



Minutes of the meeting of the Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Wednesday 21 November 2007 at 10.00 am

Present:

Board Members

Mr Sean Hogan, Chairperson
Professor David McDowell, Deputy Chairperson
Dr Michael Hollywood
Dr Christine Kennedy
Mr Nicholas Mack
Mr John McKinley
Professor Stewart McNulty
Professor Grace Mulcahy
Mr James Noble

In Attendance: Dr George McIlroy, Chief Executive Officer
Dr Robin Boyd, Head of Chief Executive's Office
Mr Manus McGuinness (Secretary)

Apologies: Mr Kieran Campbell
Mr John Rankin
Mr Michael Walker
Mr Stephen Dolan, Head of Business Support Unit

1. Minutes of the meeting held on 17 October 2007

The minutes of the meeting held on 17 October 2007 were agreed subject to the following changes:

2.1.3 The last sentence should be revised to read "*The Board gave its support to the Executive in their efforts to manage and address the numerous difficulties in the preparation of this year's accounts and in related audit activities associated with the establishment of AFBI*".

4.3.2 The last bullet point should be revised to read "*It was noted that many other research institutions offer a wider range of employment options, including part-time or full-time fixed term positions*".

- 7.4.1 The penultimate sentence should be revised to read *“The concern is that these are largely unsubstantiated allegations in the public domain, on the DARD website, made by persons who could be perceived to be associated with AFBI competitors and on which AFBI was given no opportunity to comment”*.
- 7.4.2 The penultimate sentence should be revised to read *“This will emphasise the AFBI Board’s concern at the REAP actions and the Board’s insistence that the documents are removed from the website”*.
- 7.5 The last sentence should be revised to read *“He was pleased to report that the visit had gone well due to the effective presentations made by the DCEOs assisted by discussions with a number of Chilean students at AFBI”*.

In a general discussion about the form and presentation of the minutes of the Board meetings and the opportunity for members to influence these records, it was agreed that in future the draft minutes would be circulated to members for comment before inclusion in the papers for the following meeting.

2. Matters Arising

2.1 AFBI Accounts 2006-07 (2.1)

- 2.1.1 In Mr Dolan’s absence, Dr Boyd updated members on the latest developments on the accounts. The NILGOSC Actuary is preparing an estimate of the pensions liability should members transfer to PCSPS. It is hoped that this will remove uncertainties about the provision in AFBI’s accounts and reduce the likelihood of the accounts being qualified by the NIAO.
- 2.1.2 Mr Hogan advised that the pensions issue had been discussed at the DARD/AFBI Boards’ meeting on 5 November 2007. The DARD Permanent Secretary suggested that qualification of the Accounts would be purely a technical issue. The alternative is not to produce the accounts until the pensions liability issue is resolved. The DARD/AFBI agreed approach is to wait 4 weeks from the above meeting to facilitate delivery on undertakings given by DARD at that time, and if the pensions qualification issue is not resolved by then, to proceed with the production of the accounts.
- 2.1.3 The AFBI representatives at the meeting with DARD felt that the DARD Permanent Secretary appeared to be unsighted about the implications of the pensions issue for ex-ARINI staff and the seriousness of the personal consequences for some of these staff in what is the major employment issue for AFBI in the last 2 years. These include persons retiring on ill health for which no pension has been paid and those retiring at 65 who have not been able to access the PCSPS element of

their pension. AFBI has a duty of care to these employees and the CEO has authorised (within the limits of his delegated authority) some ex-gratia payments to the ill health retirements. This has been approved by Sponsor Branch.

- 2.1.4 In discussion, concern was expressed that the momentum on addressing the personal aspects of pensions issue could be lost when the accounts are signed off. The matter must not go on indefinitely. While it was noted that discussions had been held with the Permanent Secretary, and there was some progress with the Government Actuary and the business case, it was important to set a time limit after which the matter could be raised to the political level. Dr McIlroy reminded members of the discussions at the previous meeting – NIPSA had agreed to hold off action until the end of October and if there was no resolution by then, the Board Chair would raise the matter directly with the Minister.
- 2.1.5 Following discussion, the Board agreed that it might be necessary to raise the pensions issue with political representatives to achieve a satisfactory resolution. A letter should be drafted from the Board Chair to the Minister, pointing in particular to the personal and welfare issues and inviting the Minister to meet with the AFBI Board to discuss the issues. It was agreed that contact should first be made with the DARD Permanent Secretary to give advance notice of the Board's approach to the Minister. It was also agreed that the Board needed to be in a position to be able to make a clear, step by step, presentation of the developments on the pensions issue since the formation of AFBI.
- 2.1.6 The Board agreed that an extraordinary meeting of the Audit Committee might be needed to consider the accounts.

