



**Minutes of the Meeting of the Agri-Food and Biosciences Institute
(AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Wednesday 25 November 2009 at 9.30 am**

Present – Board Members

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

In Attendance - AFBI Executive

Dr George McIlroy, CEO
Dr Seamus Kennedy, DCEO
Dr Michael Camlin, DCEO
Dr Arthur Gilmour, (Acting) DCEO
Dr Robin Boyd, DCEO
Mr Joel Ferguson, Head of AFBI Innovations
Mr Stephen Cousins, AFBI Secretariat

Visitor - Mr Simon Parker, CPCRC Ltd

1. Welcome and Introduction

ACTION

The Chair opened the meeting with a word of welcome for all present and thanked everyone for making the earlier start time of 9.30 am which he stated was necessary due to the lengthy agenda.

2. Apologies

There were no apologies.

3. Draft Minutes of the Previous Board Meeting held on 28 October 2009

It was proposed by Mr Walker, seconded by Prof Mulcahy and agreed by the Board that the draft minutes of the previous Board meeting held on 28 October 2009 be accepted subject to the following amendment -

Item 5.4 – Finance

Replace the third paragraph with –

“The Executive assured the Board that there was no threat to AFBI’s reputation as all invoices submitted for payment are paid by Account NI

within the Government's target of 10 working days. However, this target does not extend to AFBI's customers and lack of income in a timely manner may create cash flow problems."

4. Matters Arising from the Minutes of the Previous Board Meeting held on 28 October 2009

4.1 Open Meeting - Preliminary Arrangements (Item 5.5)

The Chair confirmed that the Open Meeting would take place in February 2010 and he would discuss the arrangements with the CEO. The Secretary reported that the list of potential attendees was presently being updated with the aim of having invitations issued during December 2009.

Chair

4.2 Note for Potential for Spin-out Companies (Item 5.6.2)

In light of the lengthy agenda, the Board agreed to hold this matter until the December meeting when the Executive can provide an update on progress.

Exec

4.3 Risk Appetite (Item 5.9)

The Board agreed that this issue could be held over until the December meeting to allow more time for discussion. Secretary to record as an action point for the December Board meeting.

Sec

5. Updates from the Executive

5.1 AFBI Risk Management

5.1.1 *AFBI Corporate Risk Register (CRR) – updated 30 October 2009*

The Executive confirmed that no new risks to the organisation had arisen since the previous Board meeting.

The Executive advised the Board that the copy of the CRR circulated to members prior to the meeting was the current version and reflects all of the changes made during recent meetings of the Board, Senior Management Team (SMT) and the AFBI Audit Committee including the proposed decrease in the funding from DARD to AFBI for financial year 2010-11. This document has also been published on the AFBI website.

5.2 Whistleblowing and Fraud

The Executive referred to the ongoing case that had been mentioned during previous meetings and confirmed that the findings had uncovered no evidence of fraud.

The Executive advised that another case had arisen since the previous meeting but there were doubts as to whether this could be treated as a whistleblowing incident as the claims had originated outside the

organisation.

5.3 Health and Safety

The Executive confirmed that no major Health and Safety incidents had occurred since the previous meeting.

5.4 Finance

5.4.1 *Monthly Budget Monitoring Report*

The Board were presented with the monthly budget monitoring report. The Executive advised that there are no significant pressures at this time and the organisation was on target to remain within budget for the remainder of this financial year (2009/10).

However, the Board were asked to note that AFBI may experience some pressure on the salaries and wages budget due to the “*back pay issue*” affecting staff at the lower grades across the whole of the Northern Ireland Civil Service (NICS). The Board were reminded that AFBI have already made a contribution in terms of the overall commitment to the NICS but now that the matter appears to have been resolved, payments will need to be made to staff including adjustments to salaries and it is these matters that AFBI will need to take into account.

Capital expenditure also remains on target but the Executive highlighted the fact that there have been some delays in procuring items. This was due mainly to the timeframe involved in establishing competitions through the Central Procurement Directorate and especially for those competitions that had to be processed through the European Journal.

5.4.2 *Strategy to Meet Funding Shortfall*

The Executive provided the Board with an overview of the plans that have been submitted to DARD to meet the shortfall in the AFBI Grant-in-Aid budget for the period 2010/11. However, such plans do not take into account future cuts to the budget that may be imposed in subsequent years.

In response the Board thanked the Executive for the information provided and in the discussion that followed a number of comments were noted –

- Reductions in the budget must not be permitted to impact on the commercial programme.
- “*Salami slicing*” is not the way forward in dealing with issues such as this and will only end in failure. Therefore it is important to put a strategy in place that identifies and takes account of what is sustainable and what is not.
- It is important that AFBI not only prepares a list of its customers but this list also provides details of the work that AFBI undertakes for them and determine if it is financially viable to continue.

