



**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI Newforge
on Thursday 14 March 2019 at 10.00am**

Present – Board Members

Mr Colm McKenna, Chair
Mr Colin Coffey, Deputy Chair
Mr Ian Buchanan
Dr Michelle Costello-Smith

Ms Theresa Cullen
Mrs Fiona Hanna
Dr Richard Horton
Ms Joan Houston

Mrs Maureen McKeague
Mrs Sharon Smyth
Mr Richard Solomon

In Attendance - AFBI Executive

Dr Stanley McDowell, Chief Executive Officer
Mrs Josephine Kelly, Director of Finance and Corporate Affairs Division
Dr Elizabeth Magowan, Director of Sustainable Agri-Food Sciences Division
Dr Alastair Douglas, Acting Director of Veterinary Sciences Division

Mr James Adams, AFBI Secretariat

AFBI Board Apprentice

Ms Nuala Kilmartin

1. Welcome and Introduction

ACTION

The Chair welcomed everyone to the meeting.

2. Apologies

Apologies were received from AFBI Board Members Mrs Roberta Brownlee and Ms Kate Burns.

3. Conflict of Interests/Register of Interests Declaration

There were no conflicts of interest to be recorded.

4. Draft Minutes of the AFBI Board Meeting held on 12 December 2018

The draft minutes from the AFBI Board meeting held on 12 December 2018 were approved as an accurate reflection of the business conducted at the meeting.

4.1 Action Sheet from AFBI Board Meeting held on 12 December 2018

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

5. Chairs Remarks

ACTION

The Chair updated the Board on his meeting in December 2018 with the Department of Agriculture Environment and Rural Affairs (DAERA) Permanent Secretary (PS). A number of matters were discussed including the following:-

- Subject to confirmation from the Public Appointments Commission, the AFBI Non-Executive Directors would be reappointed for a further term. In relation to this it was noted that two Board members have had their first Annual Appraisal with the Chair and these will be forwarded to the DAERA PS;
- The DAERA PS is fully aware of the faster closing of accounts for Arm's Length Bodies. Currently the process will be trialled in 2019/20 with 'Go-Live' set for 2020/21;
- The DAERA PS was content that the AFBI Corporate Plan 2018-2022 was suitably aligned to the goals of DAERA.

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The Chair also described the recent Joint DAERA/AFBI Board meeting held on 19 February 2019 at Ballykelly House as very positive with meaningful strategic discussion on matters relating to science, estates and systems. It was agreed that it would be beneficial for the DAERA and AFBI Boards to hold a full day workshop in 2019/20 to further discuss a number of strategic issues.

In concluding his final remarks, the Chair was very pleased to announce that the current Deputy Chair, Mr Coffey, had been appointed as his successor and would take up the role of AFBI Chair on 1 April 2019. Mr Coffey stated that he was delighted and honoured to take on the role and he hopes to continue the progress made under Mr McKenna's tutelage.

6. Executive Report

The CEO presented his Executive Report and highlighted a number of points including the following:-

- An interim Grade 6 Head of Corporate Affairs has been appointed who, amongst other duties, will be responsible for defining and developing the research support function. Organisational design options at an Executive level are under consideration and considered and a further update will be provided under Item 11.1.1;
- Laboratory Management Information System (LIMS), Business and Finance System and an Electronic Document and Records Management System are the three key IT Infrastructure Projects ongoing at present;
- The Executive has also approved a plan to integrate the existing quality management systems (ISO 17025 and ISO 9001) into a single framework and the work is expected to take approximately 18 months to complete;
- Appointment of the Integrated Consulting Team for the AFBI Stormont Animal Health Sciences Building (AHSB) is expected to be made in May/June 2019;
- The priority of the AFBI Hillsborough Farmed Estate Accommodation Masterplan will be the provision of a new ingress/egress in order to provide AFBI with independent access for the AFBI-Hillsborough site;
- The possibility of concentrating virtually all of AFBI's microbiology function on its Stormont site has been discussed between DAERA and AFBI and a business case to consider this is being taken forward;

- The next meeting of the AFBI/QUB Strategic Alliance Steering Group is scheduled for April 2019. It was also noted that the recruitment competition for a project lead is ongoing;
- The CEO attended the DAERA Science Strategy Steering Group meeting on 28 February 2019 and welcomed the overarching framework and general principles agreed;
- A steering group of AFBI, DAERA and the College of Agriculture, Food and Rural Enterprise (CAFRE) representatives are continuing to work on measures to enhance AFBI-CAFRE collaboration.

