

**Minutes of the Meeting
Agri-Food and Biosciences Institute (AFBI) Board
held via WebEx
on Thursday 28 January 2021 at 1000hrs**

Present via conference call

Board Members

Mr Colin Coffey, Chair

Mrs Roberta Brownlee, Vice Chair

Ms Kate Burns

Dr Michelle Costello-Smith

Ms Theresa Cullen

Mrs Fiona Hanna

Dr Richard Horton

Ms Joan Houston

Mr Richard Solomon

Mrs Sharon Smyth

AFBI Board Apprentice

Ms Morag Abernethy

AFBI Executive

Mrs Josephine Kelly, (Acting) CEO & Director of Finance and Corporate Affairs Division

Dr Alastair Douglas, Director of Veterinary Sciences Division

Dr Elizabeth Magowan, Director of Sustainable Agri-Food Sciences Division

Mr Pieter-Jan Schön, Director of Environment and Marine Sciences Division

In attendance (via conference call)

Mr Glenn Montgomery, Head of Governance and Performance

Mr Conor O'Neill, Head of Financial Reporting (Item 6)

Mrs Hannah Francis, Head of Finance (Items 6 – 8)

Ms Margaret Anderson, Head of Corporate Affairs (Item 8)

Mrs Lynsey Cooper, AFBI Secretariat (minute-taker)

Mrs Stephanie Robinson, AFBI Secretariat

1. Welcome and Introduction

The Chairman welcomed everyone to the meeting.

2. Apologies

ACTION

Apologies were received from Dr Stanley McDowell, Chief Executive Officer.

3. Conflict of Interests/Register of Interests Declaration

Ms Burns advised members that her company is involved in a current funding application called "Eat to Care" in association with AFBI's Food Research Branch. Ms Hanna reminded members of her family connection to a DAERA supplier who works on AFBI site, but the Board was content that this posed no conflict.

4. Draft Minutes of the AFBI Board Meeting held on 17 December 2020

The minutes were accepted as a fair and accurate reflection of the AFBI Board meeting held on 17 December 2020.

Further to Item 12 "Executive Report" in the minutes, the Board requested that feedback be provided at the next Board meeting regarding the results of the AFBI website stakeholder consultation process.

Exec

4.1 Action Sheet from AFBI Board Meeting held on 17 December 2020

The Board noted the progress against actions as per the action sheet.

5. Divisional Updates: on BREXIT & COVID-19

BREXIT

The Board noted the "BREXIT update as at 22 January 2021" paper, along with verbal updates provided by each of the Divisional Directors. Key issues, impacts and opportunities resulting from the implementation of the NI Protocol were discussed. EMT gave assurance that they had done all they could but in advance. Some issues remained as operational details of the NI Protocol were worked through, however work was ongoing with DAERA to resolve any issues, which have included:-

- The increased certification and licensing requirements to bring biological materials of animal and plant origin into NI from GB, which is currently limiting seed and quality assurance sample deliveries. The Executive gave assurance that they had done all that they could in advance and reported that significant preparatory work had been

undertaken by AFBI prior to 31 December 2020 and work was ongoing with DAERA to resolve a few outstanding issues;

- ongoing work with the United Kingdom Accreditation Service (UKAS) and Irish National Accreditation Board (INAB) to explore parallel accreditation opportunities for Official Laboratory (OL) duties under the Official Controls Regulation. Examples of OL functions include plant health and veterinary drug residues;
- laboratory supply chains which appear to not be significantly affected to date. Directors reported that AFBI currently has enough consumables to meet its service delivery commitments; however, a general sourcing issue remains over PPE and laboratory plastics, which is likely due to COVID-19 rather than BREXIT. The situation is being closely monitored by the Executive;

The Board was content that the BREXIT Working Group was meeting regularly with representatives from across the organisation and there is close liaison with the senior management team in DAERA.

