITEMS

APOLOGIES

Apologies received from Patrick O’Gorman, Julie-Ann O’Hare and Jeremy Fitch.

(i) DECLARATION OF CONFLICTS OF INTEREST

Ciaran Mulgrew stated that he would leave the meeting temporarily should there be any detailed discussion on the casework report at agenda item 3. It was confirmed that there were no other conflicts with any items under discussion today.

(ii) RAISING CONCERNS

Board members were reminded of their obligations under the raising concerns policy and procedures.

1. MINUTES

The minutes of the November 2023 Board meeting were agreed without amendment and will be published online. The Chair noted that the next meeting will be an Operational one on Thursday 29 February 2024, which will be held in Invest NI HQ. This will be the first meeting that Kieran Donoghue will attend as CEO. He also noted that the March Board, which will be Strategic in nature, will be held in North/West Belfast, location to be confirmed.

2. ACTIONS & UPDATES

The Board Secretary updated the meeting on the Actions list and the following was noted:

Action 85 – Spare Capacity within INI HQ – Paper included on January agenda.

Action 86 – NW Office location – Paper to be prepared for February Board meeting.

Action 87 – Entrepreneurship - Paper included on January agenda.

Action 89 – Updated Risk Appetite - Given other competing work priorities and the importance of this action, the Chair has deferred this agenda item to February's meeting.

Action 99 – Digitisation Paper - Paper to be prepared for March Board meeting.

The Chair provided an update on his recent meeting with the Interim DfE Permanent Secretary: Ian Snowden and advised that the Permanent Secretary had confirmed his commitment to ensuring that the good working relationship between DfE and Invest NI continues and is enhanced.

3. CASEWORKS FOR APPROVAL

Colin Coffey, BFC Chair, brought forward a recommendation to the Board for approval of one project. After a brief discussion, the project was approved by the Board.

Colin advised that a further 2 urgent projects would be dealt with via correspondence. The Chair queried why everything needs to be done urgently and, despite the Board's best efforts, we never seem to get ahead of the curve. He was also concerned as to the apparent lack of recognition, by Executive colleagues, of the need for Board members to have adequate time to read and assess the papers. Brian Dolaghan advised that the closure of ERDF and making sure Invest NI was fully aligned with the available slots in the DfE Casework process had both had impacts. Following further discussion Colin noted that he had asked for internal timelines to be reviewed and the potential of using the MS Project software to map out the process would be explored. The Chair asked that as much time as possible be given to Board members to consider the casework papers. Colin highlighted that, overall, the revised casework process was working well, but was also an iterative process which was still evolving.

4. IMPLEMENTATION OF INDEPENDENT REVIEW ACTION PLAN

The Interim CEO advised that the governance structures for the implementation of the Action Plan were now up and running and the project management software has been rolled out to all Action Owners and Implementation Leads. The system covers all 35 Strategic Actions and is available to both Invest NI and DfE staff and provides live reporting of progress on key actions and tasks.

Mel advised that, since the software had been rolled out, an Action Owners Project Board had been held on Tuesday 16 January, where the continuing need for joint working to deliver the enabling tasks and strategic actions had been stressed. He confirmed that all Strategic Actions were on track for delivery. In response to some queries from the Board, Mel confirmed that a Risk/Issues Log was being developed and that work on Resource Requirements was progressing and would go to SRC for review.

Mel also referenced some comments on the survey that was undertaken on the Task and Finish Group process. He advised that these results are being analysed to identify the lessons learned. Some staff felt that it was not truly joint working, and we need to see how we can develop closer working relationships on the back of this.

The Chair stated that he had taken comfort from the 16th January meeting, which was well attended by Executive colleagues, that there would be no further slippage from the timelines in the published Action Plan. He stressed the importance of Invest NI being the engine room for the change set out in the Action Plan and the need for Executive colleagues to own that change. He reiterated the need for continued joint working and confirmed that he had invited Mary Gormley to join the February Board meeting to do a short system demo and provide the monthly

progress update. The Chair advised that he was disappointed with some of the comments in the survey and also stated the need to develop partnership working.

5. COMMITTEE CHAIR REPORTING

The Chair referenced the report included as part of the Board pack and then invited Marie-Therese McGivern, SRC Chair to give a brief verbal update.

Marie-Therese advised that this had been a very busy period for SRC with their main focus being on the draft Corporate Strategy and the draft Communications & Engagement Strategy, both of which were being discussed during the meeting.

Marie-Therese commended the amount of progress made by the team working on the Corporate Strategy; but highlighted some areas where work by DfE is progressing slower than they would have liked. The Committee is receiving regular updates on the work to rationalise our Portfolio of programmes / interventions and the development of the new Performance Dashboard. Marie-Therese completed her update by advising that the focus of the Committee will now move to People and Culture; the Financial reporting information required by the Board; and Digitisation. She thanked the SRC Secretariat for their great work to date.

The Chair asked if either of the other Committee Chairs had any specific issues they wished to raise. Colin Coffey, BFC Chair, raised a point over the length of time taken to realise the remaining investments in a Fund approaching the end of its tenure and to expedite that closure. The Chair asked that the RPC Chair provide the verbal update at the February Board meeting, in addition to the normal Committee Chairs' written reports.

Action: RPC Chair to provide the verbal update at the February Board meeting, in addition to the normal Committee Chairs' reports.

Post Meeting Action Update - As there is a standalone Regional Strategy item on the February Board Agenda, the Chair has stood down RPC and asked that the verbal update be provided by the BFC Chair.

OPERATIONAL ITEMS

6. CEO REPORT TO BOARD

The CEO provided an overview of his Paper. He highlighted the following issues:

- The economic data from several different sources is still very mixed.
- UUEPC have concluded that the economic outlook for NI forecasts a subdued level of economic growth, with challenges specifically for the construction and retail sectors.
- Overall capital investment levels have fallen significantly in recent years and consequently there is a policy need to encourage both businesses and Government to increase capital investment expenditure.
- Performance Reporting - Concerns around the year-end delivery of 5 Targets (categorised Amber); and 1 Target, which will not be achieved and this is categorised as Red.
- Invest NI hosted some 30 of our overseas staff in the Northwest and this was a great opportunity for them to learn what the region has to offer as well as being able to engage with local stakeholders including the Council, Chamber, business investors and colleges. My thanks to Board members Dawn McLaughlin and Kieran Kennedy for their support and involvement. The visit was a great success and received a lot of positive media coverage.

One Board member stated that there are some very good news stories in the Construction sector and that the figures mentioned may be skewed.

The Chair highlighted the need to develop the Work In Progress pipeline for 2024-25 to ensure that we stop the downward trajectory of year-on-year reductions in Invest NI's budget. He also asked that the Board be kept informed of any new issues with the delivery of targets.

7. FINANCE REPORT TO BOARD

Brian Dolaghan made a brief presentation to supplement the Finance Report to Board. Key headlines were: (i) Resource - spend is ahead of YTD budget profiling but expected to normalise by year end. (ii) Capital - spend broadly in line with expected timing at 9-month point. (iii) ERDF - remaining allocation has now been fully spent at 31 December 2023. In looking ahead, DfE has asked for submission of bids for resource and capital. There is an assumption that our 2023-24 closing position will be our opening position for 2024-25. Bids had been made for both resource and capital. There was a rising demand for capital funding over the next three years, on proposed interventions such as Productivity Support, Agri-Food, Energy Efficiency and Access to Finance. Brian confirmed that bids for the Shared Prosperity Fund were also back on the table for 2024-25. Board members responding by emphasising the need to redouble our efforts to have a pipeline of projects which could make use of all available funding. They also queried what would happen if the bids were unsuccessful and how staff were being allocated against key projects /

programmes. The Chair asked that an exercise be completed setting out where we will end up as to the 2024-25 Budget position and what actions are to be undertaken if Invest NI's bids are unsuccessful.

There was also a discussion on the need for the ARAC, BFC and SRC Chairs to meet to discuss and agree what type of financial information was required to be presented to the Board.

Action: Executive Director Finance to prepare a Paper for the February Board meeting setting out where he thinks we will end up as to the 2024-25 Budget position and what actions are to be undertaken if Invest NI's bids are unsuccessful. Paper to also include analysis of staffing allocation by key programme / outcome.

8. ARAC UPDATE

The ARAC Chair gave a brief verbal update from the last ARAC meeting on 7 December. The main points are summarised below:

- NIAO has provided final report.
- Internal Audit reports were reviewed.
- Governance Council provided an update.
- Mid-year review of Assurance Statement completed.
- Corporate Risk Register reviewed.
- ARAC ToR updated to reflect change of name and membership.
- Progress on completion of PPE's was discussed – for those <£1m, from April 2023 there had been a significant reduction in the number outstanding and this was to be reviewed again at the end of January 2024. For those PPEs >£1m, an external procurement exercise is ongoing with a timeframe for completion by March 2024.

The Chair stated his concern that Invest NI's inability to complete PPEs on time was, and had been for some time, an ongoing issue. He asked whether there was sufficient understanding across the organisation as to (i) the importance of completing timely PPEs and (ii) disseminating the resulting Lessons Learned.

SPECIFIC PAPERS

9. CORPORATE PLAN

Gerard McNally joined for this item. Gerard advised that, following the Board Strategy workshop on 18 January, all comments from Board members were being reviewed and would be incorporated into the next iteration of the Paper. He thanked the Board for their interest and feedback at the workshop. Board members thanked Gerard and his team for the huge amount

of work undertaken to date and noted that the engagement with SRC had been time well spent. Board members were content to approve the Paper. The Chair asked that the draft 2024-25 Invest NI Business Plan come to the March Board meeting for approval.

Action: Draft 2024-25 Invest NI Business Plan to come to the March Board meeting for approval.

Gerard left the meeting.

10. ENTREPRENEURSHIP PROPOSALS

George McKinney, Gren Armstrong and Keith Forster (DfE) joined the meeting for this item.

George McKinney gave a brief overview of the Paper and asked the Board to approve the establishment of the Entrepreneurship Backbone Team (EBT). Board members discussed the proposal and focussed on risk assessment, availability of follow-on funding, how the team would be integrated within other Invest NI activities and the degree of engagement with DfE on the proposal. Keith Forster confirmed there had been good partnership working with colleagues in Invest NI and stated that this collaborative working needed to continue. Keith suggested that DfE would now be best placed to chair oversight of the team, if approved, with Invest NI providing the operational delivery.

Both the Interim CEO and Chair noted that the proposal to establish the EBT itself was strategic in nature and hence appropriate for the Board to take a view on, however, the final nature and resourcing of the structure was operational.

The Board were content to approve the establishment of the EBT but noted that the final nature and resourcing of the structure should be a decision for the CEO. The Chair asked that the Board be kept apprised of progress on the EBT and its proposed structure and resourcing. George, Gren and Keith left the meeting.

11. SPARE OFFICE CAPACITY – HQ

The Interim CEO referenced the Paper and asked if Board members had any comments or questions. Board members felt that there had been good progress made since the November Board meeting; but asked if there had been consideration as to inviting other Trade bodies (e.g. IoD) to use space in the building and the potential to hire out event space or potentially offer space to SMEs / Start-ups. Board members stated that our building should be the first port of call

for anyone needing space to work. The Interim CEO advised that he is happy to look at all options and asked the Board for more time to consider some more creative ideas. The Chair asked that an update paper is brought to the February Board meeting.

Action: The Chair asked that the CEO provide an update paper for the February Board meeting.

12. COMMUNICATIONS AND ENGAGEMENT STRATEGY – OVERVIEW PAPER

Marie-Therese McGivern, in her role as SRC Chair, introduced this Agenda item. She explained that SRC had focussed their attention on helping the team shape the Strategy to make it more strategic and less operational / reactive and more about stakeholder engagement. Marie-Therese also stated that a huge amount of work had been completed and the Strategy will require a culture change across the organisation, as we move to a different way of working.

Peter Harbinson confirmed that the draft Strategy would now be discussed with the incoming CEO, before finalising.

Board members thanked Peter and his team on the progress made and stated that this piece of work would be fundamental to how Invest NI works going forward. One Board member also questioned whether international business should be covered separately due to its own nuances. Steve Harper advised that there are Comms staff embedded throughout the international office network who are young, enthusiastic and bring a renewed vigour to communications. He also noted that they needed the right tools and equipment to enable them to do their jobs, especially in respect of mobile video recording and editing. Alan McKeown confirmed that he would investigate this issue further. The Chair noted that this would require a culture change, with the Comms team acting more as facilitators, rather than gatekeepers, and ELT taking more ownership. He also suggested the Comms team be open to procuring external PR support. Board members were content to approve the Paper.

PAPERS TO NOTE

13. MARKETING & COMMUNICATIONS REPORT

This paper was noted with no comments.

14. ANY OTHER BUSINESS

The Chair brought to the attention of members the NI Public Sector Chairs' Forum Leadership & Governance Conference 2024, taking place on Wednesday 6 March 2024. The Chair asked that should anyone wish to attend; they contact the Board Secretariat.

The Chair brought the meeting to a close by noting that this was Mel Chittock's last meeting as Interim CEO. The Chair, on behalf of the Board, thanked Mel for his leadership and dedication over the last two years, which have themselves been a highly challenging and complex period for both Invest NI, the Department and Northern Ireland. The Chair noted Mel's resilience in staying the course over the past two years and thanked him for his openness and honesty and his hard work and advice throughout his term as Interim CEO.

The Board meeting ended at 13:40.

15. DATE OF THE NEXT BOARD MEETING

The next Board meeting will be Operational in nature, will commence at 10:15 on Thursday 29 February 2024 and will be held in Invest NI Headquarters, Belfast.

Wendy Savage, February 2024

Chair

**TWO HUNDRED AND TWELFTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 29 FEBRUARY 2024
MEETING HELD AT INVEST NI HEADQUARTERS, BELFAST**

Present:

Invest NI Board

Colin Coffey (Chair for this meeting)	Ciaran Mulgrew
Michael McQuillan	Dawn McLaughlin
Dominic Darby	Melanie Dawson
Marie-Therese McGivern	Julie-Ann O'Hare
Kieran Kennedy	

Board Secretary: Trevor Connolly

In Attendance: Kieran Donoghue, Alan McKeown, Brian Dolaghan, Dónal Durkan, Jeremy Fitch, Mel Chittock, Paula Logue, Peter Harbinson, Steve Harper.

Minute Taker: Wendy Savage

The meeting commenced at 10:15.

Colin Coffey, on behalf of the Board and ELT, passed on everyone's condolences to Colm McKenna, who was unable to chair his final Board meeting due to a family bereavement. Colin, in his role as Senior Independent Director (SID), chaired the meeting.

The SID welcomed Kieran Donoghue to his first Board meeting as CEO and four members of Invest NI staff, who joined the meeting in an observatory capacity.

BOARD STANDING ITEMS

APOLOGIES

Apologies received from Colm McKenna, Patrick O'Gorman and Scott Ritchie.

(i) DECLARATION OF CONFLICTS OF INTEREST

It was confirmed that there were no other conflicts with any items under discussion today.

(ii) RAISING CONCERNS

Board members were reminded of their obligations under the raising concerns policy and procedures.

1. MINUTES

The minutes of the January 2024 Board meeting were agreed without amendment and will be published online. The SID noted that the next meeting is on Thursday 28 March 2024, which will be held in Invest NI HQ. This will be John Healy's first meeting as the new Chair.

2. ACTIONS & UPDATES

The Board Secretary updated the meeting on the Actions list and the following was noted:

Action 85 - Spare Capacity within INI HQ: paper included on February agenda.

Action 86 - NW Office location: paper included on February agenda.

Action 89 - Updated Risk Appetite: paper included on February agenda.

Action 99 - Digitisation Paper: paper to come to the March Board meeting.

Action 102 - Committee Chair Reporting: Colin Coffey, in his role as BFC Chair, is to provide the verbal update at today's meeting.

Action 103 - Budget 2024/25: paper included on February agenda.

Action 104 - Invest NI Business Plan 2024/25: paper to come to the March Board meeting for approval.

3. CASEWORKS FOR APPROVAL

Colin Coffey, in his role as BFC Chair, advised there were no projects for approval by the Board at this meeting and referenced the Casework Approvals Report in the Board pack. Colin advised that an urgent, upcoming project would be dealt with via correspondence in order to facilitate the availability of the DfE casework panel. The CEO advised that, on initial inspection, he felt the casework process may be over engineered and has set up a small group, under the auspices of Mel Chittock, to look at the end-to-end process. Kieran advised that he would provide an update at the next Board meeting.

4. COMMITTEE CHAIR REPORTING

The SID referenced the written update from RPC within the Board pack. There were no questions from members. Colin Coffey, in his role as BFC Chair, then provided a brief verbal update from his Committee. He advised that the meetings to date had been principally focused on information gathering by the members and the last meeting had focussed on skills and competitiveness. In future, BFC's approach will be to look for interlinkages with our strategic outcomes and work closely with SRC on this.

One Board member advised that the challenge role of the Committees is critical, and asked that the SRC, BFC and RPC Executive Secretariat ensure that officials who attend are properly prepared for robust, but professional and constructive, scrutiny and challenge from the members and it is understood that this is a key role of the Board.

Another Board member asked if BFC feel Invest NI is getting value for money and economic benefits on the fees paid to Fund Managers. Colin confirmed that delivering value for money was critical, as was ensuring that our funded market interventions were delivering Invest NI's strategic outcomes.

In respect of Access to Finance, Colin noted that he was working with Brian Dolaghan on the arrangements to provide governance and oversight of the funds being delivered by fund managers on Invest NI's behalf, and that a paper would be shared with the CEO and then the Board, in due course. Colin also noted that the projects coming forward to Casework were still being written in isolation and were not always clear as to where they fitted in delivering Invest NI's strategic outcomes. He suggested he would discuss this further with the CEO, offline.

Marie-Therese McGivern, SRC Chair, provided a short verbal update to members stating that the team is working on the Invest NI Business Strategy to ensure alignment to the Minister's Economic Vision and that the digital team had provided an update on the excellent progress being made. She highlighted the ongoing engagement with Peter Harbinson and Paula Logue on their respective strategies. Marie-Therese also stated that the development of the performance dashboard is progressing and will be transformative for the Board and the organisation, when complete. The Committee will now start to focus its attention on the Finance strategy and reporting. As a first step, the four Committee Chairs will be meeting soon to discuss and agree the type and format of financial information that is to be provided to the Board.

OPERATIONAL ITEMS

5. CEO REPORT TO BOARD

The CEO provided an overview of his Paper. Kieran thanked colleagues for preparing his report and having taken the report as read, highlighted the following:

- EY Global Outlook has projected moderate GDP expansion in 2024. They attribute this to an increased likelihood of a soft landing following consecutive economic shocks. The Outlook reports that a more open path to a soft landing should help rebuild confidence.
- The restoration of power sharing and a Stormont Executive is an encouraging development for future investment.
- Encouraging to see a good flow of new business projects through January from both local companies and inward investment, across all of the NI regions.
- Invest NI hosted some 30 of our overseas staff in the Northwest and this was a great opportunity for them to learn what the region has to offer as well as being able to engage with local stakeholders including the Council, Chamber, business investors and colleges, with very positive feedback from stakeholders.
- The first of 6 Supporting Women Leadership Development workshops took place on 2 February. The CEO thanked Board members Kieran Kennedy and Dawn McLaughlin for welcoming the cohort and offering continued support and encouragement to the wider Invest NI team.
- Performance Reporting - Concerns around the year-end delivery of 3 Targets which are categorised as Amber. Two Targets were reported as Red, as they will not be achieved by year end.
- The increasing significance of the non-financial support that Invest NI is providing to companies and the importance of capturing this information going forward and reporting it externally as a key enabler of business growth.

A Board member asked ELT to comment on the number of new start employees and whether these posts were essential. The Board member also asked whether the hybrid working policy was being considered as more companies are asking staff to return to the office. Paula Logue, Executive Director, People and Culture advised that this issue had been discussed extensively at a recent ELT meeting. Research had been completed which indicated that there was no drop in staff productivity. Hence, the existing hybrid model - 40% office based for staff - would remain. The Board member stated that collaborative working also needs to be considered and Managers need to see their staff to understand their skill sets or learning requirements and that Invest NI should also balance their hybrid working policy with that of the private sector.

Paula Logue accepted these points but advised that the timing was not right currently to change the policy but that it would be kept under review. Another ELT member also advised that this had been debated amongst the team and that to promote collaborative working, anchor days had been introduced for teams with ELT members driving this.

The CEO advised that at the most recent staff briefing he had given an assurance to staff that the hybrid working policy would remain as is for now; but would be reviewed as plans progress around Invest NI's Corporate Plan and target operating model. Another ELT member also added that the hybrid working policy is an important competitive advantage when trying to recruit professional grade staff.

A Board member commented on how we are measuring staff productivity in the organisation and asked if the process is fully transparent. A Board member sought assurances that the budget applied to Skills would not be cut moving forward. An ELT member advised that this is a critical area and there would be no cut to the budget moving forward.

The SID mentioned that a person has been employed to look at the area of economic inactivity and mentioned that in conversation, representatives from EY had mentioned that they want to help / assist Invest NI in this area. Colin Coffey to pick this up direct with Steve Harper. One Board member cautioned that Invest NI needed to be aware of other organisations' roles, especially in the Third Sector. Steve Harper advised that Invest NI is currently working with the Department for Communities (DfC) on this, our role being to signpost individuals and companies to the dedicated DfC programmes, which are funded by the Shared Prosperity Fund. It was confirmed that the person employed will also be looking at attracting in, and attracting back, talent.

An ELT member advised that his team had met with DfE policy leads to discuss the metrics needed to operationalise and measure performance in achieving the Minister's Economic Vision. It had been agreed that Invest NI would write to DfE with their proposals for the metrics.

Action: Paper on the metrics which have been developed internally for each of the Minister's four economic objectives, as set out in his Economic Vision, to be presented to the March 2024 Board meeting for approval.

A Board member asked if, given the tightness in the labour market, we should now be targeting specific companies / sectors. Another Board member also raised the definition of a "Good Job" and how this could mean different things to different people. The subsequent discussion

identified the need for levels of progression, involving 'stairways' and there was not one single answer or definition that fitted all circumstances.

6. FINANCE REPORT TO BOARD

Brian Dolaghan made a brief presentation to supplement the Finance Report to Board. Key headlines were: (i) Resource - spend is ahead of YTD budget profiling but expected to normalise by year end; (ii) Capital - spend broadly in line with expected timing at 9-month point and (iii) ERDF – Invest NI were working closely with DfE to maximise drawdown. Brian confirmed that Invest NI had been asked to resubmit bids for the 2024-25 Shared Prosperity Fund.