In noting that 29 Evidence and Innovation (E&I) projects have been approved by DAERA with a value of £16.9m, concern was raised in relation to the affordability within Grant-in-Aid from DAERA and the capacity to deliver the increase in E&I projects. Dr McDowell advised that while the projects have been approved, discussions with DAERA will continue in terms of priorities, timelines and capacity.

The board was also made aware of recent staff turnaround within AFBI Finance. While the Executive assured the Board temporary resources had been acquired and that work will continue in terms of year-end forecasting, production of the Annual Report and Accounts and allocation of the AFBI Budget 2019/20, the loss of corporate memory will be difficult to replace in the short term.

The BVD testing laboratory has become a BVDFree England designated laboratory. While this does not guarantee additional work for AFBI, the Board asked that the Executive consider options to raise awareness.

Dr Costello-Smith commended the Executive on the introduction of the initiative to provide 'seed corn' funding for innovative ideas under the Directed Research Fund. The Board encouraged the Executive to process the applications received as soon as possible.

7. Finance

7.1 AFBI Budget Monitor Report – Position at 31 January 2019

Mrs Kelly presented the AFBI Budget Monitor Report – Position at 31 January 2019 which shows a budget pressure of £191k. In discussing the risks to the forecasted outturn, the current capital expenditure position was highlighted as the most pertinent risk. The Executive is closely monitoring the situation and the Board was assured that DAERA had been made fully aware of the position.

Mrs Kelly informed the Board that the estimated royalty income is projected at £7m. AFBI is in regular contact with QUB and the estimate is based on the latest available information. Mrs Kelly also highlighted the majority of actual royalty income relating to 2018/19 is still to be received. The majority of this income is not under dispute but it will impact on AFBI's cash position and this is being managed by the Executive.

8. Audit & Risk Assurance Committee

8.1 Minutes from the Audit and Risk Assurance Committee Meeting held on 5 December 2018

The Board noted the Minutes from the Audit and Risk Assurance Committee Meeting held on 5 December 2018.

8.2 Report and Draft Minutes from the Audit and Risk Assurance Committee Meeting held on 29 January 2019

The Board noted the Minutes from the Audit and Risk Assurance Committee Meeting held on 29 January 2019.

8.3 Report and Draft Minutes from the Audit and Risk Assurance Committee Self-Assessment Meeting held on 29 January 2019

The Board noted the Minutes from the Audit and Risk Assurance Committee Self-Assessment Meeting held on 29 January 2019.

8.4 Report from the Audit and Risk Assurance Committee Extraordinary Meeting held on 11 March 2019

Ms Houston updated the Board on events since the previous Board meeting held on 12 December 2018 in relation to the Annual Report and Accounts for the year ended 31 March 2018.

Following events, including the decision by the Comptroller and Auditor General (C&AG) to append a report to the accounts, an extraordinary meeting of the Audit & Risk Assurance Committee was held on 11 March 2019 to reconsider the AFBI Annual Report & Accounts for year ended 31 March 2018.

8.5 Draft AFBI Annual Report & Accounts for year ended 31 March 2018

The Board noted that the former Accounting Officer had been provided with a copy of the draft C&AG Report and that he had been given a period of time to consider a response.

Following discussion and based on the recommendation from the Audit & Risk Assurance Committee, the AFBI Board approved the draft AFBI Annual Report & Accounts for year ended 31 March 2018, subject to finalisation of the C&AG's Report.

8.6 Draft Report to those Charged with Governance for year ending 31 March 2018

The Board noted the Report to those Charged with Governance for year ending 31 March 2018 which included the aforementioned draft C&AG's Report at Appendix 4.

8.7 Revised Audit & Risk Assurance Committee Chairman's Annual Report 2017/18

The Board noted the Audit & Risk Assurance Committee Chairman's Annual Report 2017/18 which had been revised to include a reference to the C&AG's Report.

8.8 Annual Review of Audit and Risk Assurance Committee Terms of Reference

The Board noted the inclusion of reporting on significant issues relating to Health and Safety and approved the revised Audit and Risk Assurance Committee Terms of Reference.

9. Finance and Business Strategy Committee

9.1 Minutes from the Finance and Business Strategy Committee Meeting held on 28 November 2018

The Board noted the Minutes from the Finance and Business Strategy Committee Meeting held on 28 November 2018.

9.2 Report from the Finance and Business Strategy Committee Meeting held on 1 March 2019

The Deputy-Chair thanked Dr Costello-Smith for chairing the Committee on 1 March 2019 as he was unable to attend in person.