- AFBI appears to be exposed to certain risks. Therefore to assist in developing a strategy there is a pressing need to determine which contracts or projects will be coming to an end and what is pending.

Following discussion, the Board expressed the opinion that it is even more important to drive forward with the work being undertaken by the Innovations Branch and support its attempts to secure new income. The Executive underlined the point that with the three strategies now in place, the Board was in a good position to move forward and implement whatever changes are necessary for the long term sustainability of the organisation.

The Board also agreed that it would wish to revisit the paper submitted by the Executive in relation to the Strategy to Meet the Funding Shortfall (paper 09-10-D) and asked the Secretary to keep this on the agenda for the next Board meeting (16 December 2009).

Sec

5.5 AFBI Innovations

The Executive provided the Board with a report on the latest developments in the AFBI Innovations Branch (AIB). This covered matters such as –

- AFBI 3-Year Marketing Strategy
- AFBI Fund for Innovation
- Competence Centres
- AFBI – UU Animal Health Workshop
- New Service Opportunities

Ms S Black would be taking up a new position as Deputy Principal within AFBI Innovations Branch on Monday, 30 November 2009. Ms Black would be working alongside the AFBI Business Manager, taking specific responsibility for technology commercialisation and Intellectual Property and contracts.

In commenting on the report the Board acknowledged that the work being undertaken by the AIB had resulted in an increase in income but also accepted the fact that in the search for new business there will always be some failures as well as successes. However, no matter what the outcome, the Board stated that they are and will remain, very supportive of the work being carried out by the AIB.

The Board also coupled their support for the AIB with a note of appreciation for the scientific staff working in conjunction with the AIB.

In further discussion, the Board agreed that it would examine ways in which it could interact more directly with AFBI staff in order to ensure that the appreciation of the Board could be delivered first hand. The Executive agreed that it would also examine ways in which this could be achieved possibly through staff giving presentations to the Board on the work that they were undertaking, or particularly at this time of the year,

**Board/
Exec**

through a Christmas message.

5.6 Pensions Issue

AFBI and DARD have met with NILGOSC and received some material which was in turn submitted for a legal opinion.

Early indications would suggest that the solicitors have found no legal obligation for AFBI or DARD to pay for any pensions deficit. However, in order not to delay matters DARD have agreed to make the necessary funding available that would permit the transfer of thirty-seven individuals who have opted to join the PCSPS.

The timeframe would hopefully see this transfer completed by the end of January 2010. The Executive advised that the CEO will issue a note to staff advising them of the situation and will follow-up on this with a meeting early in the New Year.

The Board were assured that NILGOSC cannot discriminate against those who have decided to remain as members of NILGOSC and there would be no adversity to those staff.

The Board were pleased to note the progress and thanked the Executive for the report.

5.7 Rewards and Recognition to Staff Scheme (RRSS)

This matter is still with the Department of Finance and Personnel (DFP) and there have been no further developments since the previous meeting.

The Board expressed concerns that with no RRSS in place at present, it could influence any judicial ruling that may be made in the pending court case relating to Intellectual Property Rights. In view of this situation and the lack of progress by DFP, the Board signified that they were content for the Chair to write to DFP and the Executive agreed that it would provide the Chair with a form of words that would enable him to do so.

**Exec/
Chair**

5.8 Rolling Database of Issues Raised at Board Meetings

The Board noted the changes to the Rolling Database and signified that they were content that it reflected the up-to-date position.

In response to a query from the Board regarding the request for a SAPO4 facility, the Executive advised that, due to business pressures, the target date for the submission of a Strategic Business Review had to be extended. The Executive confirmed that the document is now at an advanced stage and will be with DARD by 30 November 2009.

6. AFBI Board Effectiveness Review (BER)

6.1 Prior to the report from Mr Simon Parker (BER facilitator), the CEO took the opportunity to highlight the work that the Executive and the Board have carried out on developing the organisation since its creation on 1 April 2006. The CEO affirmed his belief that the issues and events that he had highlighted were evidence that the Board had been strategic and supportive in running the business at a high level since AFBI's creation in 2006.

