



Minutes of the Meeting of the Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Wednesday 18 April 2007 at 10.00 am

Present:

Board Members

Mr Sean Hogan, Chairperson
Mr Kieran Campbell
Dr Michael Hollywood
Dr Christine Kennedy
Mr Nicholas Mack
Mr John McKinley
Mr James Noble
Mr John Rankin
Mr Michael Walker

In Attendance:

Dr George McIlroy, Chief Executive Officer
Dr Robin Boyd, Head of Chief Executive's Office
Mr Stephen Dolan, Head of Business Support Unit
Mr Manus McGuinness (Secretary)

Apologies:

Professor David McDowell, Deputy Chairperson
Professor Stewart McNulty
Professor Grace Mulcahy

1. Minutes of the meeting held on 21 March 2007

The minutes of the meeting held on 21 March 2007 were agreed.

2. Matters arising

There were no matters arising from the meeting on 21 March 2007.

3. Report from the Chief Executive's Office

Dr Boyd presented slides on two aspects relating to his business area.

3.1 Plans for the Balmoral Show

3.1.1 This presentation gave details of the AFBI stand at the Balmoral Show to be held from 16 to 18 May. Dr Boyd highlighted aspects on Food Safety and a Science Quiz which were aimed at the younger audience and a powerpoint show to guide visitors through the work of AFBI in the area of the Geographical Information System. On the Family Day of the Show it is planned to invite customers to Newforge to meet AFBI staff and get updates on our work programmes. Guests will be able to park on site and be provided with refreshments and transport to the Show.

3.1.2 In discussion it was explained that, as a Government Body, AFBI would be located in the Government Hall at the Show. This was to be expected at this stage of AFBI's development and with its substantial working links with DARD. It will provide a good opportunity for Ministers to visit the AFBI stand and for AFBI to show its work for Government Departments. AFBI has engaged with the DARD Committee in arrangements for the Show. Attendance of Board members at the AFBI stand was important.

3.1.3 The Board agreed that the key target audience for AFBI's participation in the Show should be Ministers. The Show should be seen as an opportunity to maximise publicity, to raise the AFBI profile and to demonstrate the services it can provide to potential customers. While accepting the advantages of its positioning in the Government area, AFBI should use the momentum of this Show to look ahead in a proactive approach to promoting the Organisation. It could also be used to tease out future relationships with Ministers. A number of points were made in discussion:

- Suggestions for future AFBI activities and promotions included having an AFBI stand in the commercial area, an AFBI marquee at the Show, targeting schools, information sheets on focused aspects, e.g. renewable energy, AFBI sites at local shows showing local work.
- Planning for the future is essential in this area. A calendar of events should be available and each event should be seen in the context of the overall strategy. This idea of a "road map" was welcomed by the Board.

3.2 AFBI Staff Achievements

3.2.1 This presentation gave a sample of some recent achievements by AFBI staff and students:

Dr Gordon Allan

prize in Italy for contribution to pig research

Dr Glenn Kennedy	invite to Chile by Salmon Producers Association and Nuclear Energy Commission
Donna Wilkinson (PhD Student)	British Poultry Council Prize
Professor John Davis	British Agricultural Economics Society 'Award for Excellence 2007'
Danny Campbell (Postgrad Student)	prize essay competition of the British Agricultural Economics Society
Dr Margaret Patterson	invite to Chicago by Institute of Food Technologists (IFT) to give annual IFT lecture
Dr Walter Crozier	UK appointment as national delegate to the International Council for Exploration of the Sea (ICES)
Dr Matthew Service	project on Sustainable Mariculture in NI Sea Loughs (SMILE)

3.2.2 The Board agreed that a letter of congratulations, showing the Board's appreciation of the success, should be sent to the staff. In a point of concern raised about the supervision of postgraduate students in future, it was explained that the MOU with Universities would enable AFBI staff to continue to supervise students.