SPECIFIC PAPERS

7. 2024-25 BUDGET PAPER

Brian Dolaghan advised this paper came about from an action from last month's meeting and explained that the Business Scorecard reflects the nature of our spend in respect of jobs creation and skills. Brian stated that 65%-70% of the budget is already committed based on contracts signed in previous years, with the uncommitted balance relating to current year programme activity. Brian went to explain that he had tried to show the nature and structure of the budget and its flexibilities in the paper to address the question of how we will manage if we do not get our desired budget allocation. Brian advised that he had also tried to give a flavour of staff costs analysed against our key drivers.

The SID stated that from the papers it seems we will move into 2024-25 with a budget pressure of £6m and asked how do we achieve a balanced budget in 2024-25. He also asked about how the 2024-25 pay settlement was to be managed. Brian stated that Invest NI had always started each year off with an opening budget pressure, i.e. more demand than budget, because history had shown that things will change, previous agreements will not drawdown as expected and this was required to avoid making in-year easements. In respect of 2024-25 pay, Brian stated that how this was to be managed would be clarified when Invest NI received its final Budget allocation from DfE.

A Board member highlighted that, with the high level of ongoing commitment, the forthcoming Review into rationalising Invest NI's programmes and interventions was a key enabler to create headroom in the budget and ensure that all programmes were fully aligned to delivering the Minister's Economic Vision. A Board member thanked Brian for the analysis on the headcount mapped to the key drivers but noted that, from what was presented, it was difficult to determine

whether sufficient staff were in the right places and asked how the data could be further interrogated.

The SID asked that Brian keep the Board fully informed, in a timely manner, on what is clearly a fast-moving and complex position, as it was likely that challenging budget decisions may well need to be urgently taken.

A Board member referenced the Taoiseach's recent speech where he committed funding of over €800m for Shared Island investment priorities and referenced developing pilot co-operation schemes by enterprise agencies (up to €30 million) and asked if anyone had reached out to find out how this money would be received. The CEO advised that he had already reached out to the Shared Island Unit in the Taoiseach's Office and would update the Board.

8. REGIONAL STRATEGY PAPER

Alan McKeown advised that there were a number of pieces of work ongoing to address the actions in the Action Plan; but that he was also aware that the CEO is looking at the target operating model for the organisation and any work on the Regional Strategy needed to be cognisant of this. Alan advised that work is ongoing with each of the Councils to identify their Unique Selling Points (USP) and on the co-design of targets and deliverables which are aligned to the Minister's Economic Vision. He also highlighted that while his team was fully engaged with Council officials, it was the elected Council Members who were the final decision makers.

The SID commented that he did not accept that Invest NI is reaching out as much as possible, especially to other ALBs. Kieran Kennedy stated that the Regional teams are continuing to work with all of the Councils in looking at all of the commitments made in the Action Plan. Dawn McLaughlin stated that in the North West a value proposition is being pulled together by the Council and Invest NI were involved in that process. Alan advised that he would like Invest NI to help co-ordinate these value propositions across NI, then identify the unique value added for each Council.

The CEO confirmed that he was embarking on a series of visits to each of the Regional Offices. The SID asked for a Paper to be prepared which set out the current status of all of the Regional Offices, in respect of capacity, fit out, location etc.

Action: A Paper which sets out the status of each of the current Regional Offices in respect of (i) the appropriateness of their current location, (ii) their visibility, (iii) accessibility to external visitors, (iv) their physical capacity and (v) the quality of accommodation to come to the April 2024 Board meeting for discussion.

Julie-Ann O'Hare left the meeting.

9. IMPLEMENTATION OF INDEPENDENT REVIEW ACTION PLAN

Mary Gormley and James McEvoy joined the meeting for this item. Mel Chittock introduced this item; he was able to provide assurance to the Board that delivery of the Action Plan was a priority across Invest NI. He advised that significant progress had been made and the Project Management Office (PMO) had been extremely busy with more than 70 meetings taking place in February alone. The Project for the Web software has been developed and rolled out, along with the risk reporting and interdependencies reporting to all Strategic Owners and Implementation Leads. A monthly checkpoint template had been introduced; but this is adding an additional layer of bureaucracy and the team is currently looking at solutions to digitise this. Mary Gormley advised that the PMO are engaging with all of the lead action owners on a formal and informal basis and there is currently a focus on those actions with due dates up to June 2024. Mary provided a demonstration of the live Project for the Web software and explained that there is a large amount of data held below the headline pages, which can be drilled down into by all of the lead action owners. Mary advised that an initial Risks dashboard had been developed and the team is actively working on integrating feedback from Dom Darby and Ciaran Mulgrew. Mary also advised that an Interdependencies dashboard was being developed which was, by its nature, very complex with 19 interdependencies having been identified to date.

Dom Darby commended the team on the amount of progress made and their digital first approach. He stated that the last Implementation Oversight Group (IOG) meeting had been challenging – DfE had expressed a lack of confidence on progress and queried the robustness of the internal challenge function - and asked how the team planned to address this. Ciaran Mulgrew stated that DfE has the same access to all of the information and have full visibility on progress.

Mel stated that despite all of the information being available he was concerned that the next IOG meeting would be a re-run of the last and had therefore set up a meeting with DfE in advance to discuss. Dom Darby stated that there are two distinct audiences within DfE, those looking after the governance, and those requiring an overview. We need to make that distinction depending on the nature of the meeting and how we present the information. He suggested using deep dives into specific actions as a means to illustrate to DfE how we are working.

Dom also referenced the new Purpose and Vision 2026 statement, which were developed as part of the published Action Plan. He asked what work was being done within Invest NI to ensure

that the five ways of working in the Vision were embedded with all Invest NI staff. Paula Logue responded and acknowledged there is more work to do with staff on culture and values.

Mary and James left the meeting.

10. NW REGIONAL OFFICE

Mel Chittock introduced the Paper. He emphasised the need to deliver value for money, while recognising that both quantitative and qualitative factors had to be taken into account. There was discussion amongst Board members, with the consensus being that the two of the opportunities presented were more attractive options. The CEO advised that he had not yet seen any of the sites and would like to do so, before coming to any final decision.

Mel highlighted that progress would be shaped by a forthcoming decision by the Derry City and Strabane District Council and that further information was required to finalise the Business case. In light of this, he suggested that he come back to the Board when this work has been completed, which may be March or April.

The SID highlighted that ELT should engage with Board members to utilise their skills, knowledge and experience when addressing specific subjects of interest.

A Board member stated their frustration at the amount of Board time devoted to this paper, with no decision yet made. Mel responded by advising that they were waiting on information from external organisations which had slowed the process down.

Action: The SID asked that an update be provided to either the March or April Board, as appropriate.

11. RISK APPETITE STATEMENT

This paper was presented by both Dawn McLaughlin as Chair of ARAC and Trevor Connolly, the Board Secretary.

Dawn McLaughlin provided background and context by advising that the paper is the culmination of the Board workshop held in September 2023 and benchmarking work subsequently undertaken. She noted that public sector organisations cannot be culturally risk averse and be successful and that it is the responsibility of the Board to determine, and continuously assess, the nature and extent of the principal risks that the organisation is exposed to and is willing to

take to achieve its objectives. She highlighted that the role of Invest NI - intervening due to market failure, providing support to businesses to develop commercial opportunities which would otherwise not be backed by the private sector and implementing programmes to deliver our strategic objectives – means that, as an organisation, we will fundamentally take on more risks than other public bodies. As noted in the Board paper, this critical point has been formally recognised by the NI Audit Office. Taking the paper as read, Dawn asked members for any questions before proposing the Risk Appetite Statement for approval.

Board members praised the quality of the paper and were content that as an organisation we should be taking more risks. They questioned whether as an organisation, Invest NI is ready to embrace this change and advised that if approved the Risk Appetite Statement must be embedded in the culture of the organisation, with staff empowered to take more risks where appropriate. Trevor confirmed that as a document, it will not do anything; it needs to be embedded across the organisation to help people do their jobs. Trevor stated that it also needs to be discussed with DfE.

The CEO complimented the paper and advised it made a great framework to move forward. Kieran asked how the document would be kept up to date in a changing economic environment. Dawn advised that the document will be reviewed annually by the Board. Board members questioned how this would be disseminated to staff and stated that staff needed to be properly trained on how to use the Risk Appetite Statements. Dawn advised that the information would be disseminated to staff through the Central Compliance Team and also re-iterated that a discussion would be required with DfE to keep them informed.

The CEO advised that the organisation needs to embrace this and that we should also be careful not to punish risk takers and how it is embedded in the organisation would be critical. The Risk Appetite Statement was approved by the Board, without amendment.

PAPERS TO NOTE

12. MARKETING & COMMUNICATIONS REPORT

This paper was noted with no comments.

13. SPARE OFFICE CAPACITY – HQ

Mel Chittock introduced the Paper. The SID noted that a variety of external organisations were keen to meet and discuss the options.

14. ANY OTHER BUSINESS

The CEO gave a brief update on his two recent and very constructive meetings with the Minister and advised that the Minister had sought, listened to and reflected Invest NI's views in his published Economic Vision statement.

The SID brought forward a paper, on behalf of the interim Chair, to constitute an Executive Performance Assessment Committee (EPAC). The Board approved the paper, on the proviso that the format of the ToR be updated to follow that of the other Board Committees.

The Board meeting ended at 12:40.

15. DATE OF THE NEXT BOARD MEETING

The next Board meeting will commence at 10:15 on Thursday 28 March 2024 and will be held in Invest NI Headquarters, Belfast.

Wendy Savage, March 2024

Chair

**TWO HUNDRED AND THIRTEENTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 28 MARCH 2024
MEETING HELD AT INVEST NI HEADQUARTERS, BELFAST**

Present:

Invest NI Board

John Healy (Chair)	Patrick O’Gorman
Colin Coffey	Ciaran Mulgrew
Michael McQuillan	Dawn McLaughlin
Dominic Darby	Melanie Dawson
Marie-Therese McGivern	Julie-Ann O’Hare
Kieran Kennedy	Scott Ritchie (Teams)

Board Secretary: Trevor Connolly

In Attendance: Kieran Donoghue, Alan McKeown, Brian Dolaghan, Dónal Durkan, Jeremy Fitch, Mel Chittock, Peter Harbinson, Steve Harper.

Minute Taker: Wendy Savage

The meeting commenced at 10:15.

BOARD STANDING ITEMS

APOLOGIES

Apology received from Paula Logue.

(i) DECLARATION OF CONFLICTS OF INTEREST

It was confirmed that there were no other conflicts with any items under discussion today.

(ii) RAISING CONCERNS

The Chair reminded Board members of their obligations under the raising concerns policy and procedures.

1. MINUTES

The minutes of the February 2024 Board meeting were agreed, with one small typo to be amended and will be published online.

Patrick O’Gorman reminded executive colleagues that Board members have a wealth of knowledge and experience which can be called upon whenever required. This proposal was endorsed by the Chair.

2. ACTIONS & UPDATES

The Board Secretary updated the meeting on the Actions list and the following was noted:

Action 86 – NW Office location: update to come to April Board meeting, as appropriate.

Action 99 – Digitalisation Paper: included on March agenda.

Action 104 – Invest NI Business Plan 2024/25: it was noted that the Chair had agreed with the CEO that, rather than approving the 2024-25 Business Plan, an update would be provided on the longer term draft Business Strategy. Paper included on March agenda.

Action 105 – Metrics Paper – Economic Priorities: included on March agenda

Action 106 – Regional Offices: paper to be brought to Board along with the update on the Regional Strategy, when appropriate.

3. CASEWORKS FOR APPROVAL

Colin Coffey, BFC Chair, recommended approval of one project to the Board. Having declared a conflict with the project under discussion, both Julie-Ann O’Hare and Ciaran Mulgrew left the meeting at 10:24, before the project was discussed. After a brief discussion, the project was approved by the remaining Board members. Julie-Ann and Ciaran re-joined the meeting at 10:29.

4. IMPLEMENTATION OF INDEPENDENT REVIEW ACTION PLAN

The Chair opened this agenda item by stating that he and the CEO had now met with the Minister several times. During those meetings it was quickly apparent that delivery of the Action Plan was a major focus for the Minister, who had also made it very clear that he was holding the Chair and

CEO personally accountable for its delivery. The Chair noted that, in his view, it was not just he and the CEO who were accountable - every ELT member who was an Action Owner also needed to recognise the critical importance of delivering a fit for purpose Action Plan.

Mel provided a brief update, stating that good progress was being made, with 5 actions completed and a further 6 due to complete by the end of June. Mel confirmed that there is a clear focus on delivery and outcomes from the Minister, which has now led to a different approach from DfE. A decision has been taken to pause the Implementation Oversight Group (IOG) to allow time for a series of 'deep dives' into particularly complex issues, with the meetings being jointly chaired by DfE / Invest NI. Their aim is to provide DfE with first-hand assurance as to the work being undertaken and progress being made to deliver each of the strategic actions. This process is due to be completed by the end of April / early May.

The Chair stated that the Action Owners need to up the pace on delivery and asked Mel, as SRO, on how the Board should best be kept updated and what level of reporting is required to provide assurance to the Board.

Dominic Darby (as a Board member of IOG) stated that IOG had been suspended as DfE were not happy with the level of assurance being provided by Invest NI. He commented that Invest NI should use the deep dives as an opportunity to highlight key issues and seek the appropriate help and support from the Department.

A Board member stated that the update paper provided to the Board did not provide the level of assurance required and requested further information by way of a detailed Gantt chart, issues log and risk register. The Chair agreed with that assessment and added that the Board needed to be content with the information presented and the level of assurance it provides.

Ciaran Mulgrew (a Board member of IOG) stated that it felt like the relationship between DfE and Invest NI was regressing to one of a parent / child and potentially this was the beginning of a fragmentation of trust. He noted that a lot of work had gone into the partnership working to date, and that this should not be lost.

A Board member stated their concerns as to the potential loss of transparency, for a period of time, as the 'deep dive' process worked its way through and the need to continue developing the good working relationship between Invest NI and DfE.

The CEO stated that the deep dives were conceived as a forum to unpick 'thorny' issues offline and when clarity and consensus was achieved, that IOG meetings would resume.

A Board member voiced their concern that actions were being signed off, simply to tick a box; but were not actually complete until appropriate resources had been allocated to take the action forward.

The CEO stated that progress had slowed, partly due to him wanting to understand the complexity of the Action Plan and the related specific actions, and the work he had commissioned in order to refine the Business Strategy. The CEO stated that, in his view, this was essential as the operating model, resourcing plan etc. would all flow from the overall Business Strategy and not the other way around. The Chair stated that he was fully supportive of this approach.

The Chair re-iterated that a clear focus on delivery is required to achieve profound change and that Invest NI needed to move beyond the Lyons Review and not be defined by it. The Chair advised that, in his short time in post, he had met several Invest NI teams and had been very impressed by the people and their knowledge and enthusiasm to get things done. However, he also recognised the need to move internal resources from less priority work and for the organisation to be appropriately structured and resourced to deliver the Minister's economic outcomes.

Mel Chittock gave his assurance that the team was being highly proactive in challenging the Action Owners, the process is not about completing a tick box exercise and everyone was committed to delivering outcomes. Mel accepted the comments in respect of reporting to the Board in order to give more assurance on activity and progress.

Action: The SRO to consider how he enhances the level of reporting to the Board so that he can provide the required assurance to the Board e.g., an Issues log, Risk Register and Gantt Chart covering all the Strategic Actions.

OPERATIONAL ITEMS

5. CEO REPORT TO BOARD

The Chair noted his appreciation of the CEO's expert knowledge and experience of economic development and reiterated his belief that Kieran Donoghue was an excellent addition to the organisation.

The CEO thanked the Chair and, having taken the report as read, highlighted the following:

- February was a busy month with 87 projects approved, from a mix of companies across all of the NI regions, the bulk being indigenous.

- The recent UK Budget had introduced the concept of Investment Zones, with associated funding, and discussions were ongoing with DfE as to Invest NI's role.
- The International Investment Team participated in 2 workshops as part of the Derry & Letterkenny Chamber of Commerce proposition project.
- Invest NI has secured c£11m of Shared Prosperity Funding.
- The opportunity for NI companies to work with / supply to Ireland's renewable energy industry.
- City & Growth Deals – Invest NI was exploring ways to speed up the process.
- An internal group has been established to assess the internal casework process for issues and propose solutions to improve timescales and reduce bureaucracy whilst retaining proportionate oversight and governance, which would come back to the Board, in due course.
- All Island Funding – Kieran hopes to be in a position to provide an update at the April / May Board meeting.
- Performance Reporting - Two targets were reported as Red, as they will not be achieved by year end. All other targets achieved or on course for achievement by year end.

The Chair thanked Kieran for his report to Board and asked if the CEO wished to give a brief update on what has been widely reported as a very successful trip for the Minister as he visited New York and Washington leading up to St. Patrick's Day. The CEO advised that a short paper would be prepared summarising the key points from the USA visit, during which he supported the FM, dFM and Economy Minister.

Action: CEO to provide a short paper summarising the key points from his trip to the USA with the FM, dFM and Economy Minister. This is to be circulated to the Board via correspondence before the April Board meeting.

Steve Harper also gave a brief update and stated that Dual Market Access had been actively promoted at every opportunity during the trip. One Board member asked what impact the promotion of Dual Market Access is having on our programmes and support to customers.

Action: A Paper to be prepared which summarises what Invest NI is doing to externally promote Dual Market Access and what impact this is having on our programmes and support services to business.

The same Board member asked the CEO to consider the impact on the NI economy of the impending change in the UK's National Minimum Wage, especially on those sectors with low margins e.g. agri-food and hospitality and what Invest NI's response should be, if any.

The Chair asked about progress on the review of the casework process. The CEO advised he should be in a position to update the Board at the April Board meeting. The Chair advised that he wanted Colin Coffey, as Chair of BFC to be fully sighted and content as to the assurance being provided following any proposed changes to the casework process.

Action: CEO to provide a verbal update to the April Board on the progress of the Working Group which is considering how to enhance the internal Casework process.

6. FINANCE REPORT TO BOARD

The Chair opened this agenda item by thanking Brian Dolaghan and his team for the time spent with him to bring him up to speed on public sector finance.

Brian Dolaghan made a brief presentation to supplement the Finance Report to Board. Key headlines were: (i) ERDF - Invest NI were working closely with DfE to maximise drawdown; and (ii) Year End – Invest NI is on track to meet year end target spend.

Brian advised that the bid for Shared Prosperity Funding (SPF) had been successful with £11.2m awarded. Brian thanked Lisa Braniff for the quantity and quality of work she had completed, in a very short time, to ensure the bid was successful. Brian advised that the allocation of 2024/25 budgets was unlikely to happen until May. Brian noted that the baseline impact of securing the SPF needed to be recognised and discussed with DfE. For example, a potential risk was that having secured external funding (e.g. SPF), there would be a corresponding reduction in Invest NI's baseline allocation from DfE, and hence Invest NI would not be better off.

The Chair asked that Brian and the team provide him with lines to take for any future conversations with DfE on budget allocations.

A Board member asked how pay increases in 2024-25 were to be funded and what discussions there had been on this issue with DfE. The Board member felt that salaries were treated as being sacrosanct, with any impending cuts in funding falling only on programme spend. He highlighted that, in a period of challenging budgets, the scenario planning must also include potential headcount reductions, rather than only considering a reduction in the number of programmes to balance the budget.

Another Board member reminded the meeting that any SPF funding allocation must be spent in-year.

The Chair also raised the issue of Industrial Land and Property Strategy, highlighting the Minister's specific interest in this area and the need to bring this to a future Board meeting. A Board member stated that the new Land and Property Strategy could potentially provide solutions on budget issues.

Action: Brian Dolaghan to provide an update on the work to develop a new Invest NI Industrial Land and Buildings Strategy.

SPECIFIC PAPERS

7. DIGITALISATION STRATEGY

Tanya Otterson (Business Improvement Manager) and Rachel McGrath (Customer Portal Project Lead) joined the meeting at 11:45 for this item.

Dónal Durkan joined the meeting at 11:47.

Alan McKeown introduced this item and thanked SRC for their direction and support to date on the strategy. Tanya presented a brief background and the linkage to the Action Plan. Rachel provided a brief update on the Customer Portal.

Marie-Therese McGivern updated the meeting on SRC's position. While content with the progress since October, SRC had advised the project team that their paper was more towards a Business As Usual approach, rather than being truly transformational. SRC felt that adhering to timelines was causing the team to work with haste, rather than taking the time to consider what is actually required. SRC also acknowledged the interdependence of the Digitalisation Strategy with the overall Business Strategy, operating model etc. SRC also considered that the role of digital lead was currently falling between stools and needed to be addressed as part of the new leadership structure.

A Board member asked what plans were in place to look at how we better use the huge amount of data we currently collect from customers.

Another Board member stated that in reading the paper they felt that a sense of restraint and limitation had been placed on the team. The member felt that the Board needed to support the team to maximise the opportunity for radical transformation, remove any perceived restrictions

to ambition and ensure the process focused on the customer first. The Chair asked the Board member to provide their detailed feedback on the paper to the Chair of SRC for consideration.

Another Board member queried (i) whether the paper was ambitious enough; (ii) the validity of proposing implementation dates 18 months out, with the risk that the proposed technical solution could be redundant by that time; and (iii) is the team adequately considering AI /machine learning as part of the solution.

Tanya and Rachel left the meeting at 12:13.

8. DRAFT BUSINESS STRATEGY UPDATE

Gerard McNally joined the meeting at 12:15. He provided an update on progress to date since the January 2024 Board workshop and advised that the CEO would be attending an upcoming Ministerial workshop on the Minister's Economic Vision, which should further shape and refine the Business Strategy. The Chair asked for a timeline for completion on the Business Strategy. Gerard advised that this would come back to the Board for approval at the April Board meeting.

Board members provided the following feedback:

- Are we considering - when do we deliver and when do we partner?
- Need for effective partnerships with external stakeholders.
- Need to co-design this, in partnership with DfE.
- Solid groundwork; but now needs to be brought together in the final product.

The CEO added his compliments to the team on the work done to date and highlighted that it was important that the Strategy is both policy led and investor / customer focused, with the challenge being striking the right balance.

Scott Ritchie left the meeting at 12:35.

Action: CEO to provide a verbal update to the April Board in respect of the Minister's Economic Vision Workshop and its impact on Invest NI.

Action: Draft Business Strategy to come to the April Board for approval.

Gerard left the meeting at 12:40.

9. DRAFT METRICS FOR MINISTER'S FOUR ECONOMIC OBJECTIVES

Clare Mullan joined the meeting at 12:42. Dónal Durkan advised that the draft metrics had been discussed in detail with SRC and co-designed in partnership with DfE. The Chair noted the benefit of benchmarking this internationally and identifying the best in class.