COVID-19

Dr Douglas reported on the current status of AFBI's COVID-19 testing, advising that an anticipated 'ramping up' in testing numbers from 1 January 2021 did not take place due to AFBI's primary obligation to respond to an Avian Influenza Virus (AIV) outbreak in NI. Additional reporting support for the COVID-19 related testing has been sought from Queen's University Belfast (QUB). This is due to commence imminently. Dr Douglas also confirmed that AFBI's test method does distinguish between the original and new Kent variant of the virus with respect to S-gene mutations and these results are being reported to the Department of Health (DoH) on a weekly basis. The Board noted that AFBI's testing provision contract with the (DoH) has been extended for another twelve weeks until late March 2021.

The Board praised the excellent work of AFBI's staff to respond quickly to the AIV outbreaks during January, recognising that this has helped to minimise the impact on NI's poultry industry.

BREAK (11-11:10am)

6. Finance & Business

The Chair and (Acting) CEO welcomed Mrs Francis to her first Board meeting in her recently appointed role as Head of Finance Branch.

6.1 Finance Update Report

Mr O'Neill presented the "*AFBI Finance Update Report*" advising that AFBI had received its final budget position from DAERA for the 2020/21 financial year and that final outturn figures would be reported against this as at 31 March 2021.

He reported, based on the recent budget meetings with the Heads of Branch, that there was currently an anticipated operational budget underspend of £900k on core AFBI activities (excluding royalties). The Executive had recently met to consider these latest figures. It is expected that income is likely to fall in the final quarter, in line with previous years, and as a result, the projected underspend position would be reduced. The Board noted that a key risk is the current £650k underspend in relation to programme expenditure, although spending is often weighted towards the last quarter. It was also noted that the Executive would continue to work through the figures as they had only been received on Monday before the Board meeting.

The Chair of the Finance and Business Strategy Committee (FBSC) advised that an additional Committee meeting had been arranged in advance of February's AFBI Board meeting to review the position. She requested the Executive provide a paper to the FBSC Meeting detailing accurate and achievable income and expenditure breakdowns for each Division, including accrued income. She also asked Directors to set out the actions being taken with key Branch staff between now and 31 March 2021 to achieve a balanced budget. She also reminded Directors to fully describe the impact of the COVID-19 pandemic where this has resulted in significant under-delivery of programmes.

Exec

The Board was content that funding for the COVID-19 related testing is ring-fenced and DAERA is kept fully informed of the position in relation to this.

The Chair expressed his concern at the projected financial position from the Branch budget meetings noting the risks identified and that the projected underspend had moved from £250k. He said that care would have to be taken when reporting the declared corporate projected outturn position to DAERA

with all key factors and risks being taken into account in this assessment. He stated he would be monitoring this closely during his weekly meetings with the (Acting) CEO.

The Board scrutinised the figures reported for the 2020/21 capital budget and was reassured that good progress was being made on procurement exercises. The Board was pleased to note that weekly meetings were being held with Construction and Procurement Delivery in Department of Finance to ensure that AFBI would be immediately informed of any procurement-related issues. Mr O'Neill reported that DAERA Finance had authorised for £200k which was originally allocated for systems capital procurement, to be released to the general recurrent capital budget for wider utilisation. Mr O'Neill agreed to liaise with relevant third parties in relation to determining any potential impact of customs duties on deliveries to AFBI.

CO'N

Mr O'Neill advised that AFBI's 2021/22 budget had yet to be confirmed and work was ongoing with AFBI's Research Support Office to update four year income projections to inform AFBI's future income strategy. The Board noted that these are expected to be presented to the FBSC in March.

The Executive recognised the need to dedicate adequate time to considering the organisation's future strategic direction and the drafting of the next Corporate Plan. The Chair requested that Mr Montgomery investigate dates for holding a Board workshop in May/June 2021 to discuss.