The Committee was content that the main themes of the meeting form part of today's agenda.

9.3 Annual Review of Finance and Business Strategy Committee Terms of Reference

The Board approved the Finance and Business Strategy Committee Terms of Reference.

10. Oversight & Governance Committee

10.1 Report and Draft Minutes from the AFBI Oversight & Governance Committee Meeting held on 11 February 2019

The Board noted the Minutes from the Oversight & Governance Committee Meeting held on 11 February 2019.

10.2 Review of Oversight & Governance Committee Terms of Reference

The Board approved the Oversight & Governance Committee Terms of Reference.

11. Organisational Development & Human Resources Committee

11.1 Report from the Organisational Development & Human Resources Committee meeting held on 6 March 2019

Ms Cullen reported on the Organisational Development & Human Resources Committee meeting held on 6 March 2019 and highlighted the following:-

- AFBI's Learning and Development Strategy is to be reviewed by the Executive to identify any changes in priorities;
- The CEO gave the Committee an update on his thoughts in relation to Science Programmes and Organisational Development;
- Risk Appetite was discussed and the Committee felt that this should form part of a strategic discussion at a future Board meeting;
- The Committee undertook to review AFBI's adherence to the 'spirit' of a number of corporate frameworks.

11.1.1 *Presentation on Science Programmes and Organisational Structure*

The CEO provided the Board with an updated presentation on the proposed executive level organisational design and options to align science programmes with the divisional and branch structures.

Overall, the CEO felt that conducting high quality science in the right areas is key to AFBI's sustainability and growth which will also underpin innovation and additional funding streams. In discussing the scientific themes and potential sectorial overlay there was a consensus that a more multi-disciplinary and collaborative approach was required.

EMT will hold a full day facilitated session with Heads of Branch to discuss the proposals. The Board indicated that it was fully supportive of the direction of travel proposed.

11.2 Annual Review of Organisational Development and Human Resources Terms of Reference

The Board approved the Organisational Development and Human Resources Terms of Reference.

12. Science Strategy Committee

12.1 Minutes from the Science Strategy Committee Meeting held on 3 December 2018

The Board noted the Minutes from the Science Strategy Committee Meeting held on 3 December 2018.

12.2 Report from Science Strategy Committee Meeting held on 26 February 2019

In reporting on the Science Strategy Committee Meeting held on 26 February 2019, Dr Costello-Smith informed the Board of a number of topics discussed including the following:-

- Implementation of AFBI's Science Programmes and Organisational Development;
- AFBI Science Strategy 2030 – AFBI Grassland Research Presentation
- Progress of AFBI's Peer Review Recommendations;
- Progress of Scientific Key Performance Indicators 2018/19;
- UK Exit from the EU - Contingency Planning;
- Business critical scientific roles across AFBI.

12.3 Annual Review of Science Strategy Committee Terms of Reference

The Board approved the Science Strategy Committee Terms of Reference.

13. Presentation of Certificates to Long Service Staff

Prior to a break for lunch, the Board presented Prof Trevor Gilliland, Mr Sidney Gibson and Dr Armstrong Hewitt with long service certificates in recognition of their years of service to AFBI.

Following a brief synopsis of their individual contributions, the Chair, on behalf of the Board and the Executive, thanked them for their immense contribution to AFBI over the years and everyone wished the visitors' long and happy retirements.

14. AFBI Brand Refresh and Key Corporate Messages

The CEO presented a number of slides regarding the AFBI Brand Refresh and Key Corporate Messages. The Board welcomed the fresh logo and the proposal to establish clear key messages to be communicated to a wider audience which defines what AFBI does.

After a brief discussion and feedback on the detail, it was noted that a plan is in place to launch the AFBI Brand Refresh and Key Corporate Messages at this year's Balmoral Show.

15. Governance Issues

15.1 Risk Management

15.1.1 Reports of New or Emerging Risks

There were no new or emerging risks to report.

15.1.2 Draft AFBI Risk Management Strategy and Operational Procedures

The Board approved the AFBI Risk Management Strategy and Operational Procedures which had been updated to include guidance on governance and risk at a project level.

15.1.3 Brexit Planning

The Executive provided the Board with an update on the key risks associated with a 'no deal' scenario and planning that AFBI has undertaken to date.

The Board was assured that there has been continual communication with DAERA on the matter. While AFBI could be required to provide some staff resources in the event of a 'no-deal' scenario, the Department has not formally identified any additional work that will need to be undertaken by AFBI, though some small changes in specific areas may be required.