3. DARD/AFBI Board Meeting on 5 November 2007

It was noted that major issues on pensions and REAP raised at the meeting with DARD were being covered in other agenda items on these topics. Mr Hogan advised that minutes of the DARD/AFBI meeting of 5 November 2007 were being prepared by DARD. AFBI have commented on the draft. It was agreed to hold further DARD/AFBI meetings at this level.

4. REAP Comments on Research Strategies

- 4.1 Mr Hogan, referring to the Board's concerns about recent comments by REAP on AFBI research which have been published on the DARD website, advised members that the issue had been discussed at the meeting with DARD on 5 November 2007. However, the AFBI representatives at the meeting felt that DARD did not fully grasp AFBI's concerns on this issue or the credibility that would be given to REAP's criticisms of the professionalism and integrity of AFBI because of the placement of such criticisms on the DARD website. Since the meeting,

DARD has written, setting out its position on the publication of material on its website. This is that DARD will always seek to ensure that any material which is either inaccurate or which levels unjustified criticism at the work of another corporate body is excluded from its website. The letter proposed that DARD would facilitate a meeting between the Chairs of AFBI and REAP.

- 4.2 Some members said that a recent check of the website showed that the REAP material had been amended. Even if this was the case, it did not give REAP the right to criticise AFBI in the unsubstantiated way they had done. It was agreed that the amended material needed to be examined before responding to DARD.
- 4.3 The Board discussed whether or not the AFBI Chair should attend the proposed meeting with the REAP Chair. It agreed that the terms of the AFBI response must be considered carefully and questioned the usefulness of the meeting in light of the recently stated DARD position on management of its website and the recent amendments to the web content. While AFBI was pleased with the action to amend the material, it would want to have confirmation that mechanisms were in place to ensure that this situation will not be repeated.

5. Report from the Chief Executive's Office

Dr Boyd updated members on a number of activities and developments in the Chief Executive's Office.

5.1 Visit to Jordan

Dr Boyd's absence from the previous Board meeting was due to his visit to Jordan to present a paper to the closing conference in Amman on the joint NI-CO/Jordanian project on plant and animal health. This is an EU funded project aiming to enable Jordan to be able to export produce to the European market. His talk was entitled "*The requirements of modern plant and veterinary services*". Dr Boyd reported that this was a good opportunity to promote AFBI in front of the Jordanian Minister of Agriculture and other dignitaries and also to further strengthen the ties with NI-CO. NI-CO is a leading technical assistance provider in Europe and has an extensive portfolio of experience in co-ordinating overseas technical assistance work on behalf of the public sector in Northern Ireland and the rest of the UK. It has gained international recognition in a range of sectoral areas and has access to over 200,000 skilled practitioners. AFBI (as DARD Science Service) has experience of working with NI-CO, e.g. in Russia and Poland. One slight disadvantage in the working relationship is that AFBI works on a full cost recovery basis while NI-CO does not. It is hoped that this can be addressed by DARD permitting AFBI to retain accommodation overheads in future contract income, or not to include it as a cost on NI-CO work. The link with

NI-CO is an important one, particularly on business development as we move into the CSR.

5.2 Business Development

- (i) Business Development Manager – the response to the recent public advertisement for a Business Development Manager had been good, with 67 expressions of interest. It may be necessary to shortlist applicants. The aim is to have a person in post in January 2008.
- (ii) Scoping Exercise – a draft consultancy report on a scoping exercise to assess the perception of AFBI amongst its key audiences had been received. Initial indications are very positive. However many potential customers are not familiar with the AFBI brand.
- (iii) Strategic Investment Board – AFBI has been working closely with the SIB which has two roles – estates and developing wider markets. SIB are pleased with AFBI's progress in developing commercialisation. They have indicated that they may fund further work in this area this year.

5.3 In discussion, the development of the commercial side of AFBI business and the potential SIB funding were welcomed. The value of such activities is, however, significantly influenced by DARD's approach in the treatment of additional generated income. Dr McIlroy explained that income generation must be considered in the context of the timescale of CSR reductions which would be managed over a 3 year period. The reality is that AFBI cannot retain its complement of staff assigned to work for DARD while making work programme cuts of the magnitude indicated in the CSR. Adaption is not an overnight exercise – timing is important. While there are some indications that DARD is easing back on its controls, the Board has an important role as ambassadors in representing the face of AFBI.