10. RATIONALISATION OF INVEST NI PROGRAMMES AND INTERVENTIONS UPDATE

Clare Mullan provided an update on the detailed process that had been undertaken to develop a robust process to score and rank programmes. Board members complimented the team on their work.

Following a query from the Chair, Dónal Durkan advised that, following the rationalisation process, there would be less than 30 Invest NI programmes being delivered. The Chair asked that Donal Durkan and Peter Harbinson consider how the outworkings of this work is to be communicated to external stakeholders.

A Board member stated that the rationalisation process should ensure that the Invest NI 'offer' to customers is much clearer, which would also require internal behaviour to change. The member also queried whether the process could be used to inform conditionality. Another Board member queried whether the process could be applied to benchmark all expenditure within Invest NI. Board members agreed that being able to apply a consistent scoring approach when assessing projects for casework would be very helpful. Clare left the meeting at 12:55.

11. ANY OTHER BUSINESS

A Board member asked if any consideration was being given to a brand or logo refresh. Peter Harbinson advised that this is currently being looked at as a refresh of the branding. Another Board member noted the need to live the values set out in the Vision 26 statement and that there was an important cultural aspect to this work also.

The Board meeting ended at 13:03.

12. DATE OF THE NEXT BOARD MEETING

The next Board meeting will commence at 10:15 on Thursday 25 April 2024 and will be held at Belfast Met, Springvale Campus (E3), Springfield Road, Belfast.

Wendy Savage, April 2024

Chair

**TWO HUNDRED AND FOURTEENTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 25 APRIL 2024
MEETING HELD AT BELFAST MET, SPRINGVALE CAMPUS (e3), BELFAST**

Present:

Invest NI Board

John Healy (Chair)	Patrick O’Gorman
Colin Coffey	Scott Ritchie
Michael McQuillan	Dawn McLaughlin
Dominic Darby	Melanie Dawson
Marie-Therese McGivern	Julie-Ann O’Hare
Kieran Kennedy	

Board Secretary: Trevor Connolly

In Attendance: Kieran Donoghue, Alan McKeown, Brian Dolaghan, Dónal Durkan, Jeremy Fitch, Paula Logue, Mel Chittock, Peter Harbinson, Steve Harper.

Minute Taker: Wendy Savage

ECONOMY MINISTER

The Economy Minister, Conor Murphy MLA, met with the Board and the Chief Executive from 09.00 to 09.45. During this meeting, Minister Murphy discussed his Economic Vision, the key role that Invest NI has in delivering that and his gratitude to the Invest Board for their public service.

The Board meeting commenced at 10:30.

BOARD STANDING ITEMS

APOLOGIES

Apology received from Ciaran Mulgrew.

(i) DECLARATION OF CONFLICTS OF INTEREST

It was confirmed that there were no other conflicts with any items under discussion today.

(ii) RAISING CONCERNS

The Chair reminded Board members of their obligations under the raising concerns policy and procedures.

1. MINUTES

The minutes of the March 2024 Board meeting were agreed and will be published online.

2. ACTIONS & UPDATES

The Board Secretary updated the meeting on the Actions list and the following was noted:

Action 86 – NW Office location: paper to be brought to Board along with the update on the Regional Strategy, when appropriate.

Action 106 – Regional Offices: paper to be brought to Board along with the update on the Regional Strategy, when appropriate.

Action 107 – IR Action Plan Reporting: included on April agenda.

Action 108 – Dual Market Access: included on April agenda.

Action 109 – Update on Minister’s Workshop: verbal update to be provided at today’s meeting.

Action 110 – Review of Casework Process: verbal update to be provided at today’s meeting.

Action 111 – US Trip: Paper circulated to Board members on 24th April.

Action 112 – Land and Buildings Strategy: CEO has confirmed this is to be brought to the May Board meeting. Post meeting, this was subsequently moved to the June meeting.

Action 113 – Draft Business Strategy (2024-27): included on April agenda.

3. CASEWORKS FOR APPROVAL

There were no projects for approval at the meeting.

4. IMPLEMENTATION OF INDEPENDENT REVIEW ACTION PLAN

Mary Gormley joined the meeting at 10:35. The Chair opened this agenda item by reiterating last month’s comments in that the Action Plan was a major focus for the Minister, who has made it

very clear that he was holding the Chair and CEO personally accountable for its delivery. The Chair noted that, in his view, it was not just he and the CEO who were accountable - every ELT member who was an Action Owner also needed to recognise the critical importance of delivering a fit for purpose Action Plan.

Mel Chittock introduced this item and Mary then provided a brief update, referencing the Board pack, and giving the Board detail on actions completed and those with RAG measurements of amber and red. Mary advised that the review of programmes paper had been seen by ELT and would be presented to the Board imminently.

A Board member asked what was being done to address the amber actions owned by DfE. Mel advised that these are actively challenged with the DfE Review Implementation team.

Mary continued by advising that the Project Management Office (PMO) hold regular monthly meetings with Action Owners to discuss progress and any interlinkages between actions. Mary updated the meeting on the progress of the “deep dives” requested by DfE and advised there was some concern on the timeline for the deep dive on policy, which is owned by DfE.

Mel reiterated these concerns, noting that Invest NI’s draft Business Strategy, once finalised, may help to push this action along. Mel provided an update on those actions which would come back to Board when appropriate and highlighted that a paper would be going to ELT on the Operational Delivery model; but would require further debate before coming to the Board.

Mel noted that good progress had been made across some incredibly complex and challenging interdependent areas and that the deep dive sessions had been very beneficial for colleagues in DfE. He concluded by making members aware that Staff briefings are being planned to update colleagues on progress and that the CEO would be going back to the Economy Committee in early July to provide an update on progress on the Action Plan.

A Board member asked why there has been no update on Action 32. Mary advised that the DfE implementation lead is off sick and the PMO had ongoing engagement with DfE counterparts on progress.

A Board member highlighted the profound change that would be required from the work being undertaken on the Operational Delivery action; and queried whether the proposed model was too similar to the model already in place? They asked what has been done to challenge the thinking, and if this action needed to come back to the Board for further discussion and scrutiny. Mel advised that the natural escalation would be for this action to come back to Board, but that further debate was needed at ELT first. The Board member felt that there was a risk of “if it’s not broke, don’t fix it ”view from the team and recalled how Board members had to intervene previously, during the initial stages of the Task and Finish work to help focus the group. Mel

stated that he was hopeful that finalising the Business Strategy would help the team refine the Operational Delivery model.

Action: Paper on Segmentation Model to come to the May Board for discussion.

Another Board member asked about Resources and how many internal people were applying for positions in comparison to external candidates. An ELT member advised that this is determined by the post to be advertised.

Another Board member asked about the progress on the alternative funding action and given the clear direction from the Minister on his priorities, what the delay was on the DfE policy action. The Board member also asked if members could be given access to the reporting system for the actions.

Mary advised that they were unclear on the delay on the timing of the deep dive on policy. An ELT member also advised that DfE has been made aware that Invest NI will be issuing interim policy guidance to staff in lieu of definitive policy from DfE. Mary also confirmed that licences for Microsoft Project could be issued to Board members.

Action: PMO to provide licences for Board members for Microsoft Project.

Another Board member asked whether there is a formal process for escalation of concerns. Mary confirmed that there are formal processes for escalation in place.

Board members then raised queries on the action on rationalisation of programmes, specifically on the numbers being reduced, and the knock-on effect on freeing-up / reallocating resources.

Action: Final outcomes on Review of Programmes / Interventions to come to May Board for discussion.

Another Board member asked how the PMO was tracking and measuring impacts on completion of actions across the entire change programme. Mel advised that at present, there was not enough data to be able to track in any meaningful way. The Board member stated that without measuring, Action Owners could not be held to account.

Action: The SRO to consider how the profound change / impact of each of the Strategic Actions is to be measured, going forward.

The CEO stated that DfE is currently trying to operationalise the Minister's Economic Vision and potentially some changes may need primary or secondary legislation, which all takes time; but that this should not prevent Invest NI from assisting DfE to help them enact any new policies.

The Chair re-iterated that a clear focus on delivery is required to achieve profound change and that following March's Board meeting, a high level of dissatisfaction remained amongst the Board on pace of change. The Chair noted that the Board was assured on the process of challenge and reporting going on in the PMO.

The Chair stated that the Board did not feel that they had a clear view or assurance on whether progress to date was bringing the level of profound change required. The Chair advised that a half-day Board Workshop is to take place on 14th May with all of the Action Owners and Implementation Leads, so that Board members can gain a level of understanding on progress to date and the level of profound change proposed. The Chair recognised that this may be challenging for diaries but asked Board members and ELT to prioritise attendance and stated he was looking forward to an open and transparent conversation on how the actions are developing and progressing.

The Chair also advised that the time allocated to the monthly standing agenda item on the implementation of the Action Plan would be increased to ensure a sustained level of focus.

Mary left the meeting at 11:34.

SPECIFIC PAPERS

5. DRAFT BUSINESS STRATEGY UPDATE

Gerard McNally joined the meeting at 11:35. He asked for Board members' feedback on the latest version of the draft Strategy provided in the Board pack. He reminded members that the Business Strategy will belong to everyone in the organisation and asked for buy-in in the run up to its publication.

The Chair of SRC stated that they would be having a workshop on the Strategy on 20th May and paid tribute to Gerard and his team for their contribution to date. They stated that its publication this would be a milestone for the Board in helping show strategic direction for the organisation.

Board members provided the following feedback:

- Do we need to consider different versions for engaging with internal and external stakeholders?
- We need to consider procuring a copy writer / creative editor to bring the document to life.
- We should look at measuring the Strategy's impact one year after publication.

- Need to understand and assess the impact of UKG's changes to the Real Living Wage and the potential impact on some of the sectors we work with?

A Board member asked the CEO if he was confident that he would be able to sell the Business Strategy. The CEO advised that he had had a lot of interactions with the team, and he is content the Strategy is going in the right direction. He agreed that perhaps there would be different versions of the published document for different audiences but reiterated that the Strategy is both policy led and investor / customer focused, with the challenge being striking the right balance and at present it is still perhaps too policy focussed.

Gerard asked that if members had any further feedback that they provide this through the Board Secretariat.

Action: Latest version of the draft Business Strategy to come to the May Board for approval.

Gerard left the meeting at 11:53.

6. UPDATE ON REGIONAL STRATEGY

Alan McKeown provided a verbal update on progress on the Regional Strategy. He advised that the draft must be (i) adaptable to local circumstances; (ii) have clear threads to the Minister's Economic Vision; (iii) include a suite of national and regional targets; and (iv) develop a baseline / definition for these targets. The draft Regional Strategy will be directly aligned to the Invest NI Strategy. A new approach is currently being reviewed and will come back to Board for approval when ready. Alan noted that, once approved he would then consider the impact on staff numbers and agreed that this was the correct order, noting that earlier drafts had got the choreography wrong in that respect. The draft Strategy will include regional targets for the whole organisation, rather than just the Regional team.

The draft Strategy will look at seven broad business missions, all of which will require a partnership approach both internally and across our network of external stakeholders: (i) Entrepreneurship & New-Starts; (ii) New to Invest NI businesses; (iii) Growing the indigenous base; (iv) Regional FDI visits; (v) Developing partners and the ecosystem; (vi) City & Growth Deals and (vii) Land and Buildings Strategy.

The RPC Chair advised that the team is making good progress and whilst there have been delays, they believed they now had the right people looking at this and a clear vision on the way

to achieving regional balance and in particular welcomed the corporate approach to targets and joined up delivery.

Board members noted the need for a coordinated and carefully curated approach to FDI and trade initiatives to maximise the potential to sell Northern Ireland as a destination and harness all resulting opportunities. Board members asked for a more detailed report to be presented to the Board at the earliest opportunity. The CEO advised that this workstream had adjusted its pace of delivery to ensure coherence and alignment to the draft Business Strategy. The CEO confirmed that the Business Strategy would be published first and thereafter the operationalisation of the Regional Strategy would follow in a joined-up manner. He agreed that a revised Paper could come to the May Board.

Action: Draft Regional Strategy paper to come to May Board for discussion.

7. GREEN ECONOMY UPDATE

Jeremy Fitch provided a brief introduction and advised the work in this area is two-fold – (i) how to empower NI businesses to optimise green economy opportunities; (ii) how to help support all businesses in NI towards net zero. There are two strategic actions linked to the work – Action 29 - establishing a sufficiently resourced Green Economy Division; Action 30 – delivering industry leading expertise and targeted investment to generate green jobs and engaging with external partners and supporting our businesses to improve resilience in responding to Climate Change through the transition to Net Zero.

The Chair advised that it was unfortunate that Rachel Sankannawar was not available to join today's meeting and extended an invitation for Rachel to join a future meeting. The Chair also stated that feedback from the recent deep dive on Green Economy was positive.

Jeremy advised there is further information available to Board members on recent training completed and this could be circulated if the Chair thought they would be of benefit.

Action: Jeremy Fitch to share staff training package with Board Secretariat for onward distribution to Board members.

A Board member asked if the Green related regional targets referenced by Alan McKeown earlier would be achievable. Jeremy advised that he was unable to answer this until a baseline for the targets had been established. An ELT member advised that this information could be sourced from the Corporate Information Team.

Another Board member advised they were supportive of the direction of travel but questioned whether we should be supporting all businesses towards net zero. The Board member felt this could be very labour intensive. Jeremy advised that some of those decisions are governed by DfE policy, with Invest NI delivering on their behalf. Another Board member suggested there may be other ways to measure this, for example, using the Innovate NI type of framework, where companies have to show how they are innovative to gain accreditation.

Another Board member asked if someone is looking at Invest NI's internal sustainability processes, before going out to the marketplace to give support to others.

8. UPDATE ON MINISTER'S ECONOMIC VISION WORKSHOP

The CEO provided an update on his attendance at the Minister's workshop with DfE and Critical Friends on 9th April. Kieran advised he had been asked to provide his input on behalf of Invest NI to the workshop and had found attendance at the workshop to be very beneficial. He concluded his update by advising that the Minister hopes to hold these workshops on a quarterly basis.

9. UPDATE ON REVIEW OF CASEWORK PROCESS

The CEO provided some background to the review stating that the review team had been given free rein to review the process, with nothing off the table. The CEO advised he had also brokered introductions to Enterprise Ireland and IDA so that each organisation could gain a level of mutual learning on casework review. The review team is now working on a position paper on the casework process which will be reviewed by ELT before coming to the Board. The desired outcome is to optimise the process for both staff and ultimately our customers.

The Chair asked Colin Coffey if he was sighted on the review, as he would need to be involved regarding any changes to the Board approval process. Colin advised he would need some time with Kieran to be updated on progress to date.

Action: Position paper on revised Casework process to be brought to June Board for approval. Chair has asked Colin Coffey to consider, in his role as BFC Chair, supported by Trevor Connolly.

PAPERS TO NOTE

10. DUAL MARKET ACCESS

There was a brief discussion on the Paper. It was agreed that a further Paper setting out the support that Invest NI will provide to indigenous NI companies to help them fully understand and exploit the benefits of Dual Market Access would be helpful.

Action: Paper to come to Board setting out what support Invest NI will provide to indigenous NI companies to fully understand and exploit the benefits of Dual Market Access.

11. ANY OTHER BUSINESS

Brian Dolaghan presented a request for retrospective approval for £1.5m from the Board, for security contract costs for Invest NI sites for the September 2019 to August 2024 period. He confirmed that neither DfE nor DoF approval was required.

The Chair reminded Executives of the need to present papers in a timely manner. The Chair then asked if Brian could give an assurance that there were no other potential retrospective approvals the Board was unaware of and had the Finance team completed a full audit of such matters. Brian stated that he would not be in a position to give an assurance on this; but that staff had been reminded of the procedures. The ARAC Chair also stated that similar instances in the past had necessitated the setting up of a database to keep a record of all approvals. Brian advised that this database only held details of items requiring DoF approval. The Board approved this request for retrospective approval.

Dawn McLaughlin provided a brief verbal update on the inaugural meeting of the Minister's Ulster University Magee Taskforce.

The Board meeting ended at 12:47.

12. DATE OF THE NEXT BOARD MEETING

The next Board meeting will commence at 10:15 on Thursday 30 May 2024 and will be held at Invest NI Headquarters, Bedford Square, Belfast.

Wendy Savage, May 2024

Chair

**TWO HUNDRED AND FIFTEENTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 30 MAY 2024
MEETING HELD AT INVEST NI HEADQUARTERS, BELFAST**

Present:

Invest NI Board

John Healy (Chair)	Patrick O’Gorman
Colin Coffey	Scott Ritchie
Michael McQuillan	Dawn McLaughlin
Dominic Darby	Melanie Dawson
Marie-Therese McGivern	Julie-Ann O’Hare
Kieran Kennedy	Ciaran Mulgrew

Board Secretary: Trevor Connolly

In Attendance: Kieran Donoghue, Alan McKeown, Brian Dolaghan, Dónal Durkan, Jeremy Fitch, Paula Logue, Mel Chittock, Peter Harbinson, Steve Harper.

Minute Taker: Wendy Savage

The Board meeting commenced at 09:40. The Chair welcomed three members of Invest NI staff, who joined the meeting in an observatory capacity.

The Chair congratulated Board member Melanie Dawson on being awarded Entrepreneur of the Year at the recent Women in Business Technology Awards event.

BOARD STANDING ITEMS

APOLOGIES

None received.

(i) DECLARATION OF CONFLICTS OF INTEREST

It was confirmed that there were no other conflicts with any items under discussion today.

Kieran Kennedy asked that his Register of Interest be updated to record that he is now Chair of Sion Mills Buildings Preservation Trust. Board Secretariat to action.

(ii) RAISING CONCERNS

The Chair reminded Board members of their obligations under the raising concerns policy and procedures.

1. MINUTES

The minutes of the April 2024 Board meeting were agreed and will be published online.

2. ACTIONS & UPDATES

The Board Secretary updated the meeting on the Actions list and the following was noted:

Action 86 – Chair has agreed that this is deferred until the substantive Regional Strategy paper comes to the Board for approval.

Action 106 – as above.

Action 112 – Land and Buildings Strategy: to be brought to the June Board.

Action 114 – Review of Programmes: included on May agenda.

Action 115 – Segmentation Model: included on May agenda.

Action 116 – Board member licences for Microsoft Project: Board members to respond to Board Secretary's email of 21 May, if these are required.

Action 117 – Profound change/impact measurement of IR Actions: SRO update included on May agenda.

Action 118 – Draft Business Strategy (2024-27): included on May agenda.

Action 119 – Draft Regional Strategy: included on May agenda.

Action 120 – Green Economy Training Package: Distributed to Board members on 15th May by Board Secretariat.

Action 121 – Position Paper on updated Casework process: to be brought to June Board for approval.

Action 122 – Dual Market Access: paper to come to June Board.

A Board member queried an earlier closed action on the Digitalisation Strategy. It was agreed that the latest draft will come to the August Board for discussion.

Action: Draft Digital Strategy to come to the August Board for discussion.

The Chair then took the opportunity to remind the Executive team of the need to provide Board papers in line with the established timeline: by 11.00 on the morning of the Thursday one week before the Board meeting. This was in order to give members sufficient time to prepare for the Board meeting. He asked the CEO to ensure that this would happen and the CEO agreed.

3. CASEWORKS FOR APPROVAL

Colin Coffey, BFC Chair, recommended approval of one programme relating to Trade to the Board. After a brief discussion, the project was approved by the Board. Colin also updated the Board on his recent meeting with the Casework skunkworks group and their discussion on how to make the casework process more efficient. Colin advised that he has asked the team to come to an upcoming BFC meeting to brief the rest of the Committee on their plans. The Board agreed that any changes to the process must also involve how we integrate with the DfE Casework procedure to ensure that the end-to-end process is more agile, efficient and effective. The CEO advised that, at a recent meeting with the Minister with the Chair, he had advised the Minister that the overall casework approval process was too slow, and this delay in decision-making had the potential to make us uncompetitive in the marketplace. The CEO advised that the Minister was receptive to looking at changes. A Board member asked if the Partnership Agreement would be a way of encouraging better partnership working and setting timelines for casework approval. The Chair advised that the Agreement had been published in early April; but that it is a living document which can be flexed and there is the opportunity to revisit Invest NI's delegated authorities.

4. IMPLEMENTATION OF INDEPENDENT REVIEW ACTION PLAN

The Chair opened this agenda item by thanking everyone for the effort put into the recent Board workshop, which he felt had been both a useful and constructive session for everyone. The Chair advised that the Minister is unhappy with the pace of delivery on the Strategic Actions and is meeting regularly with him and the CEO to hold them to account. In a recent meeting there was an open and frank conversation and the Minister had left the meeting content that the direction of travel was well set but that both the Chair and CEO had acknowledged that the pace of delivery had to improve. The Chair highlighted that delivery of the Action Plan is not an end in itself, instead it is the start of our journey post Lyons and we need to move past this as a milestone.

The CEO stated that he felt that the Minister now had a greater awareness of the complexities involved in delivering the Action Plan, as well as a clear sense of our commitment to deliver it.

Mel Chittock provided a brief update, referencing the Board pack and advised that since last month's update, further deep dive sessions had been held with DfE. The areas covered by the deep dives were Policy (Action 7), Regional/Place Agenda (Actions 24 and 25) and Land & Property Strategy (Action 26). Mel then provided further detail on the deep dive sessions:

- Policy - has made little progress. What was being proposed would not have addressed the Action Plan, a suggestion that an informal Forum be established fell short of the recommendation. Concerns were expressed by the Action Owner that there was too much silo working in DfE, There was a need to allocate staff resources to establish the central policy unit. DfE is working to bring this back on track.
- Regional – the proposal to establish Regional Forums was welcomed. While there was broad agreement on the Paper, DfE had moved beyond it and were focused on its delivery e.g. no. of additional staff, timing of their allocation to offices etc. DfE's view was if the additional people were not in place by September, the status of Actions 24 and 25 should be reclassified as red.
- Land & Property – Paper was well received, DfE acknowledged the level of subject matter expertise at Invest NI in this area. There was discussion as to whether Invest NI's role was to build capacity or address existing demand. The long term nature of the work was noted, with time horizon of c5 years to build and an investment period of some 25-30 years.

Mel advised that a deep dive on Skills was planned. DfE had staff resourcing issues and that he was concerned by the lack of progress on this Action. With reference to Board Action 117, Mel stated that the PMO is continuing to work on this; but requested the date on this be deferred until the work on Segmentation and the Regional Strategy are completed.

