

INVEST NORTHERN IRELAND BOARD MINUTES 2024

January 25, 2024

February 29, 2024

March 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 responded 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 reiterated 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 20245-25 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