6.2 Following the introduction, Mr Parker reflected on the work that has been carried out to date on the BER project from the date of the initial workshop to recent meetings he had held with the AFBI Senior Management Team. Mr Parker took time to remind the Board of the six objectives that the Board had outlined at the workshop on 24 January 2009 namely –

1. Build a robust strategic planning process
2. Extend Board contact beyond Senior levels within the organisation
3. Create an annual award for staff
4. Create a joint group to improve Board briefings
5. Create a stakeholder and science group
6. Hold joint meetings between the Board and DARD

6.2.1 *Build a robust strategic planning process*

In terms of a robust strategic planning process Mr Parker addressed a number of factors and highlighted three strategic goals –

- Delivery of Government policy requirements
- Internationally recognised excellence in biosciences
- Commercial success

Mr Parker suggested that the three strategic goals should dictate the future agenda for Board meetings. The Board should therefore examine the current format for meetings and instead of focusing on housekeeping matters it should consider taking one of the three strategies, even on a quarterly basis, and concentrate on the work that is being carried out on that strategy. To assist with the understanding of the work that is being done, the Board could also give some thought to incorporating input from the staff involved in the various project implementation teams.

6.2.2 *Extend Board contact beyond Senior levels within the organisation*

With regard to extending Board contact beyond Senior levels within the organisation, it was suggested that this could involve presentations to the Board for example on a specific commercialisation project or some of the statutory work that AFBI undertakes. This would be in addition to site visits carried out by the Board.

6.2.3 *Create an annual award for staff*

The Board agreed that it would defer a decision on the introduction of an annual award until April 2010.

6.2.4 *Creation of a joint group to improve Board briefings and creation of a stakeholder and science group*

On both of these issues, the Board accepted a proposal from the Executive that it would provide a briefing note for consideration and discussion at the Board meeting being held on 27 January 2010.

6.2.5 *Hold joint meetings between the Board and DARD*

The Board acknowledged that Dr Hollywood as Chair of the AFBI Audit Committee had held a meeting with his DARD counterpart. The Board accepted the need to consider other ways in which this relationship could be developed.

6.3 Marketing and Business Development Strategy 2010–13

The Executive outlined its plans to develop a three-year marketing and business strategy with the aim of having it completed and ready to implement by the end of March 2010. This strategy will be administered through AFBI Innovations working with the business strategy teams.

Following a presentation, the Board signified that they were content to support the Executive and were willing to see the Executive proceed as proposed on the basis that the Board is kept fully informed and that any draft documents are circulated to members when they become available. The Board also emphasised the point that it is crucial that it has ownership of the strategy and agree how it will be implemented.

The Board expressed the view that external expertise may also be required to drive the strategy forward and asked the Executive to consider the skills gap and how this could be addressed. The Executive indicated that procurement process was already underway to appoint a consultant to support the development and delivery of the marketing and business development strategy and plan. The Strategic Investment Board were providing significant support which was enabling this external support to be procured.

The Board also suggested that, as part of this marketing exercise, it would be useful if the Executive could provide information relating to the lifecycle of the various non-DARD contracts that are currently active within AFBI.

6.4 Implementation of AFBI Strategies – update

6.4.1 *Assets Strategy*

The Project Sponsor, Dr M Camlin provided the Board with a brief report on the work that has been carried out to date and highlighted a number of issues.

The Board were advised that DARD require a final AFBI Assets Strategy paper by 31 December 2009. However, Central Procurement Directorate have only started their part of the process and it is unlikely that a final paper will be available in time for the 31 December 2009. This also means that there will be no paper available for the December meeting of the AFBI Board.

The Board were also informed that an energy efficiency survey had been carried out at AFBI Newforge. The survey had been completed by Intra Consulting working in conjunction with the Carbon Trust. A final report on the findings of the survey is now due and following this the Executive will consider extending the survey to other AFBI sites.

6.4.2 *People/HR Strategy*

Work on this strategy is progressing. The Project Sponsor, Dr S Kennedy informed the Board that a staff engagement survey had been completed and the HR teams were scoping the other work to be carried out. The team leaders have been encouraged by the positive attitude of the staff involved.

The work on this strategy is inextricably linked to the other two strategies and it is likely to last two or three years.

6.4.3 *Business and Science Strategy*

The Project Sponsor, Dr A Gilmour reported that the teams in this strategy are working and meeting on a regular basis. Some external assistance has been required to help some teams refocus on the objectives. The teams anticipate that there may be some deliverables prior to the forthcoming Christmas period. For example, an improved and effective business planning process and specifications for an account management system.

6.5 The Board thanked the various Project Sponsors for their updates and while the Board is aware of the work that is taking place, it was good to receive details of what was happening at first hand.

7. Any Other Business

There was no other business to report.

8. Date of Next Meeting

The next meeting of the Board will be held on Wednesday 16 December 2009 at AFBI (HQ) Newforge.

Signed: _____
(Chairperson)

Date: _____