Action: Agreed that the work on considering how profound change / impact will be measured, is to be deferred until the work on the Segmentation Model and the Regional Strategy are completed.

A Board member noted that the Minister had commissioned IoD to look at the Skills Strategy. Mel concluded by asking Board members for comments or questions. A Board member suggested that the SRO needs to write formally to DfE to challenge the lack of progress on the Policy Action, which is overarching. Members need to understand what is being done to bring this Action back into line. There was also a discussion on the timing of the delivery of the centralised team within Invest NI, there was a need for a clear plan as to how the revised

September deadline would be delivered. The Chair stated that, in their recent meeting with the Minister, he has made clear that Invest NI was working to ensure that we get the Regional Strategy right, not what is expedient and that the Minister had agreed with this. Mel stated that, in his opinion, DfE officials are in a different place. The Chair advised that he felt there were communication issues between Invest NI and DfE. What was needed was a common understanding of what had been discussed and the actions agreed, rather than everyone leaving with different views of the same meeting.

A Board member asked about the Board action on measurement of profound change and suggested that looking at staff engagement could potentially be helpful and asked if this was being considered. Mel agreed that a lack of clarity on some actions was fuelling staff dissatisfaction and once these were finalised, staff engagement scores should improve. Another ELT member agreed that staff satisfaction should be linked to the measure of profound change and also links to a cultural assessment which is to be completed in the Autumn but having taken account of staff feedback on survey fatigue. The Chair asked how the resourcing plan is being progressed and recorded and where we are with identifying budget savings (both financial and staffing) following completion of the Review of Programmes exercise. The Chair stated that resourcing should not become a barrier to progress. Mel stated that finalising the Review should free up some financial budget; but he was unsighted as to headcount impacts. The Chair stated that resourcing should be looked at in the round and not in isolation, by individual Action. An ELT member confirmed that there are regular meetings with the CEO, but further clarity is still required on some resource requests. The CEO advised that his mindset was to look at existing staff deployment before asking for more staff. A Board member stated they would like to see an overall plan for resourcing across all of the organisation which identifies those resources freed up, post the Review of Programmes.

Action: Following completion of the Review of Programmes, a Paper is to come to the August Board, which shows what resulting Financial Budget and Staffing Resource will be freed up for redeployment to other high priority work.

A Board member advised they felt the Board workshop had been a useful exercise, but that they still had concerns on the pace of change and whether Action Owners were bringing forward profound change. Another Board member asked that the Success criteria included in the published Action Plan be collated and shared with the Board, for information.

Action: Board Secretary to extract the Success criteria for each Strategic Action from the published Action Plan and issue these to the Board, for information.

There was then a discussion as to how many additional staff would be allocated to the regional office network and what they will do. The Chair stated that the first issue was agreeing the key priorities that Invest NI would deliver, then consider how Invest NI's finite resources would be prioritised. The CEO stated that the first stage was securing Board approval to the broad direction of travel set out in the Regional Strategy Paper included on today's Agenda. The next stage would be to develop a detailed resources plan to deliver the Strategy. He stated that would be in the context of looking within our existing resource allocation first. He highlighted that the Minister has set out clear regional priorities for Invest NI – more stakeholder engagement, take on a proactive, leadership role, work more closely with the Councils as a meaningful and effective partner and assess their infrastructure needs. He noted that different councils had different asks of Invest NI.

The Chair stated that another priority for the Minister is the Land and Buildings Strategy. A Board member commented that writing the Strategy is Invest NI's remit, but delivering it, in its entirety, is not. The CEO advised that Invest NI will develop the Strategy and that he had highlighted to DfE the significant Budget ask required to deliver it. A Board member also highlighted the wider infrastructure issues of connecting up to utilities, drainage / sewage capacity. Another Board member stated that Northern Ireland lacks a Land and Property Strategy, and that Invest NI definitely has a part to play in this, but there is also a potential internal specialist skills gap. A further Board member stated that the current Property team is under resourced and requires specific specialist skills requirements to be addressed. Regarding the Segmentation Model, the Chair asked the CEO if the challenges raised previously by ELT have now been resolved. The CEO confirmed the Paper coming later in the agenda had been broadly endorsed by ELT and they were looking forward to the Board discussion later in the meeting.

5. COMMITTEE CHAIR REPORTING

The Chair advised that he had been attending Committee meetings as and when his diary permitted and thanked the Committee Chairs and members for their time commitment and efforts to date. Colin Coffey, BFC Chair provided a brief update:

- The Committee is now at the end of its fact finding and learning phase.
- Committee feels the need for a greater understanding on overlapping interventions and how they impact as a whole.
- Will be discussing productivity at their next meeting
- Casework – internal review is timely and should help the process become more agile. Whilst some casework presenting teams find the extant Board casework process laborious, the Committee is hoping for a resolution which speeds up the process overall.

The Chair stated that everyone should be clear that the Board has a well-defined governance role and is here to scrutinise and challenge. The Board is not advisory, nor is it here to rubber stamp decisions. He asked both the CEO and ELT to reflect on this, as they consider their future interactions with the Board, which he asked to be set at the appropriate tone and level.

Kieran Kennedy, RPC Chair provided a brief update:

- Performance of the Regional Group was being monitored and targets had been exceeded.
- The Committee saw little evidence of interaction between central teams and the Regional offices.
- He asked that the team now be allowed to get on with finalising the Regional Strategy and operationalise it.

The Chair stated that the focus should be on ensuring the Regional Strategy is right and then appropriately resourcing offices. The Chair then queried a reference to a regional Risk Appetite Statement (RAS) in the Board paper and stated that we have one single Invest NI RAS, which was approved by the Board, and there is no need to have a regional RAS. The approved RAS should be disseminated to all staff with appropriate training to enable them to do their jobs, as agreed by the Board in February. He further clarified that the forthcoming meeting with DfE was not to ask their permission / approval, instead it was to update them as to our decisions around risk appetite. The ARAC Chair supported this position. Marie-Therese McGivern, SRC Chair provided a brief update:

- The Committee's biggest focus has been working with the team to get the Business Strategy completed. The Comms team is now involved in helping develop the transformational narrative for what will be the published Strategy.
- SRC has looked at the interim guidance on the Minister's Economic Vision.
- Work is ongoing on the development of performance dashboards.
- Had been some concerns about the shaping of messaging for the Staff Conference, so welcome the fact that the Conference has been postponed.
- Work continues on developing the Communications & Engagement Strategy.
- Thanks to Melanie Dawson and Scott Ritchie for their time spent with the Digitalisation Strategy project team and SRC focus would be stronger on this Strategy moving forward.

The Chair asked when the updated Communications & Engagement Strategy would be ready to come back to the Board. An ELT member advised that once some of the significant actions are completed, they should be able to bring the Strategy to the Board in September.

Action: The updated Communications and Engagement Strategy to come to the September Board for approval.

The Chair stated that, in respect of the Business Strategy, he felt that more work was needed to make the document clearer and more concise for readers. Marie-Therese agreed and said that the final published Strategy would be shorter and snappier, and Gerard McNally would present some mock-ups of the document later in the meeting. Melanie and Scott provided a brief update on their engagement with the Digitalisation Strategy project team and stated that the team is doing a great job in improving the customer experience with the portal but there needs to be a wider understanding of how we should digitalise all of our systems and interactions. Melanie encouraged the team to be more ambitious and to look to AI solutions. If Invest NI was an AI enabled organisation this could attract more businesses to engage with us. The team is very talented, but Melanie felt they were being held back. Scott stated that there is a robust ICT operations team in place, but they also need to consider how the organisation can get better at digitalising its own operations and be braver. Scott did acknowledge that the team is under resourced and also tied to public procurements rules and that attracting in skills on public sector salary ranges would be a challenge. An ELT member thanked both Melanie and Scott for their engagement to date and asked that they continue to engage with the team. The CEO thanked them for their help to date. The Chair noted the need to be customer centric and that the Digitalisation Strategy was a key enabler of the overall Business Strategy. He stated that there were expert companies in the marketplace who could deliver the Digitalisation Strategy. The CEO agreed that this was not a build or buy issue.

6. ARAC UPDATE

Dawn McLaughlin, ARAC Chair provided a brief update to supplement the ARAC minutes supplied in the Board papers:

- Approved the NIAO Audit Plan for 2023/24
- Received a progress report on the Internal Audit Plan.
- Received an update on outstanding Audit recommendations.
- Reviewed and approved draft Internal Audit Plan for 2024/25.
- Reviewed Corporate Risk Register.
- Received an update from the Governance Council on 2 matters:
 - Approvals – another 3 issues have been identified, which is very frustrating based on the work done to date - all relate to underspends.
 - PPE's – making good but slow progress. Reporting has now been split to show the backlog of PPE's and those recently added for completion.

The Chair stated that while it was good that the approvals issues had been identified internally, this was an ongoing issue. It was important that the Grade 3 / 5s responsible for delivering the Programmes that had been approved, take greater ownership for ensuring full compliance with

formal approval conditions. An ELT member provided assurance to the Board that regular checks are now taking place and further guidance has been provided to the client teams on their responsibilities for reporting.

OPERATIONAL ITEMS

7. CEO REPORT TO BOARD

The CEO advised that in coming months members will see several iterations of his CEO Report to Board as he seeks to make changes to the report. Kieran thanked SRC Chair Marie-Therese McGivern for her input on this. The CEO gave a brief update to supplement his Report:

- The economy remains resilient, with Manufacturing reporting strong activity.
- Ongoing visits to the regions enabled him to meet with both stakeholders and businesses, who are reporting that capacity to grow is currently restrained by resourcing, skills, interest rates and infrastructure issues. These constraints are directly impacting upon Invest NI's Work-In-Progress (WIP),
- 234 new business projects were appraised and approved in March & April 2024.
- He has met with NI Networks and is due to meet with NI Water. Hopes these will broker introductions to those companies having difficulties.
- The launch of the Accelerator was very positive.
- There are 20 Client Executives currently working on City & Growth Deals (C&GD), which is also impacting upon our WIP pipeline.
- We met all the performance targets except two.

There was then a discussion about how we strengthen the WIP pipeline and the impact of redeploying staff to C&GDs. While recognising the importance of C&GDs, the Chair noted that the real world impact of conflicting priorities should be flagged to DfE. It was also important to identify and feedback the potential knock-on impact of any future operational asks from DfE on the delivery of Invest NI's agreed targets and Business Strategy. The CEO stated that the Board's support would likely be required should Invest NI wish to say no to DfE, on the basis that the new task was not aligned to our strategic priorities.

8. FINANCE REPORT TO BOARD

Brian Dolaghan made a brief presentation to supplement the Finance Report to Board. Key headlines were: (i) Provisional Outturn 2023/24 – within agreed tolerances, acknowledgement to all of the teams who contributed to bringing the budget in; (ii) Budget Allocation 2024/25 – Capital bids all met, Resource bid not met; (iii) June Monitoring – slight softening in Resource, material softening in demand for Capital, which has resulted in the decision to surrender Capital now.

Brian walked the Board through the various issues contributing to the reduction in demand and advised that various options had been robustly explored to use the Capital, rather than surrender it, but these could not be made to work. In terms of the 2024-25 Capital Budget allocation, Brian observed that City & Growth Deals had not come on stream as quickly as planned and this may be potentially freeing up Capital at the centre. However, this could mean that Capital allocations become more pressurised in future years, when the various C&GDs do require funding. A Board member raised issues around how a balanced budget is delivered. They were uncomfortable with the process of flexing budget lines, as they could not understand or see what was being done. The Chair stated that the Board needs to understand the process being undertaken and have sufficient insight to take assurance from what was being done. Brian stated that nothing was being hidden from the Board - the Board member agreed that he did not think this was the case. In respect of 2024-25, the Board member noted the significant unfunded pay pressure and asked how this was to be managed. The Chair asked is this issue universal across Departments and ALBs and Brian confirmed that it was. The Board member challenged the principle that any budget reduction only fell to non-staff costs, he felt that staff costs were considered sacrosanct, and all options needed to be considered when managing significant budget pressures. Several other Board members expressed their disappointment with the budget surrender, having had to do the same thing in previous years. Brian stated that no one was more disappointed at having to surrender budget than ELT, but ultimately the reason for the surrender had been an aggressive bid to push business forward; but the actual demand from companies had not then materialised, due to adverse market conditions. Another ELT member stated that teams were out actively following leads and trying to build up the WIP pipeline. The Chair stated that the challenge moving forward is to ensure we have streamlined processes that facilitate businesses wanting to work with us and then as WIP increases we will be able to spend budget in a timely and effective manner.

SPECIFIC PAPERS

9. DRAFT BUSINESS STRATEGY UPDATE

Gerard McNally joined the meeting at 12.15 and presented a first draft of the potential graphics/layout for the Business Strategy received from the copywriters. Board members provided the following feedback:

- Should we remove any reference to Lyons?
- Now time to move forward. Can be referenced as “*Transformation Journey*”.
- Members now feel like the Strategy is starting to come together.
- Too much emphasis on C&GDs in some of the graphics.

Gerard noted that there were 3 versions in production: - a concise Executive Summary; a short form external and a longer internal. The Chair asked what the next steps now are. Gerard advised that he is working towards the June deadline and will bring back the final version of the Business Strategy to the Board for approval in June. There would now be an internal focus to close out the copywritten version of the document. The CEO advised that he was happy with the direction of travel, but that we now need clear, concise messaging and the format to be user friendly for an external audience. Board members suggested it would be helpful to (i) have critical friends review it before publication, (ii) get a business perspective on it and (iii) engage with staff on the vision and values. Gerard left the meeting at 12:40.

Action: Final version of the draft Business Strategy to come to the June Board for approval.

10. SEGMENTATION MODEL

George McKinney and Iain Joannides joined the meeting at 12:40. George provided a brief overview to supplement the paper in the Board pack. Board members provided the following feedback:

- How do we present the change to the outside world in a clear, concise vision?
- Does it feel different to the industry?
- The key elements of the profound change and the alignment to international best practice needs to be clearly drawn out.
- How do you get to be a focus client / how do we identify focus clients?
- How will a business easily identify: (i) am I in the right segment? (ii) what support do I get?
- How will digitisation of processes be factored in?
- How does this link to the overall Business Strategy and the Regional Strategy? It is hard to see the join.
- Resourcing impact – this needs to be part of the larger conversation around delivering the Business and Regional strategies.
- What services / support does each segment receive, precisely?
- Has the revised model been road tested internally / with critical friends / with external business organisations?
- Do we fully understand how businesses want to engage with us?
- The model should be used to sell the organisation's offering.

George advised that the model is simply a framework for everything that Invest NI does, and that the Comms element has not yet been finalised as they wanted to get the Board's endorsement

first. Individual business needs will be addressed by separate programmes / interventions. The model is deliberately simple as it is just the framework for engagement with businesses. Further detail would be provided at the next stage of engagement. The CEO confirmed that he saw a lot of change in this draft and that it fully aligned with international best practice. The Chair advised that the Board feels this need more work and further detail before the Board can endorse. George and Iain left the meeting at 13:18.

Action: A revised framework, with next level of detail, to come to the June Board for further discussion.

11. OUTCOME – REVIEW OF PROGRAMMES

Clare Mullan joined the meeting at 13:18. Board members stated they were comfortable with Clare's paper and the progress made against the action. The Chair asked how the team planned to communicate the outcomes both internally and externally. Clare advised that this would not be done until the Business Strategy is published and then they intended to publish a document of their own showing the new suite of interventions, this would be intended for use internally and externally. The Chair asked what progress had been made on looking at how the assessment model could be used in other parts of the organisation. Clare advised that programmes and interventions are constantly being appraised and this would be further embedded once the Central Compliance team is up and running. Strategic alignment to the Business Strategy and Minister's priorities will be a core part of the appraisal process for any programme or intervention. Clare advised that discussions are also ongoing as to how this can be implemented in the casework appraisal process. The Chair asked to see a table which included the scores for each individual programme which had been reviewed. Clare left the meeting at 13:29.

Action: Table be recast to include individual scores per Programme and Clare Mullan to circulate this to the Board via correspondence.

12. UPDATE ON REGIONAL STRATEGY

Alan McKeown provided an update to supplement the paper in the Board pack and following his deep dive with DfE. His feedback from the deep dive was that the direction of travel was ok but more detail was required about the how and the timing of delivery. The overarching purpose of the paper is to ensure that at the regional level the purpose, functions, form, delivery models and partnerships are tuned to deliver the Minister's four priorities. He confirmed that his paper was fully aligned with the Segmentation Model. Next steps are now all converging on the target date in September, with a lot of moving pieces to be pulled together and the team is now looking for feedback and endorsement from the Board on the direction of travel. Kieran Kennedy, RPC Chair stated that there has been both DfE and Ministerial input to the current draft Strategy and the job

of the Board is now to endorse and hand it over to ELT to operationalise. He stated that he feels the draft Strategy provides a comprehensive response to the Lyons report. Kieran further stated that there are timelines for delivery, which had now been signed off by the CEO.

The Chair stated that the Board is clear that any Paper presented to the Board must first be agreed by the CEO and that the Board's role is to scrutinise and challenge. The Chair questioned how the proposed Business Innovation Grant and Regional Development Fund (RDF) referenced in the Paper aligned with the draft Business Strategy and fitted in with the Review of Programmes exercise. He felt these needed further explanation. The CEO advised that the RDF had been included following a clear steer from DfE on behalf of the Minister, but that further clarity on it had been requested from DfE. The Board expressed a clear concern that any funding packages should be fully aligned within the overall core package offered by Invest NI, rather than being a separate offshoot, managed solely in the regions. Board members felt that further work was required to fully work through the Strategy as it was a critical piece of work which had to fully align with overall Business Strategy. It was important to understand the resourcing ask and office location. The CEO stated that more emphasis would be applied to supporting start-ups. Alan advised resourcing would be considered once Board had endorsed the direction of travel. The Chair advised he was content with the direction of travel; but had reservations that required more detail to be presented as to the how and when. A Board member suggested that Invest NI should have a Digital Office as well as a regional presence. The CEO suggested that if the Board was content to endorse the broad direction of travel, the team would come back to Board in June with the detail on the operating model underpinning the draft Regional Strategy. The Chair advised he was content with this approach. Dawn McLaughlin, Julie-Ann O'Hare, Ciaran Mulgrew and Colin Coffey left the meeting at 14:05 to attend an ARAC Meeting.

Action: An updated paper, which sets out the detailed operating model underpinning the draft Regional Strategy, including no. of staff, their role and where they will be sourced from, to come to the June Board for discussion.

13. EXECUTIVE PERFORMANCE ASSESSMENT COMMITTEE (EPAC) AMENDMENT TO TERMS OF REFERENCE (ToR)

The EPAC ToR was originally approved by the Board in February 2024 and has now been revised to include commentary around setting of performance targets for the CEO and reformatted to bring them into line with those of the other Board Sub-Committees. The draft EPAC ToR has been reviewed by the Chair, the ARAC Chair and the SID and on that basis is now recommended to the Board for approval. Board members approved the amendment to the ToR.

PAPERS TO NOTE

14. MARKETING & COMMUNICATIONS REPORT

The paper was noted with no comments.

15. ANY OTHER BUSINESS

Brian Dolaghan presented a paper which sought Board approval of a proposed alteration to the current governance arrangements concerning the oversight of Invest NI's Access to Finance (A2F) suite of products. It is proposed as a consequence of both the altered structure of Invest NI Board Sub-Committees and the desire, expressed by Board, that Invest NI Board members should no longer sit on Access to Finance debt and equity Advisory Panels. The Board was content to approve this request.

The Board meeting ended at 14:10.

16. DATE OF THE NEXT BOARD MEETING

The next Board meeting will commence at 12:00 on Thursday 27 June 2024 and will be held at Invest NI Headquarters, Bedford Square, Belfast.

Wendy Savage, June 2024

Chair

**TWO HUNDRED AND SIXTEENTH MEETING OF THE
INVEST NORTHERN IRELAND BOARD, 27 JUNE 2024
MEETING HELD AT INVEST NI HEADQUARTERS, BELFAST**

Present:

Invest NI Board

John Healy (Chair)

Patrick O’Gorman

Colin Coffey

Scott Ritchie

Michael McQuillan (virtual)

Dawn McLaughlin

Melanie Dawson

Ciaran Mulgrew

Marie-Therese McGivern

Julie-Ann O’Hare (virtual)

Kieran Kennedy

Board Secretary: Trevor Connolly

In Attendance: Kieran Donoghue, Alan McKeown, Brian Dolaghan, Jeremy Fitch, Paula Logue, Mel Chittock, Peter Harbinson.

Minute Taker: Wendy Savage

The Board meeting commenced at 12:37.

BOARD STANDING ITEMS

APOLOGIES

Apologies received from Dominic Darby, Steve Harper and Dónal Durkan.

(i) DECLARATION OF CONFLICTS OF INTEREST

John Healy, Colin Coffey and Kieran Kennedy to leave the meeting temporarily during the discussion on the cases for approval at agenda item 3. It was confirmed that there were no other conflicts with any other items under discussion today.

(ii) RAISING CONCERNS

The Chair reminded Board members of their obligations under the raising concerns policy and procedures.

1. MINUTES

The minutes of the May 2024 Board meeting were agreed, with two minor changes to be made and will be published online.

2. ACTIONS & UPDATES

The Board Secretary updated the meeting on the Actions list and the following was noted:

Action 86 – Invest NI North West Office, Closed with the relevant Paper issued to Board members on 21 June 2024.

Action 106 – Chair has agreed that this is deferred until the substantive Regional Strategy paper comes to the Board for approval.

Action 112 – Land and Buildings Strategy: included on June Agenda.

Action 114 – Review of Programmes: Closed with the relevant information issued to Board members on 26 June 2024.

Action 115 – Segmentation Model: included on June Agenda.

Action 117 – Profound change/impact measurement of IR Actions: Chair has agreed that this deferred until the Regional Strategy and Segmentation Model are finalised.

Action 118 – Draft Business Strategy (2024-27): included on June Agenda.

Action 119 – Draft Regional Strategy: included on June Agenda.

Action 121 – Updated Casework process: included on June Agenda.

Action 122 – Dual Market Access: included on June Agenda.

Action 123 – Digital Strategy: updated draft to come to the August Board for discussion.

Action 124 – Action Plan Success Criteria: Closed with the relevant Paper issued to Board members on 4 June 2024.

Action 125 – Review of Programmes - Budget and Staff Resource: to come to the August Board.

Action 126 – Communications and Engagement Strategy: to come to the October Board meeting for approval.