4. Report from the Business Support Unit

4.1 Risk Management

Mr Dolan said that there were no new risks or significant movement in risks to report to the Board. Following the Risk Workshop on 5 March 2007 the Internal Auditors (Deloitte) identified 16 corporate risks and presented these in a new format for AFBI's Corporate Risk Register. SMT have discussed this approach and have agreed its adoption for AFBI Risk Registers. Heads of Divisions are being asked to rewrite their Risk Registers into the new format and the new Risk Registers should be in place by June 2007.

4.2 Pension Matters

4.2.1 Mr Dolan recalled the developments and actions which have led to this protracted and difficult issue – actuarial assessments and examinations, legal advice, valuations, cessation penalty, etc. The next step is a Business Case presenting all the facts to DARD, with a recommendation that they underwrite any liabilities. This should reiterate the principle of “no detriment” which had been established for the movement of ARINI staff to AFBI. Geoffrey Donaldson MP has asked for an update on the matter. The deadline for reply is 25 May

2007 and the Business Case will be submitted to DARD in the same timescale. The role of the Board is to ensure a favourable outcome for AFBI employees. Once DARD agree to meet any deficit, AFBI will write to each individual setting out comparisons for each scheme and this will allow them to make decisions.

- 4.2.2 In discussion it was explained that affected staff at Hillsborough were very anxious and uncertain about their pension position. The situation has led to a welfare problem for one person on long-term sick absence. As a result, the Benevolent Fund has been involved and an exgratia payment has been made in recognition of AFBI's duty of care to the person.
- 4.2.3 Following discussion the Board gave its full support to the Accounting Officer in making the exgratia payment. The Board in noting the real hardship for an individual reiterated its position that this needed to be resolved as soon as possible. This was now a moral issue and the welfare of staff was the prime need in its urgent resolution. The Board agreed that a letter from the Chairperson expressing Board support would be sent in parallel with the Business Case to DARD. This should stress the hardship arising from the issue and give a clear message that it was "required" to be sorted out speedily.
- 4.2.4 In response to a question it was clarified that the CEO and Head of the Business Support Unit would meet again with staff at Hillsborough after this Board meeting. One Board member, a former Trustee of ARINI, expressed concern at the delay in resolving this matter. The point was made that ARINI Trustees had operated on the basis of "no detriment" to terms and conditions of its employees which would ensure a safe hand-over to the new employer.

4.3 **VAT**

It was agreed that, in future, the VAT issue would not be a standing item on the agenda but that Mr Dolan would report only when substantive matters needed to be brought to the Board's attention.

4.4 **Finance**

- 4.4.1 In presenting the Finance table on full-year spend for 2006-07, Mr Dolan explained that this was based on an open ledger position in which invoices were still outstanding and accruals were estimated. The figures showed total resource spend at 100.6% of budget. Within this, accruals had been estimated at £865k and while this could change, the 0.6% over budget could be taken as a fairly accurate outturn. This should be viewed in the context of acceptable variations on budget of between 0.5% and 0.75%. The total spend had absorbed £0.5m clinical waste costs which would have been covered by in-year bids in previous years. A recent audit report has indicated that these costs will be higher in future. This had been a difficult first year for

AFBI and, while the policy is always to remain within the budget allocation, the changes to the accounting system, uncertainty of the baseline until the 3rd quarter made monitoring and profiling of spending less accurate than desired.

4.4.2 In discussion, the Board accepted the small overspend as a good result in all the circumstances of a new organisation in its first year of operation. Looking to the future, the Board appreciated that the CSR cuts to AFBI's budget and the pay rise of almost 4% would lead to a deficit on current spending plans. The opportunity should be taken to plan for the next three years how AFBI intends to either reduce costs or increase income to accommodate the impact of the CSR.

4.4.3 In response to a point raised about plans to publicise the AFBI Annual Report and Accounts it was agreed that Senior Management would consider this and bring proposals to the Board.

5. AFBI Business Plan 2007-08

Mr Dolan reported that he had received helpful comments from Board members on the first draft of the Business Plan which had been presented to the March meeting. These, along with comments from DCEO's following consultation with their operational managers, had been incorporated into the draft. The Board agreed that a revised draft should be brought to the May meeting.