6. Report from the Business Support Unit

In Mr Dolan's absence, Dr McIlroy presented the BSU report which had been circulated to members prior to the meeting.

6.1 AFBI Risk Management

There were no new risks or significant changes to risks to report. A workshop for Heads of Divisions, Risk Co-ordinators and BSU representatives had been held on 6 November 2007 to review the Corporate and Divisional risks as recommended in an Internal Audit Report. There was useful and extensive discussion on actions to manage and mitigate risks and the workshop will reconvene on 5 December 2007. The aim of this work is to bring a revised Corporate

Risk Register to the January meeting of the Audit Committee for agreement and signing off.

6.2 Pensions Matters

This issue had already been covered in the discussion on the AFBI accounts at Item 2.1. Dr McIlroy reported an additional development. The GAD and Civil Service Pensions have agreed to present an overview of the pensions schemes and options available to the former ARINI staff.

6.3 Health and Safety

Two incidents had been reported, one at Hillsborough and one at Loughall. Injuries incurred were not life-threatening. The new H&S Advisory Group has met and has agreed to review the AFBI H&S Policy. The group has also agreed reporting mechanisms, including TUS. In response to a question, Dr McIlroy explained that the Health and Safety Executive is kept informed of accidents and they will decide on the need to investigate.

6.4 Finance

Dr McIlroy highlighted a number of figures in the Budget Monitoring and Forecast Report. Forecast income for the year showed a substantial increase of £1.2m on budget provision. The overall potential deficit for the year remains at under £0.4m and it is hoped that this can be contained within budget. One mechanism to ease the budget position is a £0.96m bid for emergency work undertaken for DARD. A member pointed to the significant proportion of the ring fenced resource budget which was still to be spent before end March 2008. In response, management said that it was confident that the budget will be spent but that the ring fenced items will need to be carefully monitored. One difficulty is the process for getting planning permission.

6.5 In a short discussion Dr McIlroy advised the Board of the ongoing litigation by a member of staff. In the context of staff rewards, Professor McDowell reminded members of the developments on a Rewards and Recognition Scheme under his Chairmanship of the Remuneration Committee. A draft Scheme had been prepared for consideration by AFBI legal advisers. Professor McDowell will update the Board on the Scheme at the next meeting.

7. Any Other Business

7.1 Rolling Database of Major Issues Raised at Board Meetings

7.1.1 Members noted the updated Rolling Database which had been revised to take account of developments in October. In discussion, it was

agreed that the scoping study and developments on Crossnacreevy and the Rewards and Recognition Scheme should be added to the database. On a more general staffing point, Dr McIlroy mentioned some concerns about recent retirements for the work programme, e.g. on the Dairy side. It is hoped to make progress on filling vacancies after Christmas.

- 7.1.2 In a short discussion on the Board Away Day held on 26/27 June 2007, it was agreed that the outcomes on Board performance, strategic direction and indicators would be brought back to the Board. Revisions to the Mission Statement, indicators and targets would also be considered for the Corporate Plan 2008-11.

7.2 **Open Meeting Arrangements**

The Board agreed that an Open Meeting of the Board should be held before March 2008. In making the arrangements, consideration needs to be given to the location, publicity, audience and the actual format of the meeting. Mr Hogan envisaged that the meeting would take the form of an AGM – introduction by the Chair, background on AFBI, presentation by the Chief Executive Officer, presentation of the Annual Report and Accounts and finally open the meeting to questions from the audience. In a short discussion the points were made that the publicity should make clear the format of the meeting, i.e. an AGM open to the public and that this was an opportunity to “showcase” AFBI and promote the agri-food sector. The Secretariat was asked to check the requirements for an Open Meeting in the appropriate documentation relating to the operation of the Board.

7.3 **George Scott Robertson Memorial Lecture**

Members were invited to the George Scott Robertson Memorial Lecture to be held in the Lecture Theatre at Newforge on Friday, 23 November 2007. The lecture will be given by Professor Sir Howard Dalton FRS.

7.4 **Date of the Next Meeting**

The next meeting of the Board will be held on Wednesday 19 December 2007.

Signed: _____
(Chairperson)

Date: _____