3. CASEWORKS FOR APPROVAL

As previously noted, both John Healy and Colin Coffey left the room at 12:47, due to a conflict of interest in respect of the proposed retrospective approval of a project under consideration. Marie-Therese McGivern chaired this discussion. The responsible ELT member apologised for the oversight in not coming to the Board, as required. After some discussion, the retrospective approval of a non-material amendment was approved by the Board. At 13.02 John and Colin re-joined the meeting and Kieran Kennedy left the meeting due to being conflicted with the next item. Colin Coffey, BFC Chair, recommended approval of one material amendment to the Board. After a substantive discussion, the project was approved by the Board. Kieran Kennedy re-joined the meeting at 13.19.

4. IMPLEMENTATION OF INDEPENDENT REVIEW ACTION PLAN

Mary Gormley joined the meeting at 13:15.

Mel Chittock provided a brief update, referencing the Board pack and advised that since last month's update, progress had been made but that there are several difficult and challenging areas that get to the heart of economic policy and delivery consideration. Mel advised that there have been significant discussion and progress in respect of operational delivery and the regional agenda. He confirmed that, as per the May update to the Board, 8 Actions are complete with one further action due to complete by the end of June: Action 21. He noted that a draft letter from DfE had been discussed with Invest NI's Finance team and that he anticipated that this Action would be closed in the next couple of weeks.

Mel referenced Strategic Actions 7/8 on Policy and noted the lack of evidence that further progress had been made by the Department. He confirmed that the PMO continues to push DfE on this, and that he had written to DfE after the last Board meeting and asked for a meeting to discuss progress. He noted that DfE is undertaking a major restructuring exercise and that it was likely this specific function would move between Grade 3s. He noted that it was likely that Action 8 would still be delivered on time. The PMO has asked for a further update to be provided at next week's IOG meeting. Mel also referenced 2 change requests currently with the PMO - Strategic Action 32: Skills, which had just been received and required further consideration before responding and Strategic Action 11: Central Co-Ordination, the proposal to move this to September would be considered by IOG next week. Progress on resourcing has been made and the PMO is satisfied that this will be appropriately addressed.

Mel also referenced Strategic Action 2: Leadership, which is due for implementation by the end of July. In reality he noted this will not be implemented by this date and will need to be reviewed. Mel noted that resourcing, in general, had been previously cited as a barrier to progress – he confirmed that work continues to progress in relation to the Resourcing Plan, and resourcing is becoming less of a risk area as several critical posts have been approved, a number of recruitment competitions are underway and key appointments have been made. Mel concluded by stating that there is a significant amount of work going on both within Invest NI and DfE some of which will be discussed later in the meeting and stated that he hoped that Board members would see that the actions are being addressed in a coherent and strategic way.

The Chair asked if the PMO was content that there was sufficient momentum on Actions 7 & 8 from DfE and asked if we needed to write formally again to DfE with our concerns. Mel stated that the lack of progress on both of these and on Skills were to be discussed at the forthcoming IOG meeting and that further action would await the outcome of that meeting. Board members thought it important to formally raise their concerns with the lack of progress on those actions that DfE led on and stated that, if the DfE response at the IOG meeting was considered to be unsatisfactory, the PMO should draft correspondence, to be approved by the CEO, to then issue to DfE. The Chair asked if the PMO is content that the reporting they are receiving from Action Owners is based in reality. Mary confirmed that the PMO is content, and they are challenging where they feel is appropriate.

The Chair asked if Action Owners are now preparing work as to how they will deliver their Actions, as plans to do this should be in train, in parallel to closing out the Action itself. Mary confirmed that some Actions are further progressed than others, but where appropriate the teams were preparing for operationalisation. The CEO stated that progress is mixed and cited the segmentation model as an example, where the team is working with the Digitalisation team on how the new Portal would be delivered, once endorsed by the Board. The CEO advised that staff were fully aware of the need to implement the draft Strategies, and that Board approval only signalled the start of the operationalisation phase. Mary left the meeting at 13:35.

5. ACCOUNTS 2023/24

Katrina O'Dowd and Alan Harris joined the meeting at 13:38.

The ARAC Chair confirmed that ARAC had undertaken a detailed review of the draft Accounts and provided an update to the Board highlighting the issues that arose through the audit and an outline of the C&AG report. She thanked the Invest NI Finance team for their tremendous effort

and commended them on how well they had worked with both DfE and NIAO. Katrina O'Dowd thanked the ARAC Chair and also provided some further detail on the key points included in the NIAO Report To those Charged with Governance. The ARAC Chair asked the Board to confirm that they were content for the Accounting Officer to sign-off the Accounts. The Board unanimously approved.

The Chair stated his frustration that yet another retrospective approval request had come to the Board, despite assurances in previous meetings that a robust process was in place to ensure this does not happen. The ARAC Chair confirmed that this was picked up at the last ARAC meeting and shared the Chair's concerns as to Invest NI's credibility and potential reputational damage. The Chair and ARAC Chair noted that responsibility for complying with the relevant conditions of approval (e.g. DoF) sat with the corresponding Executive Director / Project owner / team.

Action: Following a discussion on the number of requests for retrospective approval coming to the Board, the Chair asked the CEO to develop and roll out a training programme across Invest NI to minimise the risk of this happening in the future.

The Chair commented on the very helpful training recently provided to the Board on the 5 Case Business Model and Resource Accounting and Budgeting and thanked all the presenters involved. He noted that, during the training Q&A session, the latest position in respect of the Work In Progress (WIP) pipeline had been shared and asked the CEO whether the Board should be concerned. The CEO acknowledged that WIP was lower than he would like and that this had been discussed by ELT and highlighted that both Client and R&D teams were actively seeking new projects.

6. ARAC UPDATE

The ARAC Chair provided a very brief update and stated that she hoped the Chair's recent attendance at an ARAC Meeting has provided assurance on how ARAC administers its business. The Chair advised that he was confident that the Committee was operating effectively and noted the engagement from all participants at the meeting. The ARAC Chair concluded her update by stating that action is ongoing to progress outstanding PPE's and confirmed she is meeting with representatives from both NIAO and DfE. Katrina and Alan left the meeting at 14:03.

The Board meeting adjourned at 14:05 and reconvened at 14:20.

SPECIFIC PAPERS

7. DRAFT LAND & BUILDINGS STRATEGY

Sharon Keenan and Gary Cushnahan joined the meeting at 14:20.

Prior to discussing this Agenda item the Chair noted the Board's clear expectation that all such Papers had been approved by the CEO, prior to being presented to the Board. The CEO acknowledged this and confirmed this was the position. He also noted that he was changing the timing and format of his meetings with ELT to facilitate this requirement going forward.

Brian Dolaghan introduced this item by thanking Board member Patrick O'Gorman for engaging with the team and providing constructive, informed challenge. The Chair stated that it was great to see the team using Patrick's expertise in formulating the draft strategy.

Following discussion, the following comments were raised by Board members:

- There is significant market failure, can we push our role further than previously?
- Invest NI is used to buying and developing land, then selling it on. Could this be taken further by developing and owning assets in the longer term? This would involve managing rental income.
- The Strategy needs to be designed to deliver the Minister's Economic Objectives. Could that mean Invest NI doing less and letting others do more in this area?
- The team would need to be properly resourced and specialist skills secured. Expert capacity can be purchased from the market, it does not always require an internal recruitment scenario.

Brian noted the constraints of operating within public sector budgetary rules and reminded Members that Invest NI's aim was to deliver value for money, rather than just financial profit. He noted that both the SQW report referenced in the Paper and stakeholder engagement had indicated a clear role for Invest NI, with the key issues being to define that role and the scale of intervention. There was general discussion on collaboration and the role of Councils. Sharon Keenan also noted that we should not exclude working with the private sector and reminded members that Invest NI has the ability to give capital grants for the refurbishment of privately owned buildings. The CEO noted that Invest NI had a strategic role in relation to Land & Buildings and stated we should be providing a service offering to clients and potential investors; that a regional property solution will be very important to the Regional Strategy and there is the potential to work in partnership with the private sector. He acknowledged that the Property team would need to be properly resourced and confirmed that some specialist skills would need to be

secured. The CEO noted the potential requirement to build ahead of demand, thereby derisking the investment decision. The Board discussed the opportunities in the marketplace, the need to work in partnership with all relevant external stakeholders and that other ALBs raised commercial income. The Chair asked the team to consider the comments from the Board, to keep engaging with Patrick and bring the next iteration of the draft Land and Buildings Strategy to the August Board meeting for approval. Sharon and Gary left the meeting at 14:58.

Action: The next iteration of the draft Land and Buildings Strategy is to come to the August Board for approval.

8. DRAFT BUSINESS STRATEGY UPDATE

Gerard McNally joined the meeting at 14:58. Gerard advised that DfE has just published their Sectoral Plans and confirmed he was completing work to ensure the draft Business Strategy aligned with these, before sending the Strategy to DfE for Ministerial approval. Board members provided feedback on the look and feel of the latest draft and Invest NI's key activities. The Chair asked if a wider discussion was required on the Mission and Vision within the document as this had initially been drafted and agreed by the Board. The SRC Chair advised that this was an iterative process, and these would continue to be refined, as the document now needed to be shared with the Minister. The Chair encouraged all Board members to consider the current wording on the Mission and Vision to ensure they were content.

Action: The Chair asked the Board members to consider the draft wording of both the Vision and Mission in the draft Business Strategy and to go back to Gerard McNally with any comments asap.

Gerard left the meeting at 15:08. Colin Coffey left the meeting at 15:10.

9. SEGMENTATION MODEL

Jeremy noted that the updated paper in the Board pack had been drafted to address the queries from last month's meeting. He confirmed that there is still some operational detail to be worked out; but was seeking confirmation from the Board that they were content with the direction of travel. He noted the questions over whether the new model provides fundamental change; he acknowledged that some similarities to the previous model exist; but fundamentally this is about bringing forward an operating model which will work for everyone. Board members provided the following feedback:

- Some do not agree with the criticism in Lyons, broadening the base feels like we're trying to deal with more companies and lowering the bar.

- Still feels unclear as to how companies will know what level of support they would receive and how they access it.
- Still a perception that Invest NI is a “closed shop”.

The CEO confirmed that the new model is aligned with international best practice; but will of course evolve and change over time. He noted the change from thirteen segments to four. He stated that we are not focusing on the ‘Wider Business Base’ because of Lyons; but that this is where those companies with the potential to grow currently are. Invest NI wants to work with more companies so we can grow the economy, which fully aligns with the Minister’s priorities. He noted that our support would involve both financial and non-financial interventions.

The Chair noted that the ‘Portal’ referred to in the Paper was responsible for a lot of heavy lifting and asked was it going to be ready. Jeremy stated that he was confident this would be implemented once the overall Model is approved, noting that his side is working with the Digital team to ensure this would be delivered on time. Board members asked to see what client portfolios would look like using the draft segmentation model and the Chair sought further assurance re the delivery of the Customer Portal. Jeremy advised that operationalisation is the next step in the process.

Action: The Chair confirmed that the Board had endorsed the draft Segmentation Model, in principle, subject to (i) a schedule showing Invest NI’s extant client portfolio analysed by segment being shared with the Board and (ii) assurance from Jeremy Fitch that the critical work to enhance the Customer Portal was ongoing and would be fully implemented.

10. UPDATE ON REGIONAL STRATEGY

The Chair provided an update on his and the CEO’s recent meeting with the Minister and the lack of clarity from the Department on certain issues. The CEO noted the initial lack of policy coherence. The Minister wanted a bottom up approach as he considered that there was too much ‘top-down’ at present, and that he felt that separate funding needed to be deployed to achieve regional balance. Departmental officials had not yet clearly articulated the purpose of the proposed Regional Development Fund (RDF) and Invest NI’s role. The CEO advised that the Minister had recognised that further work was needed to provide clarity and that a meeting with DfE was scheduled for the following week. Alan McKeown advised that the team had good access to the Minister in shaping the Regional Strategy and stated that the Minister is clear in his view that there needs to be deeper and better connections at regional level; but understood that not all of this is within Invest NI’s remit. Alan also acknowledged the good working relationship with the DfE team.

The Chair stated his concerns as to (i) the lack of alignment with the Segmentation Model; (ii) how the enhanced Customer Portal would impact on staff numbers within the regions and (iii) the time period available for future review by RPC prior to coming back to the Board.

Kieran Kennedy, RPC Chair stated his frustration, noting that the team now needed to get on with operationalising the Minister's regional vision. He felt the process was taking too long, reminded the Chair that the next RPC meeting was scheduled for mid-August and that he would like RPC to also engage with SRC.

The Chair noted that, in his view, it was not Invest NI's job to do everything and we should engage with external partners to deliver the desired outcomes. He stated that the team now needed to inject pace, provide clarity as to the role of regional staff before defining staff numbers and get guidance from DfE on the RDF. The CEO agreed that developing a fit for purpose draft Regional Strategy is our top priority and that the meeting next week with DfE was our opportunity to get clarity.

A Board member reiterated the need for Invest NI to have a Digital Office as well as a physical regional presence and stated that a communication plan should be included as part of the draft Strategy.

The CEO noted that, for the first time, Invest NI would have Regional targets, which in turn would mean more engagement with regional clients on areas such as R&D, innovation, skills, jobs and developing new business opportunities. In the view of the CEO, the Minister recognises that the capacity of the Councils to deliver local economic development is very limited and he wants Invest NI to step into the breach.

The Chair stated that the Board needed to see full alignment between the draft Regional Strategy and Segmentation Model and clear commentary on the roles of staff in the regional offices; and that the next iteration had to be routed through RPC before coming back to Board in August. The CEO confirmed that the Board's comments had been clearly received.

Action: The Chair has asked that the latest draft of the Regional Strategy comes to the August Board for approval.

11. CASEWORK PROCESS POSITION PAPER

Helen Coyle and Ian Maxwell joined the meeting at 16:12.

The CEO introduced this item and explained that the efficiency of the end-to-end casework approval process was a big concern to him as we are not competitive when compared with international best practice. Helen Coyle walked through the presentation, noting that the group had only looked at (i) project, rather than programme, approvals and (ii) at the internal Invest NI

process and not the DfE/DoF process. She queried whether Board approval meant every Board member, or whether this could be delegated to a fewer number of Board members, as per previously.

The Chair stated that, whilst in favour of empowering internal staff, such a decision would place greater reliance on controls and confidence that processes were being followed. He asked what assurance the team could provide that the appropriate levels of control and oversight would be put in place. Ian Maxwell stated that the intention was to move to more system level approvals, which would have additional levels of control in place. He referenced the Internal Audit report on cases <£50k, where no significant issues were found. Ian also noted that the internal test drilling regime would be enhanced and managed through the new Central Compliance team function. When queried, the ARAC Chair confirmed that the Committee would have a role in reviewing these, but this had not yet been discussed. She noted that a move to a tailored application form rather than preparing a pro forma business plan would be welcomed by the marketplace. The Chair suggested that the delegated approval levels be allocated by Grade, as per both DfE and Admin Expenditure, rather than using terms such as 'Manager' or 'Line Manager', which were open to interpretation. The CEO noted that the next stage would involve DfE optimising their casework process and that he would raise this with the Permanent Secretary at their meeting on the Risk Appetite Statement that he, the Chair and Board Secretary were attending the following week. The Chair confirmed that both papers presented to the Board were approved.

Helen and Ian left the meeting at 16:40.

Action: Post Board, and following discussion with the CEO, the Chair has agreed that both Papers have been agreed by the Board, with the Internal Casework Approval Limits Paper being approved subject to Ian Maxwell providing evidence as to the additional testing and compliance processes that will be put in place to provide assurance, to both the CEO and Board, that the new processes are operating efficiently and effectively.

PAPERS TO NOTE

12. CEO REPORT TO BOARD

The paper was noted with no comments.

13. DUAL MARKET ACCESS

The paper was noted. The CEO advised that there is a need to set up an internal team to drive this, and that both DfE and the Minister would be supportive of this approach and asked for Board endorsement. The Chair asked if we would need to bring in specialist skills and the CEO

confirmed there would be a need to engage some external expertise; but flagged that this may be hard to find and potentially expensive, so there would be additional cost involved. The Chair acknowledged this and advised that the Board would be supportive of this approach.

14. ANY OTHER BUSINESS

A Board member raised a query re offers to local companies in the Annual Report. ELT members assured the Board member that the figures quoted were correct; but confirmed they would check. *Post Board meeting – an e-mail was issued to Board members confirming the wording in the Annual Report is correct.*

Brian Dolaghan thanked the ARAC Chair, Dawn McLaughlin for her help in getting the Accounts to the point of approval. The Board meeting ended at 16:53.

15. DATE OF THE NEXT BOARD MEETING

The next Board meeting will commence at 09:00 on Thursday 29 August 2024 and will be held at Invest NI Headquarters, Bedford Square, Belfast.

Wendy Savage, July 2024

Chair

**TWO HUNDRED AND SEVENTEENTH MEETING OF THE INVEST
NORTHERN IRELAND BOARD, 28 AUGUST 2024 MEETING HELD
AT INVEST NI HEADQUARTERS, BELFAST**

Present:

Invest NI Board

John Healy (Chair)

Patrick O’Gorman (virtual)

Scott Ritchie

Dominic Darby (virtual)

Michael McQuillan (virtual)

Dawn McLaughlin

Melanie Dawson

Kieran Kennedy

Marie-Therese McGivern (virtual)

Julie-Ann O’Hare (virtual)

Board Secretary: Trevor Connolly

In Attendance: Kieran Donoghue, Alan McKeown, Brian Dolaghan, Dónal Durkan, Paula Logue, Mel Chittock, Peter Harbinson, Steve Harper.

Minute Taker: Wendy Savage

The Board meeting commenced at 09:45.

BOARD STANDING ITEMS

APOLOGIES

Apologies received from Colin Coffey, Ciaran Mulgrew, and Jeremy Fitch.

(i) DECLARATION OF CONFLICTS OF INTEREST

It was confirmed that there were no conflicts with any items under discussion today.

(ii) RAISING CONCERNS

The Chair reminded Board members of their obligations under the raising concerns policy and procedures.

1. MINUTES

The minutes of the June 2024 Board meeting were agreed, with one minor change to be made and will be published online.

2. ACTIONS & UPDATES

The Board Secretary updated the meeting on the Actions list and the following was noted:
Action 106 – Regional Offices: the Chair and the CEO agreed that this action could now be closed, as the information requested forms part of the draft Regional Strategy. Action 112 – Land and Buildings Strategy: included on August Agenda.

Action 115 – Segmentation Model: to be discussed later as part of the Updates (see below).

Action 117 – Profound change/impact measurement of IR Actions: The Board has decided to retain this action for further consideration.

Action 119 – Draft Regional Strategy: included on August Agenda. Action

121 – Updated Casework process: as per Action 115 above. Action 123 –

Digital Strategy: included on August Agenda.

Action 125 – Review of Programmes - Budget and Staff Resource: paper to come to the October Board for discussion.

Action 126 – Communications and Engagement Strategy: to come to the October Board meeting for approval.

Action 127 – Retrospective Approvals: paper to come to the September Board. Action 128

– Board comments on Vision and Mission Statement: Action completed in July and closed.

As both of Actions 115 & 121 were originally approved “*Subject to...*” the Chair asked Board members to consider the updated Papers as presented.

Board Action 115: Segmentation - Board members still felt they required further detail on what the model would look like in practice. They asked for an understanding of the operating model for Client Executives i.e., what will their portfolio look like (numbers) and what tools do they have at their disposal to help them interact with clients; how does churn work and examples of businesses that meet the criteria. The CEO stated he would take all of the questions posed from Board members offline and come back to the Board with a short paper addressing those queries. Overall, the Board is content with the new operating model as proposed but would like more detail on how the model will operate. The Chair asked how the model will interact with other strategies and stated we need to move forward now at pace and iterate to the right answer. The paper presented to the Board was approved subject to a further Paper being produced for the September Board meeting to address the queries above.

Action: The Chair asked that an updated Paper, addressing the issues raised at the Aug Board meeting come back to the Sept Board, for approval.

Action 121 – Casework: The Board was content to approve this Paper, with no further queries.

3. CASEWORKS FOR APPROVAL

Scott Ritchie presented 2 items to the Board on behalf of BFC. The first, a non-material extension amendment to an Access to Finance programme was approved by the Board. The second, approval of a new programme was discussed substantively by Board members and then approved. One member requested that it be noted that the Board is approving the new programme only; and not the additional resource requirement being asked for. This would form part of the discussion in October re Action 125. The Casework report for June and July 2024 was then noted.

4. IMPLEMENTATION OF INDEPENDENT REVIEW ACTION PLAN

Mel Chittock provided a brief update, referencing the Board pack and advised that since last month's update, there have been two staff information sessions on segmentation as well as significant progress on developing the Regional Strategy. Mel stated that these represent two of the major challenges that will reflect how we deliver change to the organisation. The operational delivery and segmentation of the client base will come down to execution and delivery, specifically on how we communicate this to the market place. Mel referenced the Regional Strategy which is on the Board Agenda today and stated that substantial work has been done on getting it to this point. In respect of red flags, Mel referenced policy development. The PMO is seeing little or no progress in this area and so will do a second deep dive in this space. Mel also noted that it has been agreed to push the Skills Action (Action 32) out to March 2025. Mel then discussed the measurement of impacts. The PMO had spent time with Action Owners to assess not just the narrow completion of individual Actions but also how they assess the overall impact of these changes in line with the Independent Review.

There are several Actions that are inter-linked, most notable the operational delivery/segmentation model, the sub-regional strategy and the Land and Property Strategy. Included in the Board Paper is some initial thinking on how the impact of the transformation programme could be measured. At the last IOG DfE suggested that we follow the Benefits Realisation Framework methodology, linking the outcomes and actions with the Minister's priorities. Mel stated that when the Action Plan was published, there was a table at the back about how success would be measured – the PMO has asked DfE to look at this in the context of the Minister's current priorities, as the previous commentary was very much 10X focused. Ultimately, this should show the relationship with the overarching themes

of the Review, linked to the Minister's priorities, and the metrics in the Business Strategy. The objective is that the measures of profound change then become very much business as usual.

The Chair stated that it was good to see the early thinking on the transition from strategy development to delivery and measurement. The Chair asked if we have reached the point where we need to escalate to the Permanent Secretary at DfE the lack of progress on the policy Action. Mel stated that a further deep dive would happen first and depending on the outcome the PMO would escalate if required. The CEO advised that he could raise this informally with the Permanent Secretary if needed.

A Board member provided an update from the last IOG meeting. They advised that the meeting had been productive. The PMO had challenged on policy but, in the opinion of the Board member, this challenge did not land well with DfE. DfE advised that they felt that there has been a compromise to collaborative working between Invest NI and DfE. When asked for specific examples none were forthcoming. Mel stated that the Board member's assessment was correct, Invest NI is under the microscope.