15.2 Whistleblowing

15.2.1 Reports of New or Ongoing Cases

The Board noted the report on whistleblowing.

15.3 Fraud

15.3.1 Reports of New or Ongoing Cases

There were no new cases to report. One case is currently under investigation and this had previously been reported to the Audit & Risk Assurance Committee.

15.4 Revised Staff Guidance on Conflicts of Interest

The Board approved the Staff Guidance on Conflicts of Interest which had been updated to include wording around holding an external position as either an individual or as a representative of AFBI.

15.5 Progress of Audit Recommendations – Priority 1

The Board noted the report on the progress of the two Priority 1 Recommendations.

The approval of the revised Staff Guidance on Conflicts of Interest means that the first recommendation can now be deemed 'Implemented'. The second recommendation entitled '*Non-Assigned Work Programme System and Approvals*', will take a period of time to fully implement. However, the Executive assured the Board that an action plan incorporating key milestones is in place and being closely monitored.

16. **Health & Safety**

There were no Health and Safety matters to report.

17. **Draft AFBI Business Plan 2019/20**

Mrs Kelly presented the draft AFBI Business Plan 2019/20. Following input at the AFBI Board Strategy Workshop on 7 February 2019, the Executive met with DAERA to discuss the plan and a number of minor changes are highlighted in the version presented.

Following discussion, the Board indicated that it was content to approve the draft AFBI Business Plan 2019/20 and that it be presented to the DAERA Board.

Exec

18. Draft AFBI Budget 2019/20 Update

The Board noted the paper entitled '*Budget Update 2019/20*' which had been presented to the Finance & Business Strategy Committee on 1 March 2019 as a scenario planning paper.

On 7 March 2019 DAERA notified AFBI of its Opening Budget Allocation 2019/20 and the Executive tabled a further paper entitled '*Update 2019/20 Financial Settlement*'. The overall allocation of £44.4m is close to AFBI's bid. However, as employer pension contributions are to increase, initial calculations suggest that this will represent additional costs to AFBI in the region of £1.5m. A further £0.35m of Resource funding is not baselined giving a projected funding gap of £1.85m. In discussing the next steps and options to address the identified funding gap, it was agreed that a further paper would be provided to the AFBI Board on this matter.

Exec

The Chair asked if the Executive was confident that recruitment levels identified for 2019/20 were achievable. The Executive advised that it must undertake a detailed review with Heads of Branch before recruitment levels can be considered robust.

In terms of the Capital Bids for 2019-20, the Executive advised that the table included in the paper represents Branch requests at this stage and will be subject to assessment in line with budget availability and scientific priorities.

19. AFBI Board Annual Governance

19.1 AFBI Board Self-Assessment 2018/19 - Update

The Board noted that the AFBI Board Self-Assessment 2018/19 will be issued to Board members shortly for completion.

Exec

19.2 AFBI Board Members' Appraisals & Assessment of the Chairman's Performance 2018/19 Update

The Board noted that the AFBI Board Members' Appraisals 2018/19 will be taken forward by the incoming Chair. Appraisals will be issued to Board members for completion in due course.

Exec

Assessments of the Chairman's Performance 2018/19 will also be issued shortly.

Exec

20. Any Other Business

20.1 Completion of Term of Office – AFBI Chairman

Mrs Kelly informed the Board that the AFBI Chairman, Mr McKenna, had been invited for lunch with the AFBI Board in April 2019 following the completion of his Term of Office.

Mr McKenna stated that it had been a privilege to lead the AFBI Board, felt that he met the challenges of the role and leaves AFBI, and the AFBI Board, in a stronger position. He wished everyone well as they continue on the AFBI journey and looked forward to returning for lunch next month.

Mr Coffey led the congratulations to the Chair on the positive difference he has made to the Board and Executive as well as his extensive engagement with wider stakeholders during his term. The Board and Executive congratulated Mr McKenna on his achievements and wished him every success for the future.

20.2 E&I Requests

Ms Houston referred to the DAERA E&I request for further work in the area of economics which was highlighted at the Joint DAERA/AFBI Board meeting. It was requested that the capacity to deliver on this work should be further discussed at Board or Committee level.

21. Review of Board Meeting Effectiveness

The Board agreed that the meeting had been very effective.

22. Date of Next meeting – 16 April 2019

The next AFBI Board meeting will be held on Tuesday 16 April 2019 at 10.00am.

Signed: _____
(Chairperson)

Date: _____