6.2 Royalties Update

The (Acting) CEO presented the "*Royalty Income Update*" paper, taking it as read, and advised that officials from QUB would attend the next AFBI Board meeting to update the Board on latest developments and next steps. The Board members noted the key developments outlined in the paper but particularly the fact, that acting on legal advice, the Universities had invoiced backdated patented royalty sales for the period July 2018 to June 2020 and income had been received by QUB in respect of these patents from one of the pharmaceutical companies. Mr O'Neill confirmed that a planning meeting has been arranged with the NI Audit Office and a methodology for royalty accounting treatment for 2020/21 will be agreed. Mrs Kelly reported that DAERA have been kept fully informed of developments.

7. Governance Issues

7.1 Risk Management

7.1.1 *Reports of New or Emerging Risks*

Mrs Kelly advised that the Executive was not aware of any new or emerging risks to the organisation.

7.2 Fraud

7.2.1 *Reports of New or Emerging Cases*

Mrs Kelly advised that there were no reports of new or emerging cases of Whistle-blowing or Fraud to be reported.

LUNCH (12:15 -12:45PM)

7.3 AFBI Business Plan 2020-21

7.3.1 *Corporate KPI Quarter 3 Outturns at 31 December 2020*

The (Acting) CEO summarised the Quarter 3 Corporate KPI outturns which reflected that:

- 17 KPIs were on track to be achieved (Green);
- 1 KPI had a level of progress broadly on track with easily redeemable deviations (Amber/Green);
- 1 KPI had a rate of progress less than planned (Amber);
- 3 KPIs that were not expected to be, or were not, achieved (Red).

The Board discussed the results against KPI8 "*At least 90% of research projects completed for DAERA and external funders on time and within budget tolerances*", expressing their disappointment that for the year to date, only 60% had met this target. The Executive advised that during a very challenging year, project leads had ensured that the majority of completed projects had been adjusted and delivered to meet their customer's expectations, but due to an internal reporting system not being updated at the appropriate times, this had resulted in the KPI not being met. The Board was pleased to learn that additional training in the reporting system had been provided to all relevant

staff in August 2020 and KPI results specific to Quarter 3 had improved significantly to 89%, but noted that this still would not have met the 90% target.

The Board and Executive agreed that this current KPI measure should be re-assessed when setting for future years to ensure that it is an impactful measure of success. Dr Magowan agreed to discuss this target with DAERA and return proposed wording to the Board for consideration. The (Acting) CEO also acknowledged that planned changes in project management software in the coming months would assist in meeting future targets.

7.4 Health & Safety

The Board noted the "*Health & Safety Update Report*" and was pleased to note that defibrillator units had been deployed across the AFBI sites and staff training and awareness was underway. The Board congratulated Mr Connor McGimpsey, (Acting) Head of Health, Safety and Dangerous Goods Compliance Branch, for attaining his qualification as a Dangerous Goods Safety Advisor. The Executive stated that AFBI's RIDDOR action plan will be provided to the next meeting of the Organisational Development and Human Resources Committee.

8.0 **Development of AFBI Business Plan 2021-22 – Presentation and workshop discussion**

The Chair and (Acting) CEO welcomed Ms Margaret Anderson who has recently joined the organisation as Head of Corporate Affairs.

Mr Montgomery presented the following matters in relation to the AFBI Business Plan 2021/22:

- An overview of the business planning process and draft timetable for the production of the AFBI Business Plan 2021/22, indicating that the final plan needed to be agreed by the AFBI Board by March 2021 to facilitate submission to DAERA for final approval;
- Context for business planning, noting that:
 - AFBI is in its final year of its four year Corporate Plan 2018-22;
 - AFBI is required to align with DAERA's Strategic Outcomes, including increasing focus on environmental issues and the Draft Programme for Government;

- there is currently a significant change programme underway across the organisation; and
 - continued uncertainty over BREXIT and impacts of COVID-19 pandemic have to be considered.
- Draft Key Performance Indicators for 2021/22, noting that the Strategic Leadership Group within AFBI had recommended that the number of KPIs be reduced from twenty-two in the current year to a proposed fourteen for 2021/22.