The Chair asked if the PMO were content with the progress on the Skills Action. Mel stated that they were content that Invest NI was across the detail. The Chair asked if we were aware of how the skills ecosystem review was going. Mel confirmed that the PMO was monitoring progress. A Board member stated they felt a sense of a slow down on the collaborative approach and asked how collaboration could be reignited between DfE and Invest NI.

5. BUDGETING & RESOURCES

The CEO confirmed that following agreement with the Chair, this would be a verbal update, but that a paper addressing would be produced for the October Board meeting (Board Action 125).

The CEO advised this paper had come about following a request from the Board on how both staffing and budget resources had been freed up and redeployed following the rationalisation of programmes. Paula Logue stated that some employees had already been redeployed, citing the example of the energy team. Regarding the governance of staff resourcing, Paula stated that this can have an impact on timing and that colleagues in the People and Culture team always challenge proposed staffing requirements. Paula stated that both she and the CEO have given a commitment to meet with teams to work through potential staffing requirements to operationalise new strategies. Paula also confirmed that any new roles approved, or any staff movements, are always discussed with the Finance team to keep them apprised.

The Chair asked if there were sufficient resources in the People and Culture team to deal

with the workload required as Invest NI pivots from policy development to delivery - for example, to process and recruit all the new posts required for the Regional Strategy. The Chair stated that there is an expectation from both the Minister and the Board that these posts will be recruited and filled very quickly. There will be a big wave of recruitment and people focused activity e.g. grading and loading of new posts. Paula confirmed she has people trained on this and that her new Grade 6 was starting soon. She stated that she is currently looking at the structure within her own team and can procure support if required but gave a commitment that she would prioritise the recruitment of the new posts for the Regional Strategy. However, Paula reserved the right to get assistance if required. The Chair stated that there is now an urgency to get out of the strategy phase and into delivery phase across all actions and strategies.

A Board member asked if there is the potential to see the GVA to the economy for current and new resources. The CEO stated that they are looking at areas of priority first in forming part of the thinking.

In terms of the October paper the Chair asked what are we stopping and what impact would that have on staffing. The Chair asked if any thought had been given to a redundancy programme in any scenario. The CEO stated that redeployment is always the first option and no consideration had been given to such a programme at this stage

The Chair asked if the boundaries for the Paper coming to the Board had been considered. The CEO advised he would need to sit down with his team to discuss the Table of Contents for the Paper. The Chair and CEO will continue this discussion offline.

A Board member asked if the paper would be progressed through SRC before coming to the Board in October. The Chair stated this should be the case. The Chair of SRC stated that there is an update on HR process on the agenda for the September SRC meeting.

Action: The Chair has agreed with the CEO that this Paper will come to the October Board for discussion. The CEO will agree a draft Table of Contents with ELT and then share with the Chair asap. The Paper is to be discussed by SRC before coming to the Board.

6. CEO REPORT TO BOARD

The CEO stated this was the first iteration of the new format for the CEO report and asked Board members for feedback on presentation and content.

The CEO confirmed that the draft Business Strategy has been sent to DfE and the Minister for review. With the planned launch date in November and the need to put the document out to consultation, this will be a tight timeline.

The CEO advised that, on visits with clients, they were speaking about good order books but there are also supply side constraints, e.g. availability of people, skills challenges, planning and issues with utility suppliers/infrastructure. The infrastructure constraints impacting on the manufacturing sector's ability to maximise the benefits of Dual Market Access had been brought to the attention of the Minister.

Dominic Darby left the meeting at 10:50.

The Chair stated he felt the new format and level of information on the CEO report was helpful and appropriate.

A Board member stated that performance has not been discussed for a while and asked if we are seeing any trends and changes in patterns of company activity. The CEO advised that the portfolio is highly concentrated with a lot of activity coming from our top performing companies. Donal Durkan advised that the team has data across all of these areas. The performance report has just been updated to include the 2023- 24 year and will be published imminently. This gives updates on all activity and impacts across a five-year period. He advised that this reporting mechanism is used to set our run rates for future targets. On Work In Progress (WIP), the CEO noted that we were on track as to the number of investment projects but their value was less than what we would like. He noted that there were big chunky investments to come before year end. The CEO referenced the budgetary pause in late 2021 implemented by DfE as still impacting the building of our WIP pipeline. Steve Harper stated that for FDI the number of projects is steady, but we are seeing a drop off in their size. He noted that the previous pause had not impacted FDI.

The Chair asked that Lines to Take be prepared for Board members on the publication of the latest Performance pack and WIP levels. He also suggested that this issue be included as part of the discussion for the Comms and Engagement update at the October Board meeting.

A Board member noted that entrepreneurship had not been referenced in the new CEO report. The CEO stated that given the weighting in the Business Strategy, there would be a dedicated slide on entrepreneurship included going forward. He also noted that the new format would evolve and change over time.

A Board member stated that WIP reflects economic growth and is the biggest indicator on Invest NI's delivery. The Board member asked ELT to consider new initiatives to tackle WIP, thinking outside the box. The CEO noted that he was seeing evidence of companies responding to supply side constraints through, for example, automation, and reskilling of existing staff. He also highlighted that our focus on both indigenous and FDI was not mutually exclusive, we need both.

The Chair noted that following the depth of the discussion he would consider including an update on performance as part of the October Board Workshop.

INVEST NI BOARD MEETING MINUTES

Paula Logue left the meeting at 11:15.

7. FINANCE REPORT TO BOARD

Brian Dolaghan provided a brief commentary to supplement the Finance Report to Board.

Key headlines were:

- We are where we would expect to be at this time of the year.
- There is a risk to around c£7/8m of capital as discussions are ongoing in relation to an Access to Finance programme. This will be a binary “go/no go” decision.
- Work on the October monitoring round has commenced.
- Headroom in respect of both Resource and Capital has reduced from June.
- There will be a surrender of ring-fenced capital.

The Chair asked what the process was in respect of future forecasting for staff requirements. Brian advised that a payroll model was in place, with close liaison with HR colleagues. This year was not the challenge, future years will be the challenge. The unknowns included future funding allocations, future pay settlements and UK policy around public sector pay. The Finance team is already looking at this.

SPECIFIC PAPERS

8. UPDATED REGIONAL STRATEGY

The Chair thanked Kieran Kennedy and RPC members for their quick response to earlier drafts and their engagement to date. The Chair advised that he and the CEO had met with the Minister on 27th August to discuss the Regional Strategy. He advised the comments from the Minister had been largely positive but there was a requirement for more detail.

The CEO stated that regional balance forms part of the Minister's policy priorities and it is also politically sensitive. He stated that the Regional Strategy cannot be read separate to the draft INI Business Strategy, it must be read in context. The CEO noted that, in any urban system, there is often the perception that all the investment comes to the primary city, and this can be a point of contention. He stated that, within Invest NI, there has always been considerable interactions with the regions and the regional teams; and that he has been impressed with the regional teams and how they are embedded within communities. He noted that we now need to demonstrate to the Minister that corporate HQ is as committed as the regional office network. We need to create a real sense that we are bringing Invest NI closer to the communities we are here to serve.

The CEO laid out key areas within the Regional Strategy: the first step being the move from four to five regional offices, with an increase of c20 staff and roles being redefined. Regional managers will do more stakeholder engagement and act as advocates / ambassadors within

the regions. The rest of the team will be driving forward the business development activities, creating an environment for more start-ups, expanding increasing clients etc. Over time, Invest NI will be working to make the regions more conducive to economic development. The Minister wants the new regional office structure up and running as soon as possible. There are plans to showcase the opportunities to staff for redeployment and to also recruit new people as and where necessary. There will be new, high level, regional and joint sector team targets and the City and Growth deals will be integrated into the new strategy along with the Land and Buildings Strategy.

The Chair reiterated the fact that the Regional Strategy does not exist in isolation and must link to the overall Business Strategy, Segmentation Model, Land & Buildings etc. Communicating this new message will be key – we will need to tell the story in the regions. The Chair stated that the Minister is content that the new Strategy fully aligns with his views. There are gaps in thinking around the Regional Development Fund which will need to be addressed; but that the Regional Strategy is now in a much better position, and he commended all those who have helped get to that place. He then stated that the Minister is not happy with the ambition, i.e. numbers of people and pace of change. The PowerPoint presentation was a good initial format, but this now needs to be translated into a digestible document that can be used to sell the proposition to external stakeholders.

Kieran Kennedy, RPC Chair, stated that this is now our day of reckoning and he had been banging the drum on this for a long time. It is great that the Chair and CEO have stepped up to help shape the Strategy, that is refreshing. There have been differing priorities in the past but now everything is aligned. Targets for the regions are very important and great to see – “what gets measured gets done”. The focus on property is also important and good to see the integration. He noted that Council areas all have different needs and he encouraged the rest of the Board to support the Strategy.

Board members were supportive of the Regional Strategy; their comments are summarised below:

- The devil is in the detail.
- Comms will be vital and need to be shaped accordingly.
- Very supportive of the increased number of Regional offices; macro targets and the dual approach supporting both indigenous companies and FDI.
- How do we measure our impact, going forward? We need to look at the returns in different ways for different regions. These may not always be tangible results, and we need to decide on parameters for measurement.
- Digital agenda – is there an ambition for a digital offering to smaller clients. Do we always need a physical office.

- We now need to start talking about how many staff are front facing and how much time is externally focused versus internal focus.
- This is now about operationalising and delivery.
- Need to emphasis collaboration across INI.

The CEO thanked Board members for their positive and constructive feedback. The CEO confirmed that we need to be careful re Comms for this so that stakeholders do not overly focus on regional targets. We need to embrace the framework and overall ambition for the Strategy.

The CEO reminded members that the Regional Development Fund referenced in the slides is a key policy objective from the Minister. The mechanics and details of the fund are not yet finalised and DfE are working on a consensus *“house view”*.

The Chair proposed that the Board approve the draft Strategy, on the basis that it is content with the broad thrust, subject to a Strategy document (not PowerPoint) being developed; more detail about the Regional Offices / staffing structure be included and the commentary around the Fund be finalised. He stated that it was now over to Alan McKeown, as the Director responsible, to deliver this by April 2025. The Board approved the draft Regional Strategy on this basis.

Action: The Chair has asked that an updated document (not PP) be brought to the Sept Board, for approval, which provides more detail about the Regional Offices, the staffing structure and the proposed Regional Fund.

9. DRAFT DIGITAL STRATEGY

Tanya Otterson joined the meeting at 12:16.

The Chair opened this item by stating that the Digitalisation Strategy is for discussion only as it is an enabler for all other strategies and underpins the draft Business Strategy. A Board member stated that the updated paper provided was a good improvement and welcomed the inclusion of the term “AI” in the Paper, but that it would be good to have more detail on how it would be implemented. Whilst there have been improvements on the focus of the paper, there is still no clear detail on the customer journey.

The Chair stated that it would be helpful to see commentary on how “AI” would be used to improve services, what the customer journey will look like and advised that a faster pace is required. The Chair asked if there had been any discussions with the relevant team on the Segmentation Model. Tanya confirmed that they are meeting regularly with the team to integrate this into the Digital Strategy. The Chair asked what sort of road testing with external

stakeholders is being done, as he still does not feel the customer is at the centre of the journey. This feels more about Invest NI's interactions with the customer and how we can make our job easier.

Another Board member stated that they also shared those concerns. There are some gaps in the proposal - people want to communicate in ways other than email, for example through social media etc. The Board member stated they felt like we are building on what we already have and not stepping back and starting from a fresh perspective. There is nothing about understanding the customer journey. The strategy is not flexible enough and should be all-encompassing. Alan McKeown stated that there was a lot of feedback going on, on a daily basis, on how we interact with customers. The Board member asked why this is not then in the Digitalisation Strategy. Tanya suggested that this is part of the Comms and Engagement Strategy. The Board member stated they fundamentally disagreed, and these should be complementary strategies - as stated previously in the meeting - not read in isolation. We need to speak to the customers and then build on what it is that they want. Alan advised that the lack of joined-up commentary would be addressed in the next iteration.

The Chair summarised the position - he wanted to see more commentary on AI; how do we maximise the value of the data we hold; more focus on the customer journey and enabling other key strategies; accelerate delivery timelines and a summary of key milestones going forward be included.

Michael McQuillan left the meeting at 12:30.

Tanya left the meeting at 12:38.

Action: Post Board, the Chair has asked that the next iteration of the draft Digital Strategy come back to the Board, for discussion, in November.

10. DRAFT LAND & BUILDINGS STRATEGY

Sharon Keenan and Gary Cushnahan joined the meeting at 12:39.

Brian Dolaghan stated that the team was seeking approval on the Land and Buildings Strategy today. He advised that following feedback from Board members at the June Board meeting, they had engaged with other public bodies and gave a brief overview of the paper presented. He noted that public corporations had a different funding model to Invest NI, with more than 50% of their income being self-generated, which gave them more freedoms.

The Chair asked if Patrick O'Gorman had had sight or input to the latest version of the Strategy. Patrick advised that he had had no input to this latest draft and that he sees this as a good base Strategy. The regional approach is a key part of the strategy and also the link in with the international team re FDI. Patrick further stated that input from the new senior person, once hired, would be important to take this to the next level.

Board members were supportive of the Land and Buildings Strategy and their comments are summarised below:

- Like the fact that the strategy is open, as it needs to be.
- Were the regional property staff included in the numbers needed for the Regional Strategy?
- What engagement had there been with other Departments?
- What does our engagement with the Local Enterprise Agencies look like?

The CEO advised that in previous iterations we had referred to the strategy as the Land and Buildings Strategy, this was now badged as the Regional Property Programme.

The Chair stated that the Budget and Resource paper coming to the Board in October would need to lay out how all of these roles would work. The Chair asked how the regional property team would work with other government departments moving forward to understand challenges and how we could collaborate to find solutions across other providers. Sharon Keenan advised that the team regularly meets with other government departments to look at where strategic alignments can be made across other providers.

Brian advised that the team will work pro proactively with the LEAs and discussions are ongoing.

The Board was content to approve the Land and Buildings Strategy as presented.

Sharon and Gary left the meeting at 12:55.

11. NI-CO LIQUIDATION SHAREHOLDER RESOLUTION

Ian Maxwell joined the meeting at 12:56.

The Chair queried the Paper, asking who had the authority to effect the change. The ARAC Chair stated that she felt it would be more appropriate for the Board to give their approval for the CEO to sign the resolution in his capacity as the Invest NI Accounting Officer. Ian stated that they had received legal advice advising that the CEO was the closest thing to a shareholder, and it would be appropriate for the CEO to sign the resolution. The Chair stated that as the Board is the body corporate for Invest NI, he concurred with the ARAC Chair's assessment that the Board should be the approval authority. The governance needs to be correct. The CEO suggested that legal advice be sought in respect of the ARAC Chair's proposed wording. Brian agreed that this was a sensible approach.

The Chair agreed that legal advice should be urgently sought on the draft wording proposed by the ARAC Chair, and then a revised Board paper be circulated, which he would then approve, on behalf of the Board, following the full discussion of the issue at the Board and the urgency to allow the CEO to sign the resolution within the statutory timeframe of 28 days.

Ian left the meeting at 13:02.

The Chair approved the revised Board Paper on Thursday 29th August on behalf of the Board, providing the Board's approval to the Chief Executive Officer to sign the resolution to consent to the Members Voluntary Liquidation (MVL).

Formal Approval statement

We (Invest NI Board) are content that a special resolution is passed (by way of a written resolution) to place NI-CO into MVL, and that the Accounting Officer is authorised to sign such written resolution for and on behalf of Invest NI as the shareholder.

PAPERS TO NOTE

12. MARKETING AND COMMS REPORT

The paper was noted with no comments.

13. ANY OTHER BUSINESS

Dawn McLaughlin advised that the Magee Taskforce is currently preparing a mid-term Report.

The Board meeting ended at 13:07.

14. DATE OF THE NEXT BOARD MEETING

The next Board meeting will commence at 09:00 on Thursday 26 September 2024 and will be held at Invest NI Headquarters, Bedford Square, Belfast.

Wendy Savage, September 2024

Chair

**TWO HUNDRED AND EIGHTEENTH MEETING OF THE INVEST
NORTHERN IRELAND BOARD, 26 SEPTEMBER 2024 MEETING
HELD AT INVEST NI HEADQUARTERS, BELFAST**

Present:

Invest NI Board

John Healy (Chair)

Patrick O’Gorman

Colin Coffey

Scott Ritchie

Dominic Darby

Kieran Kennedy

Michael McQuillan

Dawn McLaughlin

Melanie Dawson (virtual)

Ciaran Mulgrew

Marie-Therese McGivern

Board Secretary: Trevor Connolly

In Attendance: Kieran Donoghue, Alan McKeown, Brian Dolaghan, Dónal Durkan, Jeremy Fitch, Paula Logue, Mel Chittock, Peter Harbinson.

Minute Taker: Wendy Savage

The Board meeting commenced at 09:40.

BOARD STANDING ITEMS

APOLOGIES

Apologies received from Julie-Ann O’Hare and Steve Harper.

(i) DECLARATION OF CONFLICTS OF INTEREST

It was noted that John Healy, Colin Coffey and Ciaran Mulgrew would be leaving the meeting temporarily during the discussion on the case for approval at Agenda item 3. It was confirmed that there were no other conflicts with any other Agenda items. Michael McQuillan to e-mail the Board Secretariat to add the interest of a family member to his Register of Interests.

(ii) RAISING CONCERNS

The Chair reminded Board members of their obligations under the Raising Concerns policy and procedures. The Chair acknowledged the decisions made by Brian Dolaghan, Jeremy Fitch and Mel Chittock to leave Invest NI to pursue other interests and thanked them for their many years of dedicated service.

1. MINUTES

The Minutes of the August 2024 Board meeting were agreed and will be published online. The Chair noted that he was content to change the Minutes if they were materially incorrect, but he did not think they should be 'sanitised' to avoid reflecting some of the difficult and challenging conversations that are held at Board.

2. ACTIONS & UPDATES

The Board Secretary updated the meeting on the Actions list and the following was noted:

Action 115 – Segmentation Model: included on September Agenda.

Action 117 – Profound change/impact measurement of IR Actions: The Board has decided to retain this action for further consideration.

Action 119 – Draft Regional Strategy: included on September Agenda.

Action 123 – Digital Strategy: update to come to the November Board for discussion.

Action 125 – Review of Programmes - Budget and Staff Resource: paper to come to the October Board for discussion.

Action 126 – Communications and Engagement Strategy: to come to the October Board meeting for approval.

Action 127 – Retrospective Approvals: included on September Agenda.

Action 130 – Communications and Engagement Strategy – Progress Report: included on September Agenda.

The Board Secretary noted that the Budget/Resources Paper should address both the Programme budget and Staffing resources freed up following the Review of Interventions exercise. Marie-Therese McGivern confirmed that it would be going to SRC before coming to the Board. The CEO stated that a paper would come to the November meeting to update the Board on how the Invest NI Headquarters building was to be utilised in the future.

3. CASEWORKS FOR APPROVAL

As previously noted, John Healy, Colin Coffey and Ciaran Mulgrew left the room at 09:57, due to a conflict of interest in respect of the proposed approval of the project under consideration. Dom Darby presented to the Board on behalf of BFC. The approval of the Operating Grant was discussed by Board members and approved; with Marie-Therese McGivern taking control of the discussion on behalf of the Chair. John, Colin and Ciaran all returned to the meeting at 10:02. The Casework report for August and September 2024 was then noted.

4. IMPLEMENTATION OF INDEPENDENT REVIEW ACTION PLAN

Mary Gormley joined the meeting at 10:03. Mel Chittock provided a brief update; he stated that good progress continues to be made but there were concerns about some major actions that are due to close in the coming weeks. Ten actions were now complete and good progress has been made on others over the summer months. Mel reminded members that September / October are milestone dates for the planned completion of sub-regional and segmentation. He stated that the profound change that the Independent Review called for will be driven by these more significant strategic actions.

Mel stated that, in respect of Actions 7/8 on Policy, DfE's view is that Action 7 is now complete with the alignment of the Minister's vision, DfE Action Plan and the Invest NI Business Strategy. DfE has advised that any outstanding policy queries should be directly raised with the respective Team or with the Business Partner Team. He stated that, to date, this has been patchy. He noted that it had now been agreed with DfE that if issues are not addressed, Invest NI has a formal escalation route to the quarterly Oversight and Liaison (O&L) meetings with the Permanent Secretary. On action 8, DfE is creating a Policy unit and have appointed a Grade 6 to run this.

The Chair stated that the policy actions were important and asked the CEO for his view. The CEO stated that our position is to seek clarity on policy. If we don't get a response, we write explaining how we will proceed and wait for any challenge. This seems a pragmatic approach. The CEO stated he would raise this with the Permanent Secretary at their next meeting.

Mel stated that at both at IOG and Oversight and Liaison, DfE attendees were very exercised about the resourcing of the Regional Office network. They were asking to see the detail of when staff will be in post - seeking evidence of 'boots on the ground'. A Board member stated that they felt that this was premature before we had the Regional Strategy in place. The Chair agreed, stating it was not appropriate to request that we hire 20 people in the hope that this would align with the Regional Strategy, when finally agreed. Now, following approval of the Strategy, is the time to move forward on recruitment.

The Chair asked what the plan was for recruitment and the Minister's clear expectation that this will be in place by April 2025. If there are any issues, we need to flag them now. Alan McKeown stated that his team had been working with the People and Culture team to move the recruitment forward in time to meet the April deadline. He stated that they understood DfE's need to move forward, and they were working as fast as they could to get the posts

recruited. The Chair stated that there are a lot of large recruitment tasks to be completed e.g., Regional, Green Economy and Leadership and asked the People Director whether her team was resourced to deliver against all of these priorities. Paula Logue stated that her current structure needed to be looked at and was a risk. She further stated that they will have to reshape and add additional resource to the team to complete all of the tasks.

The Chair noted that we also need to keep an eye on the review of the middle tier restructure (Strategic Action 6). He asked are we sure that everything urgent can be delivered? He stated that a timeline should be included in the Paper coming to the Board in October to provide assurance. Paula stated that this would be their focus, but cited difficulties in recruitment of some specialized posts, e.g. Green Economy. The Chair stated that as the Regional Strategy has now been agreed, we need to accelerate the recruitment process.

A Board member asked about gaps in recruitment - are there any upscaling or training programmes for staff available to fill the gaps? An ELT member stated that there are, but managers may have issues with the timelines on this. The ELT member stated that a multi-pronged approach, especially for Green Economy posts, is being considered. Another Board member noted that it may be useful to have conversations with BMC on the Assured skills model. If adapted, this could see Invest NI pioneering new ways of delivering skill sets. The CEO stated that we always look at redeployment first, and there is no desire to increase headcount if it is not required.

