



**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI Stormont
on Thursday 6 November 2014 at 10.00am**

Present – Board Members

Mr Colm McKenna, Chair
Prof William McKelvey,
Deputy Chair
Mr David Lindsay
Dr Cecil McMurray
Prof Patrick Murphy
Mr Bob McCann
Mrs Hilary McCartan
Mr Ken Millar
Mrs Hilda Stewart

In Attendance - AFBI Executive

Prof Seamus Kennedy, Chief Executive Officer
Mrs Lesley Hogg, Director of Finance and Corporate Affairs Division
Dr Sinclair Mayne, Director of Sustainable Agri-Food Sciences Division
Dr Stanley McDowell, Director of Veterinary Sciences Division
Mr Colin Berry, Head of Finance
Prof Alistair McCracken, Plant Health & Environmental
Protection Branch
Mr James Adams, AFBI Secretariat

Visitor

Mr Colin McCrossan, Strategic Investment Board

1. Welcome and Introduction ACTION

The Chair opened the meeting and welcomed those present.

2. Apologies

An apology was received on behalf of AFBI Board member Mrs Sarah Havlin.

3. Conflict of Interests/Register of Interests Declaration

There were no conflicts of interest declared, nor any changes to be made to Board members' Register of Interests.

4. Presentation – Agricultural Need for Sustainable Willow Effluent Recycling (ANSWER) Project

The Chair welcomed Professor McCracken to the meeting to give a presentation on the recently completed Agricultural Need for Sustainable Willow Effluent Recycling (ANSWER) project.

In setting the background Prof McCracken explained that the project is part funded by the European Union's European Regional Development Fund through the INTERREG Cross-border Programme to the value of £2.1m over a 5 year period and brought together a unique mix of partnerships from science, water utilities, local councils and further education backgrounds.

The project demonstrated that short rotation coppice (SRC) willow can be used

as a cost effective and sustainable method for the bioremediation of effluent and leachates. Prof McCracken stated his view that the project is a good example of taking R&D through proof of concept to practical implementation. The project has been publicised through a number of presentations to national and international conferences. Two publications arising from the project are also in circulation and each Board member was presented with copies of both at the commencement of the presentation.

Prof McCracken advised that the results of the project are also beginning to inform policy and summarised the many benefits that the project can provide for numerous government departments as well as the positive impact it can have on the environment and society.

Following a short question and answer session the Board thanked Prof McCracken for his very interesting and cohesive presentation.

Prof McCracken left the meeting.

Mr McCrossan entered the meeting.

5. Newforge Estate Rationalisation – Update

The Chair welcomed Mr McCrossan to the meeting and he gave the Board an update on the progress of the Newforge Estate Rationalisation Business Case. The business case process has commenced, SMART objectives have been identified and a long list of options developed. The next step is to convert the long list into a short list of options which will then be subject to full non-monetary and monetary evaluation.

Mr McCrossan highlighted the indicative payback periods of the four high level options considered to date and asked AFBI to consider whether a further 10% cut in the footprint requirement could be achieved in order to reduce the payback period of the investment and increase its attractiveness as a spend to save proposal.

The Chair thanked Mr McCrossan for his very useful update and the Board discussed the need to ensure that future proofing, including room for potential expansion, is fully considered at the design stage of the process. Given the number of unpredictable elements involved, the Board remarked that development of AFBI's Strategic Plan is vital to ensuring facilities match future requirements. The Board also stated that production of the business case by the end of this calendar year is a business critical issue and asked the Executive to do all in its power to ensure that the deadline is met.

Mr McCrossan left the meeting

The CEO took the opportunity to inform the Board of his recent positive discussions with representatives of Armagh City & District Council on their future plans for development of the Loughgall Country Park adjacent to AFBI's Loughgall site. The Council sees AFBI's plant science work at Loughgall as synergistic to their plans to develop leisure, tourism and artisan food activity.

6. Draft Minutes of the AFBI Board Meeting held on 2 October 2014

The draft minutes from the previous AFBI Board meeting held on 2 October 2014 were approved as a true and accurate reflection of the meeting.

6.1. Action Sheet from AFBI Board Meeting held on 2 October 2014

Progress against actions was noted as per the Action Sheet.

7. Report and Minutes from Extraordinary AFBI Board Finance Meeting held on 21 October 2014

The draft minutes from the Extraordinary AFBI Board Finance Meeting held on 21 October 2014 were approved without amendment. The outstanding action in respect of the circulation of papers on such matters as the Rural Development Programme and the Executive response to the *"Going for Growth Report"* will be actioned promptly.

