



Minutes of the meeting of the Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Thursday 29 May 2008 at 10.00 am

Present:

Board Members

Mr Sean Hogan, Chairperson
Professor David McDowell, Deputy Chairperson
Mr Kieran Campbell
Dr Christine Kennedy
Mr Nicholas Mack
Professor Grace Mulcahy
Mr John McKinley
Professor Stewart McNulty
Mr John Rankin
Mr Michael Walker

In Attendance: Dr Robin Boyd, Head of Chief Executive's Office
Mr Stephen Dolan, Head of Business Support Unit
Mr Stephen Cousins (Secretary)

Apologies: Mr James Noble
Dr Michael Hollywood
Dr George McIlroy, Chief Executive Officer

Welcome and Introduction

Mr Hogan welcomed all those present.

With reference to the apologies, Mr Hogan informed the Board that the CEO, Dr McIlroy, was feeling better. Members of the Board wished him a speedy recovery and asked that Mr Hogan convey this message to him on their behalf. In the absence of Dr McIlroy, Mr Hogan reported that the DCEO, Dr Seamus Kennedy, had been appointed as Acting Accounting Officer.

Reference was made to this Board meeting having been originally planned for AFBI Hillsborough but due to last minute changes in the Ministerial Diary this plan had to be cancelled. Mr Hogan advised that the Minister had now given a commitment to attend the June Board meeting in which case it had been decided that the venue for today's meeting should be AFBI Newforge.

With regard to the AFBI Organisational Review Meeting that had been planned for AFBI Hillsborough on the same date as the Board meeting, this would now be held on 30 June 2008 in Parliament Buildings. Mr Hogan advised that he would be attending along with the CEO, Dr McIlroy, if available or his Deputy and other members of the Executive.

1. Minutes of the meeting held on 23 April 2008

It was proposed by Dr Kennedy, seconded by Mr McKinley that the minutes of the meeting held on 23 April 2008 be approved subject to the following amendments:

- Item 4.3, second paragraph should be replaced with – *“Mr Dolan informed the Board that a recent report on health and safety matters had been completed but the recommendations arising related mainly to operational matters.”*
- Item 4.3, third paragraph, end of sentence should be replaced with *“.....but alternative arrangements have been put in place to circumnavigate any health and safety issues.”*

2. Matters Arising from the Minutes of the Meeting of 23 April 2008

2.1 Formalisation of re-appointments in respect of five AFBI Board Members

The Secretary informed the Board that confirmation had been received from DARD Sponsor Branch that the five members had been re-appointed and the members concerned had been advised accordingly by the Board Secretariat. DARD Sponsor Branch are now in the process of issuing written confirmation and letters will be forwarded in due course.

As well as the re-appointments, Board members were informed that DARD Sponsor Branch had also secured the approval of the Minister, in line with DFP guidance, for a 2% uplift in Board members remuneration backdated to 1 April 2007. Arrangements are now being made for the uplift to be implemented and hopefully it will be processed in time for inclusion in the June remuneration.

2.2 Appointment of Deputy Principal Accountant

Mr Dolan confirmed that the successful candidate had as anticipated, declined the offer of appointment. However, AFBI have secured the services of a person employed on a temporary appointment on an extended contract. This will enable the 2007/08 Accounts to be completed on time while at the same time providing AFBI with the opportunity to consider the options for filling this post in the long term.

2.3 Audit Committee Annual Report 2006/07

A Report has been submitted for the Board's consideration (see Item 5).

2.4 Rolling Database of Major Issues Raised at Board Meetings

The Secretary confirmed that the Rolling Database had been amended in order to differentiate between "*complete*" and "*ongoing*" issues (see Item 7.1).

2.5 Crossnacreevy Relocation

The Board requested that Dr Camlin provide members of the Board with a brief update prior to the June 2008 meeting and asked Mr Dolan to advise Dr Camlin accordingly.

2.6 Appointment of a Business Manager

Mr Hogan informed the Board that Mr Ferguson would be in attendance at the lunch following today's Board meeting. It was also suggested and agreed that Mr Ferguson be invited to make a presentation to the Board at some future date, possibly August 2008.

2.7 SAPO4 Facility

The Secretary confirmed that this item had been entered on the Rolling Database.

2.8 Balmoral Show

Confirmation was given that Board members had been provided with details re a park and ride facility during the period of the Show.