6. AFBI Corporate Plan

6.1 The Board considered the arrangements for preparation of the Corporate Plan for 2008-2011. The existing Plan to 2010 had, of necessity, been prepared in a very limited timescale and with the uncertainty on the positioning of the organisation over the next 3 years. We are only now getting into a position to give informed consideration to the model and content of the Plan. This will need to be developed in full engagement with the Board in the setting of aims and objectives, targets, identifying the strengths and weaknesses of the organisation, alignment with funding and manpower etc. Examples of data needed are specific customer requirements, indicative costs of AFBI services, income forecasts and budgets. On the non-financial side a range of data would be useful to set overall aims and targets for AFBI. These include evidence of promotional and marketing initiatives and outputs from reviews. The Corporate Plan will be an evolutionary document set against a timescale of completion in time for the Open Meeting in September.

6.2 Following discussion on the way forward, the Board agreed that the June Board meeting should be extended and enhanced into an Away Day, a substantial part of which would be devoted to the Corporate Plan. To ensure best use of the day with a focused and structured approach to discussions, it was agreed that a programme incorporating

a list of topics and issues for consideration should be brought to the May meeting.

7. Any Other Business

7.1 AFBI Board Remuneration

7.1.1 Dr McIlroy gave a brief resumé of the papers which had been circulated to members prior to the meeting. The issue came to light in a note from Sponsor Branch on 1 February 2007 advising that additional payments made to members of the Audit Committee had not been formally approved by DARD or DFP and were irregular. The history dates to a meeting between the AFBI Chair and Chief Executive with the DARD PEFO in March 2006 at which the AFBI representatives understood that there was agreement to remuneration of committee members for work outside their normal Board meeting commitments. In June 2006 the Sponsor Branch were informed by copy correspondence of the internal AFBI arrangements for payments to members of the Audit Committee but it was not until February 2007 that they raised this as an issue. Following correspondence with Sponsor Branch by the Board Chairperson and Senior Management in which it was discovered that the PEFO had a different understanding of the March 2006 meeting, it was agreed that AFBI would submit a business case to DARD to formalise the agreement. At that stage AFBI did not have sight of the PEFO's note into the DARD system of his understanding of the March 2006 meeting.

7.1.2 The current position is that a Business Case has been considered by the Departmental Board and there is now approval in principle to remuneration of AFBI Board members for attendance at meetings in excess of the 15 days time commitment for attendance at 12 Board meetings per annum. This would be a per diem payment of £240 and would, initially, be limited to the Audit Committee and Remuneration Committee. Payment for attendance at other Committees etc would be the subject of a further application to the Department. Sponsor Branch have asked for the AFBI Board view before putting a case to DFP.

7.1.3 Mr Hogan expressed his deep concern at the tone and opinion of the Sponsor Branch correspondence in February 2007. At that time AFBI, in ignorance of the PEFO's correspondence to Sponsor Branch presenting a different interpretation of the March 2006 meeting, acted in accordance with its understanding that payments to the Audit Committee members were acceptable. Mr Hogan assured the Board that he robustly defended AFBI's position and rebutted suggestions of irregular payments to Board members. However, he is keen to resolve the issue as quickly as possible in line with the recommendations of the Departmental Board.

7.1.4 Mr Hogan read out a draft response to DARD. This takes the line of AFBI Board agreement to the DARD proposal for £240 per diem limited initially to days associated with the Audit Committee and Remuneration Committee. The draft suggests a review of the whole Board remuneration arrangements in light of actual workloads and comparisons with other similar NDPBs.

7.1.5 The Board agreed the terms of the Chairperson's letter to DARD Sponsor Branch.

7.2 Food Strategy Promotion Board (FSPB)

Mr Walker passed on a message from the Chief Executive of FSPB that they would be keen to come and talk to the Board.

8. Date of the next meeting

The next meeting of the Board will be held at 10.00 am on Tuesday, 15 May 2007 at AFBI Newforge.

Signed: _____
(Chairperson)

Date: _____