EXEC

8. Chairman's Remarks

The Chair commented on the difficult month it has been for AFBI and the wider public sector. While it is possible that the financial position may improve enough this year to allow AFBI to complete R&D and statutory testing commitments, having considered the budget paper presented by the Finance Minister, the Chair stated that it is clear that the significant pressures on public spending will present serious challenges for AFBI in 2015/16 and beyond.

The Chair also informed the Board that he and the CEO attended a meeting with Teagasc to consider areas for co-operation and expansion. The Chair described the exploratory discussions as very positive with a number of principles having been agreed. A joint AFBI-Teagasc working group will be formed to take forward. The Board also welcomed the DARD Minister's full support for such a venture as relayed to the Chair during a recent meeting with the Minister.

Arising from the discussion the Deputy Chair requested that the Executive presents a paper to the January 2015 Board meeting which maps out where we have agreements in place and partnerships that AFBI needs to develop. The Chair advised the Board that he wanted the next few Board meetings to have a primary focus on strategic issues and felt that such a paper will facilitate strategic discussion, planning and future profiling.

EXEC

Finally, the Chair concluded by updating the Board on the appointment process for new members. Shortlisting has been completed and interviews are scheduled for early December 2014. To facilitate the Chair's participation on the interview panel it was agreed that the December meeting of the AFBI Board will again be held at AFBI Stormont (VSD).

9. Executive Report

The Executive report for October 2014 was noted.

10. Finance Sub-Committee

ACTION

10.1 Draft Minutes from Finance Sub-Committee Meeting held on 22 September 2014

The Chair of the Finance Sub-Committee stated that the draft minutes accurately reflect the meeting and the written report that she gave at the previous Board meeting. The Board was content to note.

11. AFBI's Vision to 2020 – update

The CEO informed the Board that a number of strands arising from AFBI's Vision to 2020 will be channelled into a change management process and taken forward on a more formal basis with input from Heads of Branch and other senior staff.

In response to a query on the feel for the future Assigned Work Programme (AWP) and AFBI aligning its skills to match this, the CEO advised that he has highlighted the core pillars of science to DARD. A Direct Research Fund and movement to a programme based approach for R&D should assist AFBI in ensuring it has the appropriate skills base in place. However, it was also noted that there will be difficulties in agreeing the AWP for 2015/16 given that the affordability element is not yet known.

In concluding the discussion the Board stated that it was fully supportive of the AFBI Vision to 2020 and the need for implementing a change management process.

12. Draft AFBI Recognition & Reward Policy

Prof McKelvey updated the Board on the work undertaken by the Executive and the Organisational Development & Human Resources (OD&HR) Committee in respect of Recognition and Reward. An assessment of the current state of play has been carried out and the need for a Recognition and Reward scheme has been identified as a mechanism for reporting on good performance.

Following a discussion the Board endorsed the Recognition and Reward Policy and Strategy, supported the Executive in setting up a cross-divisional Recognition & Reward Committee and gave their approval for the OD&HR Committee to continue to provide support to the Executive.

13. Draft AFBI Equality Scheme Progress Report 2014/15 (period ending 30 September 2014)

Mrs Hogg informed the Board that the revised Equality Scheme Action Plan incorporated a Red, Amber Green (RAG) status, as recommended by AFBI Internal Audit, and that all actions are on track to be achieved. Given that the equality scheme has been embedded and is now in year two, reporting to the Board will now take place on a six month basis.

The Board was content to note the updates and asked the Executive to express its gratitude to Ms Gogarty for her effort in progressing AFBI's Equality Scheme and the quality of the report.

Exec

14. Governance Issues

14.1 Risk Management

14.1.1 *Reports of New or Emerging Risks*

Mrs Hogg confirmed that there were no new or emerging risks to the organisation.

14.2 Whistleblowing and Fraud

The Whistleblowing and Fraud paper was noted and Mrs Hogg advised that there are currently no new cases emerging.

15. AFBI Business Plan 2014/15

15.1 Update on Progress Against KPIs Quarter 2

The Board noted the report on progress of AFBI's Corporate KPIs as at 30 September 2014, in particular the two KPIs with a Red RAG status.

In commenting on KPI 14 – *“Maintain AFBI's international standing by publishing a minimum of 80 peer-reviewed scientific papers”* the Board noted the *Amber* status and asked if there was a danger of it not being achieved. The Executive confirmed that every effort will be made to achieve the KPI but that there was a risk. Given the cyclical nature of publications Prof McKelvey suggested that the Executive give some thought to employing a three-year mean target rather than assessing publications on an annual basis.

Mr Berry entered the meeting.

16. Finance

16.1 AFBI Budget Monitor Report – Position at 30 September 2014

Mr Berry presented the AFBI Budget Monitor which shows that AFBI is forecasting a year-end deficit of £971k as at 30 September 2014. Mr Berry also tabled an additional version of the budget monitor reconciliation table showing a more detailed breakdown of movements within income.