3. Report from Chief Executive's Office

3.1 Corporate Plan

Dr Boyd informed the Board that further material had been added to the draft Corporate Plan for 2008/09 to 2010/11 from the consultancy reports that he had received in respect of People, Science, Business and Assets. A revised draft had been circulated to members of the Board as agreed at the April meeting and Dr Boyd thanked those who had responded. The draft Corporate Plan was now with DARD but it has not yet been issued to DFP for approval as AFBI Sponsor Branch have further comments they wish to make. A meeting with members of the Executive to review the draft Corporate Plan for 2008/09 to 2010/11 has now been arranged. Dr Boyd advised the Board that he would

provide a progress report at the next meeting or if something significant arises he would e-mail Board members in advance.

Following discussion the Board agreed that after DARD and DFP approval has been received the Corporate Plan for 2008/09 to 2010/11 should be placed on the AFBI Board agenda to enable Board members to partake in a more in-depth discussion in relation to specific targets and dates.

3.2 AFBI Organisational Review Meeting

The Board were informed that the AFBI Organisational Review Meeting due to be held on the same date as the May AFBI Board meeting had now been re-scheduled for 30 June 2008.

Currently both Dr Boyd and Mr Dolan are heavily involved in preparing a brief for the meeting.

In response to a query from the Chair, Dr Boyd advised that the format for the Review would appear to be focused more on corporate governance issues than those of a strategic nature.

In voicing dissatisfaction at the delay in receiving approval from DARD Sponsor Branch/DFP regarding a number of issues, including the Corporate Plan, it was suggested that the AFBI Organisational Review Meeting would provide an ideal forum to highlight such issues.

In response, Mr Hogan confirmed that the Board is fully supportive of the Executive Team in their preparation of both the Corporate Plan and Business Plan and that he would articulate the feelings of the Board at the AFBI Organisational Review Meeting as suggested. Furthermore Mr Hogan stated that if the Department wish to see AFBI function as an independent commercial organisation then it must respond a lot quicker otherwise the AFBI Board may not be in a position to accept any proposed changes or amendments.

Mr Dolan suggested that one possible way of overcoming these delays would be for the Board to approve a draft of the Corporate Plan or Business Plan prior to its submission to DARD. The draft could then be forwarded for the necessary approvals and if there were any changes these could either be implemented or refused on the basis that the response was too late and to do so would have a major impact on the organisation.

3.3 Northern Ireland Assembly Agriculture Committee

The Board were informed that the NI Assembly Agriculture Committee had met in closed session at AFBI Hillsborough on 22 May 2008. AFBI staff had taken the opportunity to provide a tour of the new Environment and Renewable Energy Centre at AFBI Hillsborough

including a presentation on Renewables as well as providing lunch. Dr Boyd informed the Board that AFBI staff had also taken the opportunity to promote the forthcoming Renewables Conference and the Chairman of the Committee, Rev W McCrea MP MLA had indicated a keen interest in the event.

3.4 Renewables Conference

This event is progressing well and everything is going according to plan. A company has been appointed to secure sponsorship, is very enthusiastic about the Conference and has indicated that there should be no problem in realising the amount of sponsorship required. A breakfast event, hosted by Mr Hogan, is being arranged for the end of June and it is hoped that this will also attract major sponsorship.

Mr Hogan confirmed to the Board that he had spoken with Mr Peter Robinson MP MLA and Mr Jeffery Donaldson MP MLA and reported that both were very keen on the ideas being proposed. Also two of the three Northern Ireland representatives at the European Parliament had shown great enthusiasm and in fact the organising committee had used the assistance of Mrs Bairbre de Brún MEP to secure a European speaker for the event.

Members of the Board were interested to learn if the renewable facilities at AFBI Hillsborough would be operational and if site visits would be available for delegates. While it was recognised that this was a good idea this was unlikely to happen due to the logistics involved. However, the renewable systems installed at AFBI Hillsborough would be highlighted and underlined.

In general discussion on the matter Board members also highlighted several other issues which they felt the Executive Team should take into consideration when finalising plans such as:

- Input from local schools in the form of a competition or visitations to the event especially the exhibition.
- Ensuring that the details of all the delegates are recorded not only for AFBI's future use but also made available to other delegates.
- The use of interactive sessions and the introduction of Information Technology for example for electronic voting during the course of a debate.

In relation to the finances involved Board members were informed that costs should be known quite soon. On the issue of applying a charge for delegates attending, Board members were agreed that a charge should be applied for a number of reasons.