The Board agreed with the Group's approach and discussed a number of draft targets in depth. Members suggested that some of the KPIs needed to be revised to measure 'outcomes' rather than 'outputs', being mindful of the requirement to be specific and time-bound. The Executive agreed to review these and return a first draft of the Business Plan along with revised KPIs to the February Board meeting. The Board advocated that the narrative for the Business Plan reflect significant changes, both internal and external, which are impacting on the organisation, such as Divisional re-structuring and the COVID-19 pandemic.

Members also proposed that papers being provided to the Board should clearly link to the relevant Strategic Outcome/KPI to enable enhanced oversight and understanding on behalf of the Board. Mr Montgomery agreed to amend Board paper templates for 2021/22 to include a business planning reporting section to accommodate this.

GM

9. Executive Report

The Board noted the "*Executive Report*" for January 2021, and resulting discussions concentrated on the following matters:

- A number of new staff have been externally appointed or temporarily promoted (internally) into senior management positions, but overall permanent staff numbers have reduced slightly during 2020/21 and agency staffing has increased to cover vacancies while recruitment takes place;
- Work is ongoing with DAERA to identify key investment opportunities to support joint strategic objectives in the area of 'Green Growth'. The

Board thanked the Executive for its collaborative effort in meeting challenging deadlines associated with this;

- DAERA has agreed for AFBI to provide DAERA with a revised policy with an increase in the amount allocated to AFBI's Directed Research Fund (DRF) to £2.5m for 2020/21. The Executive will continue to determine the appropriateness of including PhD studentships and seed-corn funding within this fund and meet again with DAERA to discuss these areas. The Chair requested that the Oversight and Governance Committee (OGC) liaise with the Executive to oversee the management of the DRF on behalf of the Board; **RS**
- The Memorandum of Agreement (MoA) between QUB and AFBI has been signed to support the QUB-AFBI Strategic Alliance. The Chair requested that the KPIs for the Alliance be shared with the Board and then will be allocated to an appropriate Sub-Committee for ongoing oversight. **GM**
- QUB has officially confirmed that formal approval has been granted by the University to support the joint supervision of PhD students by its School of Biological Sciences and AFBI. This arrangement is in place for five years commencing in line with the signing of the MoA;
- With respect to the replacement Research Vessel project, the tender for the naval architects has been awarded and will be live from 1 February 2021.

The Board thanked the Executive for a very positive report.

10. Board Sub-Committees

10.1 Minutes of Board Sub-Committees

10.1.1 *Draft Minutes of the Oversight & Governance Committee Meeting held on 14 January 2021*

The draft minutes were noted by the Board.

10.1.2 *Draft Minutes of the Organisational Development and Human Resources Committee Meeting held on 8 December 2020*

The Board noted the content of the draft minutes and focused on concerns recorded about the volume of weekend working being carried out by AFBI staff due to workload pressures. The Committee Chair acknowledged this discussion but noted that the Executive was taking practical steps to alleviate this pressure. The Chair of the Board requested that progress be reviewed at the next OD&HR meeting. **TC/Exec**

10.1.3 *Report of the Audit & Risk Assurance Committee Meeting held on 27 January 2021*

The Chairman of the Audit & Risk Assurance Committee had nothing further to report as many items had been covered at this meeting.

11. Chair's remarks

The Chair advised that he had immediately written a letter to Minister Poots in response to his public statement on his health, wishing him a speedy recovery.

12. Any other Business

None

13. Review of Board Meeting Effectiveness

The Board was content that the meeting had been effective and, with no other business, closed at 3pm.

14. Date of Next Meeting

The next AFBI Board meeting is scheduled to take place on Thursday 25 February 2021 via Webex.