The Board noted that AFBI was successful in the October Monitoring Round in its bid for depreciation costs of £246k but was unsuccessful in its bid for the remaining payment in respect of pay progression. The Executive has now bid for the remaining amount of £971k in the January Monitoring Round.

Asked why there was no actual spend to date in respect of capital allocation, the Executive assured the Board that this is due to the length of the lead in time for the purchase of a number of capital assets and that all of the capital allocated to date is at various stages of the procurement process. The Executive advised that it will meet shortly to allocate the remaining capital budget.

The Executive highlighted that the January Monitoring round is the final

opportunity for AFBI to adjust its income figures for the year and highlighted the risks in doing so at such an early stage in the year as work is demand-led and royalties are outside AFBI's control.

ACTION

The Board acknowledged this disincentive to attract new business for the remaining months of the year but also the importance of remaining within budget.

17. Audit and Risk Assurance Committee Annual Report for Year Ended 31 March 2014

In presenting the Audit and Risk Assurance Committee Annual Report for the year ended 31 March 2014, Mr McCann reported to the Board that AFBI Internal Audit's Annual Assurance rating was *Satisfactory* and DARD Internal Audit's Annual Opinion, based on their follow-up review, was also classified as *Satisfactory*.

The Committee also reviewed the draft Report to Those Charged with Governance which anticipates recommending that the Comptroller and Auditor General certifies the 2013/14 financial statements with an unqualified opinion. The main issues raised during the audit relate to *control, recording and completeness of assets and income testing and revenue recognition*. However, the Board was asked to note that the report is at a draft stage and that the Executive has provided a number of initial comments to the NIAO on both the recommendations and priority ratings. Management responses will be provided in due course.

Having fully considered the financial statements and audit assurances, Mr McCann stated that at the Audit & Risk Assurance Committee recommended that the AFBI Board approves the AFBI Statement of Accounts 2013/14.

18. Draft AFBI Annual Report & Statement of Accounts 2013/14

18.1 Financial Statements 2013/14 Executive Summary

The Financial Statements 2013/14 Executive Summary was duly noted by the Board.

Mr Berry advised that the AFBI Annual Report & Statement of Accounts 2013/14 followed the same format as last year with the addition of scientific publications as recommended by the AFBI Science Strategy Committee. In response to a question on the selection criteria for publications included in the Annual Report, the Executive confirmed that a selection of high impact publications were chosen across all AFBI Branches.

In response to a query on the potential to produce a slimmed down version of the annual report for marketing purposes, Mr McCann advised that the NIAO would have the right to examine any such document to ensure that it portrays a balanced view of the entire report.

Based on the discussions and assurances provided, the Board stated that it was content to approve the AFBI Annual Report & Statement of Accounts 2013/14.

18.2 NIAO – Draft Report to those Charged with Governance 2013-14

ACTION

The draft Report to those Charged with Governance 2013-14 was noted, having been discussed under Item 17.

19. Any Other Business

19.1 AFBI Science Forum 11 & 12 September 2014

Dr Mayne informed the Board that the AFBI Scientific Forum entitled “*More from less. Can science deliver?*” will be held at the Assembly Buildings, Belfast, on the 11-12 November 2014. It was agreed that a programme of the event will be circulated to the Board for information.

SM

It is hoped that the event will provide a good platform for collaborative discussions with a wide number of visiting scientists. Three ongoing collaborations present opportunities for long-term, co-funded transatlantic research. Proposals are already in place to hold the 2015 event in Canada and the 2016 event in Ireland.

Dr Mayne also placed on record his appreciation to Mr Ray Atkinson who has been instrumental in securing representation by a number of key delegates from the North American sector.

19.2 Beef Conference - 13 November 2014

Dr Mayne updated the Board on preparations for the Beef Conference to be jointly hosted by AFBI and the Livestock and Meat Commission (LMC) at the King’s Hall Conference Centre. The Board noted that the DARD Minister is scheduled to attend and uptake for the event has been extremely high.

The title of the event is “Adapting to Challenging Times — *The Role of Innovation in Beef Production*”. A number of keynote speakers have been confirmed including Mr Tom Hind from Tesco and Dr Graham Plastow from the University of Alberta.

As with the Scientific Forum, it was agreed that a programme of the event will be circulated to the Board for information.

SM

20. Review of Board Effectiveness

The Board was content that the meeting had been both effective and positive.

21. Date of Next AFBI Board Meeting – 4 December 2014

The next AFBI Board meeting will be held in AFBI Stormont (VSD), on Thursday 4 December 2014.

Signed: _____
(Chairperson)

Date: _____