Mel stated that redeployment always needs to be considered, and that our Comms need to be consistent. He stated that there are several important dates coming up. First of all is the Minister's statement, scheduled for 1st October on his Regional ambitions and strategy, followed by Invest NI's appearances at the Economy Committee on 2nd Oct and 16th October. Mel stated that PMO's focus is now on measures and metrics for success. He added that the PMO has responded to a draft Internal Audit report, which had not raised any material issues.

A Board member reiterated his comments from last month where they stated DfE was concerned that the collaborative way of working had slipped. They also stated that when specifics were asked for, no examples were given by DfE.

The Chair asked if we were effectively choreographed in respect of the two upcoming visits to the Economy Committee, especially as the first appearance is the day after the Ministerial

announcement on the Regional Strategy. Following discussion, the CEO agreed to attend the Economy Committee on 2nd October. Mary Gormley left the meeting at 10:52.

5. COMMITTEE CHAIR REPORTING

The Chair emphasised the importance of external messaging during the following weeks and months. He also noted that NIAO has referenced DoF approvals in their Report. A Board member queried the BFC update and when the Minutes of the actual meeting would be circulated. The BFC Chair agreed to take this offline.

OPERATIONAL ITEMS

6. CHIEF EXECUTIVE REPORT

The CEO stated the contents of the report was still a work in progress and will continue to evolve. Key developments include the launch of the draft PFG which underscores our new Business Strategy. The Minister had provided positive feedback on our draft Business Strategy and had agreed to provide the Foreword. The CEO did reference a change requested by the Minister to the proposed Regional targets, as he would like to redefine Belfast City to the Belfast Metropolitan Area. The CEO stated he had no fundamental objection to this and would share some slides which underpinned the supporting analysis. The Chair stated that he had no issues with this, as long as it was achievable. The CEO noted that it was not about de-emphasising / ignoring Belfast, indeed, in absolute terms there would still be substantial investment in Belfast. He has highlighted to the Minister's SPAD that the full range of Invest NI interventions would be required to achieve this target and hence the importance of Invest NI being properly funded going forward. It was critical not to de-couple the initiatives from the targets.

A Board member asked what Invest NI's position was on planning matters. The CEO stated that in order for us to implement our Business Strategy, we also need an advocacy strategy to identify issues, obstacles and challenges. He also stated that the recently approved Regional Property Programme had already flagged this. Brian Dolaghan stated that the Minister had already written to the other Departments to ensure there was cross departmental collaboration on this. The Board member stated that we need to take a leadership position on planning.

A Board member asked how Invest NI was handling the public consultation on the Good Jobs Rights Bill. An ELT member responded that we have responded on this particular consultation through DfE. The CEO stated that Invest NI also intend to respond directly to the PfG consultation.

The CEO stated that Work in Progress was up 10% and good progress is being made on delivering investments. He stated that an updated Performance Report had been published and that Lines to Take would be provided to the Board.

The Chair stated that this month's report had regressed, with too much emphasis in the report on activity. He would like to see more on the outcomes being delivered and Invest NI's contribution to those.

7. FINANCE REPORT

Brian Dolaghan provided a brief commentary to supplement the Finance Report to Board. Following Board members raising a number of queries, the Chair stated that he wished to have a separate paper brought to the Board to address these issues.

Action: The Chair asked Brian Dolaghan to prepare a separate Paper to come to the October Board which addresses the issues raised, including: (i) the potential impact of the Regional Development Fund; (ii) the financial impact of proposed staff recruitment going forward; (iii) the funding of future pay rises and (iv) the contingency plan if in-year monitoring bids are unsuccessful. The Paper is to go through SRC before coming to the Board.

SPECIFIC PAPERS

8. REGIONAL STRATEGY

Alan McKeown stated that the team is working hard to get recruitment completed and is working on refreshing the office accommodations within the regions. The Chair noted that office location and fit out was an operational matter for the CEO. A Board member asked when they would receive an update on a Paper discussed by the Board previously, with regard to the utilisation of spare office capacity with Invest HQ.

Action: The Chair has asked that a Paper come to the November Board setting out options as to how the INI HQ building is to be utilised going forward.

The Chair asked what Alan's assessment of how our partners currently view Invest NI. Alan advised that partners would likely say that day-to-day relations with the regional teams are strong, but that we do not connect as well on a corporate level. The Chair stated that the Regional Development Fund will create interest from partners. Alan advised that the team is helping to shape this and there are ongoing meetings with DfE. A Board member stated that, from the North West perspective, Invest NI had engaged, which had been positive, but there had been a gap since the last visit and people want to hear about next steps. The Chair stated this is a fundamental worry. A Board member stated that we need to be clear, eleven councils will all have different needs. The Chair fed back his experience of the recent staff briefings on Business Strategy, stating that he thought they had landed well, and it is important to remember that employees are a very large and important stakeholder group. A Board member asked about the Regional Strategic Agendas and who will be involved with them. The CEO stated that they are an internal operational document to help drive achievement of targets. On regional targets we will partner with Councils and other stakeholders and work will commence on these once the Minister's Regional Plan is launched. The same Board member stated that Alan had previously mentioned new initiatives and asked are we stopping anything or are we just adding more? The CEO stated that no decision had been made to bring in new initiatives. This will be looked at as, and when, gaps are identified. A Board member asked for clarification on whether we have built in flexibility on Regional targets to account for differing requirements and needs across regions. The CEO stated that the figures have been stress tested and that he was confident regional targets were achievable, subject to external factors such as infrastructure constraints. The Chair asked if Board members were satisfied that the Regional Strategy is now final, and that they were content with the direction of travel? Board members were content to approve but appreciated that this now all needs to be operationalised. The CEO thanked Board members and stated this is the right thing to do and that he was confident that Invest NI is more than capable of achieving the desired results.

9. SEGMENTATION

Jeremy Fitch stated that fundamentally, the new operating model is about the mode and intensity of how we engage with companies. It is not about solutions or interventions. The model is designed to give the teams sight of our pipeline and how we help companies to grow. Jeremy stated that there is a need to reach out to the Wider Business Base (WBB) and this model provides a proactive solution to that. There is a broader client definition, new options for engagement, and it is simpler with only four segments. The Chair asked how this will be communicated and operationalised, given the recent feedback from external members of the

BFC. Jeremy stated that there were lessons to be learned from that engagement. There was a robust discussion, with Board members stating that, while continuing to endorse the direction of travel, as agreed in June, they still could not provide a final approval until the detailed questions posed prior to the meeting were satisfactorily addressed. The CEO stated that what is being proposed is fully aligned with international best practice. He acknowledged that other economic development agencies would not engage with the WBB, but elements of this are political. He also acknowledged that the vast majority of impact will be from our 'Focus 500' clients. The CEO asked for latitude from the Board to give the green light to operationalise, whilst acknowledging that the specific issues from the Board still need to be addressed. He stated that these would be actioned in a further Paper to be presented at the October Board meeting. The Chair summarised by stating that:

- A fully Revised Paper is required, not just addressing specific questions.
- All of the questions previously posed, are to be fully addressed; for example the inclusion of worked through Case Studies / examples that illustrate the Model in practice and sufficient detail to address the points raised.
- The Paper must set out a clear narrative as to the benefits of the proposed Segmentation Model and the profound change being delivered. Simplify the Model to make it easier to understand.
- The Paper needs to provide assurance to the Board as to the mechanics and depth which support the conceptual model.
- At the BFC meeting, the two external advisors were very clear – they did not consider there to be any fundamental change with the proposed Segmentation Model, nor did they sense that Invest NI wanted to effect change to deliver a better outcome. The discussion at the September Board demonstrated two diametrically opposed perceptions within the Board - ranging from no change to fundamental change. This needs to be addressed in the new narrative.
- How does the Segmentation Model embrace all elements of the organisation?
- The Board is concerned as to the apparent over reliance on the Digital Strategy to deliver the proposed Segmentation Model. Assurance on this point needs to be included in the Revised paper. We need a better understanding of the interaction with the Digital Strategy.
- Do not stop with the further development and implementation of the proposed Operating Model.

Action: The Chair has asked that a further updated Paper, addressing the issues raised at the September Board meeting comes back to the October Board meeting, for approval.

10. UPDATE ON GREEN ECONOMY

Rachel Sankannawar joined the meeting at 12:42. Alan McKeown left the meeting at 12:43. Jeremy Fitch introduced this item. Rachel then provided a brief update on work undertaken to date on Green Economy and the actions that still need to be completed.

Donal Durkan left the meeting at 12:44. Jeremy stated that Rachel and the team are dealing with resourcing complexities in trying to build capabilities and are working with Paula's team to identify creative ways to encourage applications, including potential graduate programmes. He stated there is a pressure building on applications for the Energy Efficiency Capital Grant and the team is potentially looking at a call off list for consultants to help in the short term. A Board member asked if demand had outstripped supply. Jeremy stated that if the team could recruit the staff numbers that were approved in the business case, this would suffice. There has been enormous interest in the scheme and the team are doing a great job to manage demand. Board members complemented Rachel on her clearly articulated Board paper. A Board member once again referenced the potential to use the Assured Skills model as a way of recruiting and building skills. Another Board member asked for an explanation on whether we are measuring emissions or consumption. Rachel provided a concise explanation, which fully addressed the query. The Chair asked Rachel to e-mail it to Board members for future reference. Rachel left the meeting at 13:05.

11. COMMUNICATION AND ENGAGEMENT STRATEGY (CES) – PROGRESS REPORT

The Chair opened the discussion by acknowledging that it was a comprehensive Paper and that the draft CES would go to SRC before the October Board. Peter Harbinson stated that elevator pitches and Lines to Take for each of the other Strategies are being developed and will be shared with the Board, with the current focus on enhanced regional PR. The Chair asked if comms is aligned across all of the Strategies / draft CES. Peter stated that there are four objectives in the Progress Report and that he was proposing that these form the basis for the draft CES moving forward. The Chair stated that, at this stage, the only thing missing was timelines and supporting rationale as why decisions had been taken. He advised Peter to carry on with developing his Paper and that he looked forward to seeing the final CES coming for approval at the October Board meeting. A Board Member queried whether the draft CES was joined up with the Digital Agenda. They stated that the Digitalisation Strategy needs proper ownership. The Chair asked that a separate meeting with the team be set up, consisting of himself, Scott Ritchie and Melanie Dawson to help move this forward.

Action: The Chair asked that a meeting be arranged with the Digital Strategy team and himself, Melanie Dawson and Scott Ritchie.

12. RETROSPECTIVE APPROVALS

Brian Dolaghan confirmed that the paper in the Board pack had been produced to provide the Board with assurances on the governance processes already in place and newly implemented. Dawn McLaughlin, ARAC Chair also stated that the quarterly assurance statement signed off by ELT members is critical and that the Board needs to have confidence from ELT that they are taking this seriously. The Chair stated that primary responsibility lay with the programme directors. He asked that ARAC continue to monitor this issue. The Paper was approved as presented.

13. BOARD EFFECTIVENESS REVIEW – MID-TERM REPORT

Trevor Connolly provided background and reminded members that the next Board Effectiveness Review will start in November / December. The Paper was approved as presented.

14. ANY OTHER BUSINESS

Colin Coffey advised that, following the last BFC meeting, he had agreed to take a proactive approach on casework projects / programmes to increase his understanding of any issues, so that the decision-making process at BFC could be enhanced. He also advised that the first City & Growth Deal project was likely to come to the next Board meeting. The Board meeting ended at 13:24.

15. DATE OF THE NEXT BOARD MEETING

The next Board meeting is virtual, it will commence at 09:00 on Thursday 24 October 2024 and will be held at on Microsoft Teams.

Wendy Savage, October 2024

Chair

**TWO HUNDRED AND NINETEENTH MEETING OF THE INVEST
NORTHERN IRELAND BOARD, 24 OCTOBER 2024 MEETING HELD
VIRTUALLY, VIA MICROSOFT TEAMS**

Present:

Invest NI Board

John Healy (Chair)

Patrick O’Gorman

Colin Coffey

Scott Ritchie

Kieran Kennedy

Ciaran Mulgrew

Michael McQuillan

Dawn McLaughlin

Julie-Ann O’Hare

Board Secretary: Trevor Connolly

In Attendance: Kieran Donoghue, Alan McKeown, Jeremy Fitch, Paula Logue, Mel Chittock, Peter Harbinson, Steve Harper.

Minute Taker: Wendy Savage

The Board meeting commenced at 09:40.

BOARD STANDING ITEMS

APOLOGIES

Apologies received from Marie-Therese McGivern, Dominic Darby, Melanie Dawson, Dónal Durkan and Brian Dolaghan.

OPENING REMARKS

The Chair stated that he had been contacted by Gregory Campbell CBE MP, with regards to comments made by a Board member during a radio interview. The Chair advised he had written to Mr Campbell stating that as per the terms and conditions of Board members’ appointments that “...*you are free to engage in political activities provided that you are conscious of your general public responsibilities and exercise proper discretion, particularly with regard to the work of Invest NI*”. He stated that the Board member was speaking in a personal capacity, with Invest NI not being mentioned at all during the interview. The Chair emphasised that he holds the seven principles of public life as being sacrosanct and reminded all Board members of their responsibility to uphold these and to exercise proper discretion in all their dealings. He noted that he had raised this in the Closed NED session and was repeating it now, in plenary. The

Chair reaffirmed that Invest NI is apolitical and is fully focused on its role as Northern Ireland's economic development agency and delivering the Economy Minister's Economic Vision. He stated that he now considered the matter closed.

(i) DECLARATION OF CONFLICTS OF INTEREST

It was noted that Michael McQuillan and Dawn McLaughlin would separately be leaving the meeting temporarily during the discussions on the two cases for approval at Agenda item 3. It was confirmed that there were no other conflicts with any other Agenda items.

ii. RAISING CONCERNS

The Chair reminded Board members of their obligations under the Raising Concerns policy and procedures.

1. MINUTES

The Minutes of the September 2024 Board meeting were agreed and will be published online.

2. ACTIONS & UPDATES

The Board Secretary updated the meeting on the Actions list and the following was noted:

Action 115: Segmentation Model: included on October Agenda.

Action 117: Profound change/impact measurement of IR Actions: The Board has decided to retain this action for further consideration.

Action 123: Digital Strategy: update to come to the November Board for discussion.

Action 125: Review of Programmes: Budget and Staff Resource: included on October Agenda.

Action 126: Communications and Engagement Strategy: included on October Agenda.

Action 131: Finance Paper: included on October Agenda.

Action 132: Meeting on Digital Strategy: arranged for 30th October.

Action 133: Utilisation of HQ Building: paper to come to the November Board for discussion.

3. CASEWORKS FOR APPROVAL

As previously noted, Michael McQuillan left the room at 09:52, due to a conflict of interest in respect of the proposed approval of the first project under consideration. The BFC Chair provided some background and context in respect of the City and Growth Deals project. Following discussion, the Board was content to recommend this project proceed to DfE for approval. Michael rejoined the meeting at 10:17. As previously noted, Dawn McLaughlin left the meeting at 10:17, due to a conflict in respect of the next project under consideration. When questioned, Julie-Ann O'Hare confirmed she was not conflicted on this project and was content to stay for the discussion, although she had not had sight of the papers. The BFC Chair provided some background and context in respect of this second project.

Following discussion, the second project was approved by the Board. Dawn rejoined the meeting at 10:32. The Casework report for September 2024 was noted.

4. IMPLEMENTATION OF INDEPENDENT REVIEW ACTION PLAN

Mary Gormley joined the meeting at 10:32.

Mel Chittock provided a brief update, stating that good progress continues to be made. Mel stated that he was concerned about the Skills related Strategic Actions, as insufficient progress had been made by DfE, and that this was to be raised formally at the next IoG meeting. Mel confirmed that the Internal Audit Review in relation to governance, oversight, monitoring and reporting arrangements had provided a satisfactory opinion. The CEO acknowledged all the good work done to implement the actions to date and advised he had attended the Economy Committee on 16th October to discuss progress with the Committee. Following a query from the Chair, an ELT member responded re the Green Economy Strategic Actions, noting that the team is dealing with resourcing complexities, while trying to build capability, and is working with People & Culture colleagues to identify creative ways to encourage applications. They are also in discussion with DfE to see if there are skills available in the wider NICS, which could be utilised. The ELT member also advised that the Segmentation Action Owner had asked IOG for an extension, as the Board had not yet finally approved the model. A Board member stated Strategic Action 26: Regional Property Plan had the potential to derail everything if we can't get a long-term commitment for capital funding. The CEO stated this was a legitimate concern as this is an integral part of the overall Business Strategy. He advised that he was meeting with the Minister in November to discuss this and agreed to provide an update at the November Board meeting. Mary Gormley left the meeting at 10:45.

Action: The CEO to provide an update at the November Board regarding the delivery of SA 26 - Regional Property Plan - which will be informed by his meeting with the Minister in November.

SPECIFIC PAPERS

5. SEGMENTATION

George McKinney and Iain Joannides joined the meeting at 10:45. The CEO put on record his thanks to George and Iain for the work completed to address the legitimate queries previously raised by the Board. The CEO reconfirmed that the new model is aligned with international best practice and struck the right balance to expand the remit and address the “*closed shop*”

comments from the Lyons review and also to retain focus on companies that would provide the best returns. The CEO asked the Board for approval to operationalise the new model. The Chair stated that the Board had already endorsed the direction of travel, but that the issue that had not been closed off was the clear articulation to the Board as to how the new model would operate in practice and be communicated to wider audiences. Iain noted that worked examples on how companies would be segmented were now included. He stated that the Paper showed the algorithm used in developing the model and advised that the aim is to have the entire client portfolio segmented by January 2025 but noted that this will be an iterative process. Iain advised the team is also working with Comms on enhancing and simplifying the messaging. There was a discussion, where Board members made the following comments:

- Great to see the further detail, but some of the figures in the paper need to be checked offline.
- Much clearer now on why decision had been taken.
- Re digitalisation – are we clear on what resource will be required?
- Important to note that Segmentation does not operate in isolation and must align with Regional, Digital, Comms etc. There needs to be a proper level of dialogue as the implementation of each moves forward.

Following a query from the Chair, the CEO confirmed that the Segmentation Model would be applied universally across Invest NI, irrespective of location. Iain advised that they would come back to the Board in January, via correspondence, with the detail on the overall client segmentation. The Board was content to approve the Segmentation Model. George and Iain left the meeting at 11:07.

6. COMMUNICATION AND ENGAGEMENT STRATEGY

Peter Harbinson stated that the updated Strategy builds on the previously approved Overview and has now been benchmarked against other organisations. The Strategy had been reviewed by ELT and SRC before coming to the Board for approval. On a high level, there are four key objectives for the Strategy to develop and deploy key messages:

- Building credibility and trust that establishes a reputation with business, partners, opinion formers, stakeholders and the public, as a high performing, responsive and transformed organisation.
- Developing communications with business, stakeholders and the public to explain our role and impact.
- Deliver campaigns, events and communications that supports delivery of strategic

priorities and positions NI as a location of choice for FDI and as a trading partner.

- Supporting effective internal engagement to drive cultural change and ensure our people feel valued, listened to, and are supported to deliver.

Peter advised that this is not without challenges, as it will require a change in culture internally, which will take time. We will be pivoting from reactive to proactive. He advised that there are also some skills capability gaps to be filled within his team, but that he is actively engaged with the People & Culture team to look at creative ways of plugging the gaps. The Chair made a comment on the positioning of the Board as Ambassadors for the organisation and stated that while this was important it was not the be all, and end all, and need not be emphasized so much in the strategy. Peter confirmed that there is a role for everyone, but he was just trying to draw out some easy and quick wins using Board members as advocates, not to put the onus on the Board to deliver the Strategy. A Board member stated that it was important to recognize that the success of this Strategy is the responsibility of everyone and that it was important to fund this, going forward. After a brief discussion, the Board approved the Communications and Engagement Strategy.

7. BUDGETING & RESOURCES PAPER

Alan Harris joined the meeting at 11:18. Paula Logue provided a brief overview to the Paper, stating that Strategic Action 6 (review of middle tier structures) had been impacted by the timelines on the leadership team restructuring. The Chair asked, in light of the Review of Programmes' exercise, what programmes are stopping and what the impact would be on staff resourcing and budgeting. He stated that this had not been addressed in the Paper. Following a lengthy discussion, Board members made the following comments:

- Can we come up with a measure to look at how productive roles are, in the same way we can measure GVA on programmes / projects?
- We really need to challenge ourselves on ways to reduce costs.
- Skills requirements are rapidly changing, have we looked at the current skills sets of employees?
- We need to look at the team internally. Are there better ways of doing things more efficiently? Working at pace is challenging - the length of time to push through some roles to recruitment can be frustrating. Can we keep staff up to date on when roles will be advertised / recruited?
- Why is all action sequential? How do we do more things in parallel?

The CEO stated this was an opportunity to work more efficiently within the existing headcount and redeployment is always the starting point. He stated that he would be happy to come back to the Board with a paper specifically on redeployment and cited the redeployment to the City and Growth Deal team as an example. The Chair stated that the Board needs a level of assurance and cannot get this from the Paper as presented. The CEO stated the Paper for November would set out the overall approach. Alan Harris provided an update as to how Finance used their financial modelling tools to look at resource planning for both present and future requirements.

The Chair cited an example, where an intervention and supporting structure had been approved by the Board in January, but the recruitment had not yet started. Paula agreed to provide further information on this specific item offline. The CEO passed his compliments to Paula, Katrina O'Dowd and Alan Harris for their work on the Paper. He stated that, sometimes, he had paused specific recruitment until he better understood the role and how it fitted with the overall Business Strategy. The Chair stated that, while this was absolutely the CEO's operational prerogative, it would be helpful if this could be communicated to the Board via the CEO's report. The CEO concurred. Alan Harris left the meeting at 11:49.

Action: Following discussion at the Board, the CEO agreed to provide a Paper to the November Board on redeployment of both staff and budget, following the Review of Programmes exercise. This is to provide assurance to the Board as to the overall approach, rather than granular detail.

8. REVIEW OF INTERNATIONAL OFFICE FOOTPRINT

Colin Neill joined the meeting at 11:49. Steve Harper introduced the item and stated this piece of work had been completed to address Strategic Action 15. He advised that he had chosen to have this work completed independently of the International Group and Colin had helped to develop the model used in the Paper. This was an extremely complex piece of work and has had a lot of time and effort expended on it. The model allows the framework to be refreshed in three years' time. Steve advised he was seeking agreement from the Board that the funding become a recurring baseline commitment for Invest NI, having previously been funded by the NIO. The affected employees were on interim contracts. The Chair stated that this was a very interesting paper, with the strategic question being around the funding. He stated that it was very difficult, from the Paper, to understand what other activities would need to be stopped in order to provide the funding required and that, in his opinion, the Paper did not address this. Following discussion, Board members made the following comments:

- Do we believe the office footprint is right sized?
- Have we considered alternative sources of funding?
- Do we have metrics as to the value added being generated by each office?
- Is this a cost neutral proposal?
- Instead of surrendering budget, could it be reallocated to cover these costs?
- Paper has been completed in isolation, without taking account of our Business Strategy.