It was agreed that Board members should also receive details of the website, specifically created in respect of the Conference, now that it had been established. Dr Boyd agreed that he would forward the relevant details.

Mr Hogan indicated that he was content with the progress being made and suggested that if managed correctly the International Renewable Energy Conference will significantly raise the profile of AFBI.

4. Report from Business Support Unit

4.1 Risk Management

Mr Dolan informed the Board that there were no reported changes to the Corporate Risk Register. The management of risks within the organisation is now the main issue to be addressed. Mr Dolan explained to the Board how he envisaged this being carried out through the appointment of a Business Improvement Manager. As well as proactively managing risks within the organisation this post would also include performance monitoring of the targets set in the Business Plan and ensure the implementation of audit recommendations. This appointment will be arranged through an internal AFBI trawl and the person appointed will be located centrally within the AFBI Business Support Unit. This appointment will have minimal impact on any current budgetary arrangements.

At present Internal Audit are undertaking a Risk Assurance Review and a Final Report is due. In considering the report the risk of an exodus of experienced staff on the creation of AFBI has failed to materialise. Although there were 50 uncontrolled staff leavers they were mostly at junior grades. Action to mitigate this particular occurrence by providing a more structured progression path for junior grades is under consideration. A review of the Risk Register is planned in June 2008 and this risk and others will be changed.

4.2 Fraud

There were no incidents of fraud or suspected fraud to report.

4.3 Health and Safety

Mr Dolan informed the Board that a key issue for AFBI Health and Safety Officers is the ratio of their reactive work exceeds their proactive work. This has arisen for a number of reasons including the delayed commissioning of the Lamont Building, the need to move brucellosis testing to Newforge and some difficulties with waste disposal. It is intended that the Health and Safety Officers identify a programme of work for all the AFBI sites during 2008-2009.

4.4 AFBI Accounts 2007-08

Mr Dolan confirmed that an Accounts Timetable had been agreed with the Northern Ireland Audit Office (NIAO).

The draft Accounts are almost complete with only the accruals information required in order to finalise. However, the Board was given an assurance that the Accounts would be ready for presentation by the agreed date of 30 June 2008.

4.5 Finance

4.5.1 *Invest NI Innovation Voucher Scheme*

Board members were given details about the Scheme which had been formally launched on Tuesday 27 May 2008. Since the launch AFBI have received four enquiries. The Scheme is open to all Small to Medium Sized Enterprises (SMES) who can apply for a voucher up to the maximum value of £4,000 which they can then exchange for specialised knowledge or assistance from a recognised “*knowledge provider*” such as AFBI. It was acknowledged that the Scheme presents a massive opportunity for AFBI to increase its external income while gaining access to a new funding stream.

It was also noted that the Scheme is being underpinned by European Funding which ties in with AFBI’s attempts to gain EU recognition. In this respect the Board was informed that AFBI is still awaiting confirmation from the EU that recognition has been granted. However, there may be a need for a further visit to Brussels in order to clarify outstanding issues. Mr Dolan advised that the Board will be kept up-to-date on progress.

4.5.2 *Budgets 2008-09*

A Budget Monitoring and Forecast Report was presented to Board members and Mr Dolan provided members with an explanation in respect of the figures contained in the report. It was noted that the income target set for this year (2008-09) is £8m.

Mr Dolan informed the Board that AFBI had exceeded its target of increasing income by 5%-10% in the first 3 years and in light of this information several Board members expressed their delight at this success.

In the general discussion that followed a member of the Board raised the issue of fixed overheads and stated that feedback received from some stakeholders indicated that these were too high. While acknowledging that managing overhead costs was an issue Mr Dolan informed the Board that early reports from the new costing system

provided more accurate details of actual overheads and with this data AFBI could aim to reduce its fixed costs.

A Board member enquired about the recent hike in energy prices and Mr Dolan advised that this was a major concern and undoubtedly there would be an impact on the organisation. However, it was reported that there had been a noticeable reduction in the cost of natural gas due to the non-burning of waste materials but the bigger issue surrounds the energy usage of IT. As an example Fujitsu had reduced its energy costs to pre 1990 levels. A starting point for AFBI would be an energy audit with recommendations on how to make meaningful reductions. Given the reliance on IT equipment this is an area that will need to be addressed and the Board will be kept informed on progress.