The CEO stated that the Paper was a response to the Lyons Review and not written in the context of our new Business Strategy. He stated that the proposals in the Paper were logical and that he supported them. He accepted that we need to look at this through the lens of the Business Strategy and then discuss with DfE the implications and potential additional budget required. The CEO asked that the Board accept the direction of travel, but not formally approve at this stage.

The Chair stated that he was happy to approve the direction of travel set out in the Paper, but the Board could not approve the proposed budget implications. He asked the CEO to take forward the discussions with DfE and to keep the Board informed on progress. Colin left the meeting at 12:07.

9. DRAFT CORPORATE PERFORMANCE FRAMEWORK

Brona Fitzpatrick joined the meeting at 12:08. She presented a run through of what the performance reporting would look like. Darrell McCullough joined the meeting at 12:13. He then provided a run through of the functionality of the performance dashboard. The Chair queried whether Board approval was needed on the reporting framework, as it felt very operational. The Chair asked the CEO to confirm he was content that what was being proposed met the needs of the organisation. Board members were impressed by what had been proposed and stated that they would be interested in watching the development of the dashboards. An ELT member also confirmed that from a management perspective this is a fabulous tool. The Corporate Reporting Framework was approved by the Board, based on the CEO's assurance that he was content that this addresses the operational requirements of the organisation. Darrell and Brona left the meeting at 12:28.

10. BUDGET PAPER

Katrina O'Dowd joined the meeting at 12:29. Katrina supplemented the Board paper by advising that we always start the financial year with a managed budget pressure. Overall, experience has shown that demand reduces as the year progresses and Invest NI always wants to be in a bidding scenario, not a surrender position. There was a robust discussion and Board members made the following comments:

- How are decisions made on which programmes / initiatives are not producing returns and whether they should be stopped?
- Despite numerous requests from the Board, no detail has been provided as to how budget pressures are actively managed. What happens if bids are not met?
- How are staff costs reviewed and managed when we have budget pressures?
- Why are we discussing recruitment when we have budget pressures. Should we not be halting recruitment to balance our budget?
- Who determines the relative size of the proposed reductions in the Options presented in the Paper?

Katrina advised that the options are discussed, and decisions taken, at monthly ELT Finance meetings which include the CEO. The CEO advised Board members that budget pressures had been flagged earlier and that there had been an indication from DfE that further budget may be available later in the year. He noted the option of pausing recruitment but highlighted that this would only generate a small saving in this financial year (as noted in the Paper). Katrina assured members that frequent meetings are held with DfE and discussions on how to manage budget pressures are constantly ongoing. Katrina advised that she fully understood the Board's concerns, but also highlighted that care needs to be taken re the timing of cuts and the messages these can generate.

The Chair asked the CEO for his opinion; the CEO stated that he would not have a considered view until after the next ELT Finance meeting. The Chair asked that this issue be brought back to the November Board meeting for further discussion. The CEO stated he would also raise this issue during his upcoming meeting with the Minister referenced earlier.

Action: The Chair asked for a new Paper to come to the November Board which addresses the issues raised at this meeting, sets out the latest financial position and provides a recommended option as to how INI is going to manage its 2024-25 in-year

pressures. The Paper should also explain how the wider budget implications, set out in the International Office Footprint paper (Agenda item 8) will be addressed.

11. ANY OTHER BUSINESS

Retrospective Approvals

Ian Maxwell joined the meeting at 12:54. Katrina explained that the issue was not a failure to follow process but rather a result of erroneous internal guidance, which has been followed for some time. It had included an incorrect interpretation of materiality in relation to time extensions. Further work had identified 8 cases, over and beyond those included in the September 2024 Assurance Statement, that will require DoF retrospective approval. She assured the Board that the guidance has been updated and new procedures implemented in respect of any project requiring DoF approval. The ARAC Chair, Dawn McLaughlin, stated that this new issue was identified through the review of the Assurance Statement, and she was devastated, given Brian Dolaghan's compliance assurances at the September Board, that the Board was being asked, yet again, to agree retrospective approvals. Dawn confirmed that, at a recent ARAC meeting, DfE had noted that Invest NI was bringing the problems to DfE, rather than the other way round, and that the respective teams were working closely.

Patrick O'Gorman left the meeting at 13:00.

The Chair stated his disappointment that this issue was known before the September Board meeting but had not been flagged to either Brian or the Board. He asked for reassurance that a culture existed of raising issues. Ian stated that internal awareness training had been rolled out. The Chair stated that this issue had been characterised as a breakdown in communication. Ian stated that his team is clear that any issues need to be addressed promptly and apologised to the Board. The Chair highlighted the critical importance of ensuring that the appropriate culture - to raise issues - exists within Invest NI. Katrina and Ian left the meeting at 13:07.

12. DATE OF THE NEXT BOARD MEETING

The next Board meeting will commence at 09:00 on Thursday 28 November 2024 and will be held at the Hill of the O'Neill and Ranfurly House, Dungannon.

The Board meeting ended at 13:10.

Wendy Savage, November 2024

Chair

**TWO HUNDRED AND TWENTIETH MEETING OF THE INVEST
NORTHERN IRELAND BOARD, 28 NOVEMBER 2024
MEETING HELD AT THE HILL OF THE O'NEILL,
DUNGANNON**

Present:

Invest NI Board

John Healy (Chair)	Melanie Dawson
Colin Coffey	Dominic Darby
Kieran Kennedy	Ciaran Mulgrew
Marie-Therese McGivern	Dawn McLaughlin
Julie-Ann O'Hare	Patrick O'Gorman (joined at 11:10)

In Attendance: Kieran Donoghue, Alan McKeown, Brian Dolaghan, Paula Logue, Mel Chittock, Peter Harbinson, Steve Harper.

Minute Taker: Wendy Savage

The Board meeting commenced at 09:55.

BOARD STANDING ITEMS

APOLOGIES

Apologies received from Michael McQuillan, Scott Ritchie, Dónal Durkan, Jeremy Fitch and Trevor Connolly.

(iii) DECLARATION OF CONFLICTS OF INTEREST

It was noted that Melanie Dawson would leave the meeting temporarily during the discussions on the programme for approval at Agenda item 3. It was confirmed that there were no other conflicts with any other Agenda items.

ii. RAISING CONCERNS

The Chair reminded Board members of their obligations under the Raising Concerns policy and procedures.

1. MINUTES

The Minutes of the October 2024 Board meeting were agreed and will be published

online.

2. ACTIONS & UPDATES

Wendy Savage updated the meeting on the Actions list and the following was noted:
Action 117: Profound change/impact measurement of IR Actions: included on November agenda.

Action 123: Digital Strategy: Following a meeting with the digital team on 30th Oct the Chair has agreed to defer this item to January/February Board meetings. Progress update to be provided in January, with the next iteration of the Digital Strategy to come to Board in February.

The Chair and Melanie Dawson provided some observations from the meeting and Alan McKeown thanked them for their time and very valuable feedback and advised the team is working on an update for the Board meeting in January 2025.

Action 125: Review of Programmes: Budget and Staff Resource: With the agreement of the Chair, update paper has been deferred to the January 2025 Board meeting.

Action 131: Finance Paper: included on November Agenda.

Action 133: Utilisation of HQ Building: With the agreement of the Chair, update paper has been deferred to the January 2025 Board meeting.

Action 134: Update from CEO on meeting with Minister: included on November agenda.

3. CASEWORKS FOR APPROVAL

The Casework report for October 2024 was noted. As previously stated, Melanie Dawson left the room at 10:11, due to a conflict of interest in respect of the proposed approval of the programme under consideration. The BFC Chair provided some background and context in respect of the programme. Following a brief discussion, the Board was content to approve the programme. Melanie rejoined the meeting at 10:15.

4. IMPLEMENTATION OF INDEPENDENT REVIEW ACTION PLAN

Mary Gormley joined the meeting at 10:16.

Mel Chittock stated there had been good progress to date. There were some actions that had been extended but as they directly relate to the organisational re-structure, this was understandable. Mel stated that there are concerns around the Skills action

and this will be discussed further at a deep dive session during the next scheduled IOG meeting. He advised that DfE had sighted preparation for a PAC hearing as part of the reason for the delay. The Chair asked if we are in jeopardy of missing the extended completion date on this action. Mel advised that this should be apparent following IOG. A Board member asked if DfE were aware of the concerns around missing the deadline on this action, and if the Board needed to put those concerns formally to DfE in writing, given this is a DfE led action, where they continue to extend the deadline. Board members were further concerned that this was a major action flowing from the Lyons report and there has been little or no progress. Another Board member asked if we could take control of this action. It was stated that no, we play a part in advising on skills gaps, but DfE have overall responsibility for the policy. The Chair was content to see what progress is made at IOG before taking a decision on whether to formally write to DfE.

Action: Lack of progress from DfE on SA32 - Skills - SRO to send a note to the Board following the IOG Meeting on 11th December with an update and recommendation as to whether the Board needs to write formally to the DfE Permanent Secretary with their concerns.

Mel further stated that the PMO was keeping an eye on the action with regards to the policy team within DfE to make sure that this does not turn into a policy coordination unit rather than a policy development unit.

Mel then moved on to the work completed to date on the measuring of the profound impacts from the actions from the Lyons report. Mel stated that the performance framework will be critical in driving impacts into 'business as usual' activities. The Chair asked Mary Gormley to provide an update on how the teams are now working to operationalize these profound changes. Mary stated that the PMO has met with each of the Action Owners and what were Strategic Actions are now being embedded within performance reporting as 'business as usual'. The Chair suggested that for the Comms team, Peter Harbinson might want to think about how his team start normalizing the use of profound change in all communications. A Board member stated that we must be careful with our use of language as we are "transforming", we have not yet "transformed".

The Chair asked with regards to culture, are people still bought into the process of implementing the actions, as there have now been two Action Owner meetings cancelled recently. Mary stated that for those Owners with completed actions, they now see their work as complete and generally the meetings have been cancelled due to lack of availability from colleagues in DfE. The Chair asked how do we help keep the focus? Mary stated that attention now needs to turn to embedding the implementation of the actions as business as usual. The Chair stated that this needs to be driven forward whilst we have momentum. Mel stated that the PMO is now working on elevator pitches to show the impact of the profound changes, but these now need to be fully embedded into the performance framework. Mel stated that in his opinion, the PMO function now needs to be stood down and reporting return to the operational teams. Mel stated that the mapping has been done to the performance framework. A Board member asked if this can be tracked. Mary Gormley stated that the updates / progress can be tracked through the performance framework. Another Board member stated that with ongoing restructuring, they did not feel that this would be fully embedded until all the restructuring had been completed. They also stated that once the restructuring has been completed the Board will need to understand where the organisational priorities will lie under the umbrella of the Business Strategy and its sub strategies.

The Chair stated that as this was Mel Chittock's last Board meeting before he leaves the organisation on 13th of December he wanted to pass on the thanks and congratulations of the Board for what had been an illustrious career within economic development and wished him all the best for whatever opportunities arise in the future. Mary Gormley left the meeting at 10:46.

OPERATIONAL ITEMS

5. CEO REPORT TO BOARD

The CEO started his report by giving a brief update on his recent meeting with the Minister. This had been scheduled to update the Minister on the Regional Property Programme. The CEO was accompanied by Brian Dolaghan and Sharon Keenan from the Property team. The CEO stated that the Property team presented to the Minister

on Invest NI's current land holdings portfolio. The CEO stated he had reminded the Minister that sufficient budget allocation will be key if this programme is to succeed. He advised that the Minister stated that he understood that we need land to promote to investors. The Minister further stated that with regard to budget, allocations are subject to ongoing discussions at DfE and Executive level. The CEO made the Minister aware that within the overall budgetary framework, the budget would have to be recalibrated if we are to implement the Business Strategy. The Minister acknowledged this and stated that budget allocations are subject to ongoing discussions. The CEO stated it had been a constructive meeting. The Chair stated that we would need to reiterate this message regarding budget allocation wherever we can. A Board member stated that budget is a key indication of whether we will have serious change. The CEO commented that the worry is that now the Business Strategy has been published we have completed our brief. There is no realisation that the budget needs to follow to achieve the targets. A Board member asked if members should move the emphasis of any of their discussions within their own networks to emphasise this point. The CEO stated that yes, it would be good if DfE / Minister was also hearing a consistent message from stakeholders and businesses that Invest NI will need the required budget to achieve the targets set in the Business Strategy. The Chair reminded Peter Harbinson that he and the CEO are meeting with the Business Alliance early in December and asked that Peter ensured this was put onto the agenda for discussion.

The CEO then moved on to give a brief update on the CEO Report within the Board papers. He stated that work in progress is improving and converting to business and advised the teams are on track for the year-end target. However, the value of these investments is less than what has been anticipated. We are dealing with higher volume of projects with a lesser investment. The Chair asked the CEO how the capital grant for Agri Food was progressing, and if projects were starting to come through the pipeline? A Board member stated that the criteria was very strict to apply for the Agri Food Capital grant, therefore, this may narrow the pool of applicants.

The CEO commented on the good regional spread of jobs, but stated there were concerns about meeting the jobs target. The CEO commented on recent in-market activity, specifically referencing Trade Missions where the Minister accompanied Invest NI staff and companies. Steve Harper stated that having the Minister on Trade

Missions is very useful. The CEO also referenced the recent first joint Trade Mission to Singapore by Invest NI, Enterprise Ireland and IDA.

Patrick O'gorman joined the meeting at 11:10.

A Board member asked if the jobs target is still relevant, given we are at almost full employment. The CEO stated that he felt the target is still relevant but acknowledged it will be a challenge in the current climate. Another Board member asked for some feedback on the fact that there had been no applications from companies in the North West for the recent Ambition to Grow competition. Alan McKeown stated that his team is doing some work looking at recent applications across all of the council areas and hoped to engage with the Local Economic Partnerships to gather further data. He advised that this analysis of trends and uptake will be brought to RPC for further discussion.

The CEO also gave a brief update on the series of consultations that had been done across the regions on the Business Strategy. He advised that stakeholders are lined up to support Invest NI but that we had launched the Strategy at a very interesting time politically, given the US election results and the implications for businesses from the UK budget and that they may have an impact as we move forward to embed the Strategy.

6. FINANCE REPORT TO BOARD

Brian Dolaghan started his update by referencing the paper provided to members with regard to Board Action 131. He stated that the information presented to the Board in October was meant to give a level of comfort, but following the meeting had come to the conclusion that Board members needed to have an additional level of understanding of how the Finance team actually makes Budget Management work in practice. Brian advised that the paper presented in this month's pack was to allay any concerns raised at the previous meeting and was to assure the Board that every decision is looked at on a monthly basis and challenged by the Finance team. He advised that pausing recruitment had been discussed early in the year, but a decision had been taken that we needed to build momentum, especially given the

requirements of our Business Strategy. Brian admitted that the team does sometimes get things wrong, and that Budget Management is not an exact science, but he hoped that this month's explanation paper had hopefully removed some of the 'mystique'. The Chair advised that the Board is interested in all aspects of Budget Management but unfortunately, the tone in last month's update was wrong. A Board member stated it is always better for the Board to be aware of challenges and also what is being discussed and thought about in planning. Understanding the logic helps the Board understand the reasonings. The Chair reminded everyone that the Invest NI Board is not an Advisory Board and part of the Board's duties is to fulfil its duties to scrutinise all budgetary decisions. The Chair reminded everyone that all conversations should be respectful. One Board member stated that after reading the paper, they still felt they did not understand how the finances worked. Brian stated that Public Sector accounting works differently in that the Finance team are looking at expenditure management rather than profit and loss. The SRC Chair reminded everyone that Finance Reporting and how it is presented to the Board will be added to the agenda for the SRC meeting coming up in January 2025. Another Board member stated that they felt this had been a good paper and had explained in detail how budget management works.

Brian then gave a brief update to supplement the Finance Report to the Board which is summarised below:

- January Monitoring Round – awaiting outcome of £3m bid
- Returns have been submitted for a three-year budget exercise (2025/26 – 2027/28)
- The Chancellor announced the outcome for 2025-26 on 30 October 2024, with the outcome for the following two years expected in Spring 2025. An allocation from DoF to Departments for 2025-26 is therefore expected in the coming months
- Invest NI has secured Shared Island funding of €10m over the next three calendar years to the end of 2027

Brian also cautioned signals from DfE with regard to budget allocation will mean there are challenges ahead for future years. If this is the case, all strands of the Business Strategy will need to be re-examined to see what can or cannot be achieved if our

budget settlement is less than expected and this will be flagged to the Board as soon as the team has any visibility. The Chair also stated that it is important that we have a published Business Strategy which we can refer back to when finances are required.

SPECIFIC PAPERS

7. ESG UPDATE

Paddy Robb joined the meeting at 11:50.

Paddy gave a brief update on the progress against the ESG Action plan to date. This included an update on the Invest NI sustainability plan and progress against understanding our Scope 1, 2 and 3 carbon emissions and updates on some of the progress against actions under the Social Value Partnerships pillar. Board members provided feedback which is summarised below:

- When will the Board see a fully formed sustainability plan as referenced in the Action Plan?
- Does Scope 3 include projects and programmes?
- Are there tools available that businesses can use to look at their carbon emissions?
- Board members felt that Invest NI should be insisting that companies undertake ESG surveys.
- Invest NI should be aware of the carbon footprint for every programme and project.
- There is scope for Invest NI to take the lead in this area and show clear profound change.
- There is a clear link between ESG and the Digital Strategy
- Whilst there is an aspiration to add ESG measures to conditionality there was a recognition that baseline data needs to be collected, mapped and measure before we can develop a Strategy.

The Chair asked that Alan McKeown take this feedback back to the Digital team. Paddy stated that they have been working closely with the digital team as work progresses. The Chair also asked what other economic agencies do in this area? The CEO stated it is still very early days with other agencies trying to get baseline on clients

to then help to agree and develop sustainability plans. A Board member stated that a lot of industries have this data, we're just not asking. Another Board member asked what the plan is to support clients. Paddy stated that the Green team is looking at practical ways of helping clients, but this is at an early stage. The Board member again reiterated that this would be a perfect example of profound change if we can move forward with purpose.

The Chair stated that the Board is supportive of the work to date, but there is still some distance to go, and we should be looking at ways we can turn the work into opportunities for change.

Re Social Value Partnership events, the Chair asked how we had promoted this. Peter Harbinson stated it had been promoted through our social media channels, there is always good engagement across the channels and the team is constantly analysing and learning. The Chair asked that Peter produce a report, following year end, on social media engagement figures and trends.

Action: Following year end, Peter Harbinson to produce and circulate an update report to the Board on Social Media engagement figures and any trends which have been identified for 2024/25.

Board members stated that this is a good opportunity for us to lead on producing a measurement tool. The Chair also again reiterated that we need more definition on some of the actions and proposed outcomes. The Chair also advised that the Board is hugely interested in this area and keen to be kept abreast of progress and an ESG update would be added to the Board Forward Planner for 2025/26. Having asked Paddy what was needed to move the actions on, the Chair advised that Paddy should make requests for any additional needs now as there is opportunity to be had, and we must grasp it. Paddy left the meeting at 12:11.

8. FDI & TRADE PAPERS

Steve Harper introduced this agenda item and stated that whilst ownership of these policies lies with DfE, there had been first class engagement with Anne Beggs and her team and there had been strong co-design on the final documents. He also advised

that the process had been stalled for a time due to restructuring within DfE.

Anne Beggs and Alan Ramsey (DfE) joined the meeting at 12:13.

The Chair noted that on the paper provided to the Board, it had been stated that the Minister had already agreed both policy steers and that the Board would be endorsing the papers presented. Alan confirmed that the Minister has taken a huge interest in the development of the papers. Alan advised that the Trade and Investment team within DfE has broken down the Minister's economic vision into policy, for Invest NI to then operationalise. The team had sought, through co-design, to strike a balance between policy objectives and also what Invest NI could deliver. The Chair asked Anne Beggs if she was content that the policy steers provided enough cover. Anne advised that the policy framework does give cover to be able to develop an international strategy within Invest NI. Anne further stated that there are challenges on the types of FDI we bring in, and that some measures on productivity would need to be nuanced. Anne also advised that she is currently working with the Economist team in DfE; but was broadly happy with what has been proposed. The CEO advised that he felt the papers were good and aligned with the Minister's economic vision and that he felt the papers strike the right balance.

There was a brief discussion and Board members feedback has been summarised below:

- Is Dual Market Access (DMA) referenced enough?
- Have there been specific instances of companies wanting to come to Northern Ireland, or expand, if already here, due to the Windsor Framework?
- Are we actively promoting good news stories through our Comms channels?
- Could DMA and ESG be flipped into super clusters to look for opportunities?
- There is overlap on alignment on both policies and the onus is on us to explain this

Alan advised that DMA is at the top of the Minister's agenda. Anne also advised that a DMA stakeholder forum had been established and there was a huge appetite to focus on the opportunities. The team is also planning roadshows locally with 'lunch and learn' events for trade support and highlighting DMA opportunities. Steve Harper

stated that yes, some companies have been very vocal about the benefits of the Windsor Framework. Anne also stated that some companies are not necessarily equating DMA to their increased exports and haven't yet seen or understand the competitive advantage to be had. There was a reminder, however, that DMA is only one aspect of FDI. The Chair confirmed that the Board was happy to endorse the policy steers as presented. Alan and Anne left the meeting at 12:29.

9. ANY OTHER BUSINESS

Under AOB, a Board member asked if there had been any thought given within Invest NI to issues with immigration. The Chair stated that these do not technically sit within our gift in Invest NI, it may be good for the CEO to reach out to the Migration Advisory Service. The CEO stated he would also give consideration to writing formally to DfE about these issues.

Another Board member asked if it would be possible to set up a seminar or master class to teach companies about passing costs on, thinking in particular about dealing with increased National Insurance contributions. The CEO stated that a master class may be a good idea, but he would take this offline and speak to the relevant team.

10. DATE OF THE NEXT BOARD MEETING

The next Board meeting will commence at 09:00 on Thursday 30 January 2025 and will be held at an external venue, to be confirmed.

The Board meeting ended at 12:40.

Wendy Savage, December 2024