4.5.3 *Development Strategies*

Further to the report from the Chief Executive's Office which mentioned the consultancy reports, the Board were advised that the Executive had accepted the findings of the reports and the need to implement the actions. Arising from implementation meetings the Executive had now established a steering group and had agreed to allocate the various strategy proposals to each of the DCEOs who in turn would allocate tasks to various Project Leaders. A paper outlining the implementation plans will be presented to the Board and arrangements made for a number of presentations to be given also.

Board members were content with the Executive's approach to the reports and the positive feedback they had received. It was agreed that the consultancy reports would be forwarded to Board members for their perusal and comments. With regard to presentations being made to the Board it was acknowledged that this would be a good idea and one that would provide the Board with an opportunity to express their interest in what was taking place.

A Board member enquired if any of the outcomes arising from the Board's "Away Day" in June had been included in these reports. The Executive confirmed that these had been reflected and would become apparent in the recommendations and proposals.

It was noted that the funders, the Strategic Investment Board (SIB) are quite keen to have the findings implemented and if AFBI can show this to be the case then other funding opportunities may arise.

5. Report from Audit Committee – 29 April 2008

A copy of the Audit Committee's 2006-07 Annual Report and note along with the draft minutes of the Audit Committee meeting on 29 April 2008, were circulated to Board members. Commenting on the Annual Report in the absence of Dr Hollywood, Mr Campbell informed the

Board that the conclusion in the report sums up very well the current position of the organisation.

In response to a query from a Board member, Mr Campbell advised the Board that he was not aware of the NIAO or the Internal Auditors raising any major concerns. It was also noted that Dr Hollywood, as Chair of the Audit Committee, was content with the progress being made and the work undertaken to date.

In commenting members were agreed that the report was very detailed and complimented Dr Hollywood for the manner in which he conducted the business of the Committee. The report provided an assurance to the Board that the Audit Committee was acting effectively on its behalf.

However, in noting that the Internal Auditors had given an overall “*partial level of assurance*” members of the Audit Committee were asked if there was anything further the Board could do to improve this marking. Following further discussion it was suggested that consideration be given to an improved audit trail of Board decisions. In order to achieve this it was agreed that future papers presented to the Board should detail the action to be taken e.g. to note/to approve and a clear record of the Board’s decision.

6. Rewards and Recognition to Staff Scheme

A copy of the Rewards and Recognition to Staff Scheme document was presented to the Board for comment and approval. Prof McDowell as Chair of the Remuneration Committee recommended that the Board approve the document and confirmed that the supporting documentation would follow in due course.

A member of the Board raised a query in relation to “*Section 3 – Staff Covered by the Scheme*” but following an assurance that there would be accompanying guidelines to the document the Board were content to proceed on that basis.

Subject to a slight amendment to the Table in “*Section 6 – Revenue Sharing*” where a “*greater than*” sign needs to be inserted on line 3, it was proposed by Mr Rankin and seconded by Mr Walker, that the Board accept the recommendation of the Remuneration Committee and approve the document. The Board agreed and approved this document.

7. Any Other Business

7.1 Rolling Database of Issues Raised at Board Meetings

The Secretary confirmed that the request received at last month’s meeting for the items recorded on the database to be more easily

defined between those “ongoing” and those “completed” had been completed.

The Secretary also informed the Board that there was also a need to make two minor amendments to the database that had been circulated in respect of this meeting –

- (i) AFBI Accounts 2006-07 the position at April 2008, third sentence should be replaced with – “*In keeping with recognised procedures the Annual Report and Statement of Accounts have been laid before the Northern Ireland Assembly Business Office.*”
- (ii) Rewards and Recognition to Staff Scheme – the date of when this issue was first raised at the Board should read “*December 2006*” and not “*December 2007*” as entered.

7.2 Request for Information

A Board member requested that the Board seek a report from the various Deputy Chief Executive Officers detailing how they plan to secure income within their respective business areas. The Board agreed that the Executive should consider how best this information could be provided either by way of a presentation or the submission of a paper.

8. **Date of the Next Meeting**

8.1 Arrangements for the June 2008 Board Meeting

Chair advised that if the Minister was going to be in attendance then the June meeting would take place at AFBI Hillsborough with a suitable agenda and programme. However, if this was not going to be the case then a normal monthly meeting would be held in AFBI Newforge.

Signed: _____
(Chairperson)

Date: _____