

**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held in the VSD Boardroom and via Webex
on Thursday 26 November 2020 at 1000hrs**

Present

Mr Colin Coffey, Chair

Present via conference call

Board Members

Mrs Roberta Brownlee, Vice Chair

Mr Ian Buchanan

Ms Kate Burns

Dr Michelle Costello-Smith

Ms Theresa Cullen

Mrs Fiona Hanna

Dr Richard Horton

Ms Joan Houston

Mrs Maureen McKeague

Mr Richard Solomon

Mrs Sharon Smyth

AFBI Board Apprentice

Ms Morag Abernethy

AFBI Executive

Mrs Josephine Kelly, Director of Finance and Corporate Affairs Division (in person)

Dr Alastair Douglas, Director of Veterinary Sciences Division (via webex)

Dr Elizabeth Magowan, Director of Sustainable Agri-Food Sciences Division (in person)

Mr Pieter-Jan Schön, Director of Environment and Marine Sciences Division (in person)

In attendance

Ms Janet Uhlemann, Department of Agriculture, Environment and Rural Affairs (for agenda item 12)

Dr Kate Duffy, Veterinary Sciences Division (for agenda item 12)

Mr Glenn Montgomery, Head of Governance and Performance

Mr Conor O'Neill, Acting Head of Finance

Ms Nicola McKnight, AFBI Secretariat (minute-taker)

1. Welcome and Introduction

ACTION

The Chairman welcomed everyone to the meeting.

2. Apologies

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

3. Conflict of Interests/Register of Interests Declaration

There were no conflicts of interest declared.

4. Draft Minutes of the AFBI Board Meeting held on 25 September 2020

Mrs Kelly advised the Board that at the previous Board meeting a query had been raised as to whether AFBI was in receipt of any COVID-related relief funding. Assurance had been given at the October Board meeting by Mrs Kelly that AFBI had not corporately received any such relief. However, subsequent to the Board meeting, the Executive were made aware of a payment totalling £26k that had been received from a NI Executive Scheme to alleviate impacts on NI farm incomes due to COVID-19. This had been claimed for loss of income at the farm in Hillsborough. DAERA has been informed and it has been agreed to repay the £26k. It was noted that further information was provided in the Executive Report.

Following discussion, the Board agreed to approve the minutes as an accurate reflection of the meeting at that time.

4.1 Action Sheet from AFBI Board Meeting held on 25 September 2020

Under Item 6 of the action point, Ms Houston sought further clarification on the substance of the correspondence issued to DAERA with regards to the Directed Research Fund, stating that it would have been beneficial to provide a brief outline within the action point. Mrs Kelly provided a verbal update, advising that the final draft letter had yet to be issued.

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

5. Chair's Remarks

ACTION

The Chair began by extending the Board's formal congratulations to Mr Pieter-Jan Schön for his recent appointment as Director of AFBI's newly-established Environment and Marine Sciences Division.

The Chairman advised that he visited AFBI Hillsborough alongside Armagh City, Banbridge and Craigavon Council (ABC), noting the meeting had been very productive with scope for AFBI to potentially promote their activities commercially.

The Chair updated the Board on the ongoing work with DAERA to recruit new AFBI Board Members. Mr Montgomery was asked to review the Board Member induction process to ensure this involved greater input from other existing Board Members to utilise their skill sets. Mrs Brownlee commented that Dr Magowan had recently given a succinct PowerPoint Presentation at the ABC meeting and suggested utilising this as a leading part of learning during the induction process of both executive and non-executive members.

GM

The Chair extended his praise to the Executive and the ARAC for the work undertaken in the completion of the 2019/20 Annual Report and Accounts in line with agreed timescales.

6. Executive Report

Mrs Kelly presented the November Executive Report highlighting key messages and in particular the impact of COVID-19 on staff. It was noted that the majority of staff are either working from the AFBI sites or working from home, where the role and duties allowed. It was further noted that the numbers unable to work from home had decreased. The Board also noted there has been a slight increase in longer term sickness absence which will be discussed at the OD&HR Committee.

It was noted that since the time of writing the planned visit by NI Environment Agency (NIEA) had been postponed until February.

Dr Michelle Costello-Smith enquired if there were any statistics on the health and wellbeing of staff in particular those seeking support from the Staff Helpline. Mrs Kelly committed to see if figures could be provided to the next Board meeting.

JK

In line with Managing Public Money NI, it was noted that Mrs Kelly had been appointed as the Accounting Officer, while the CEO was absent from work. The Board also sought assurance that the operational running of the organisation wasn't impacted in the absence of the CEO and were advised the Executive Management Team continues to meet regularly and is maintaining a decision log so that any key decisions can be monitored and used to update the CEO on his return.

ACTION

The Board discussed the potential need for a policy to be put in place for extended absences at CEO or Executive Management Team level.

The Board noted the suspension of the work being undertaken by a key delivery partner is posing a significant risk to the overall delivery of the MarPAMM project. Mrs Hanna had concerns that advance payment had been received with Mrs Kelly assuring the Board that AFBI had all necessary approvals in place. Following discussion, it was agreed that a paper detailing a proposed solution and timeline would be presented at the Board meeting in December, with Mr Solomon requested MarPAMM is added to the Oversight and Governance Committee agenda for the meeting in January.

JK

Concluding, the Board welcomed the Executive Report and the positive progress being made especially in relation to staff wellbeing initiatives.

The Board noted approvals for the re-profiling of E&I projects due to Covid-19 continue to be processed, and discussions on new call for projects are expected in January 2021. Following discussion, the Board requested an update be provided at the December Board Meeting.

COVID-19 - Progress update

7. Mrs Kelly presented a paper which outlined the financial impact of Covid-19 during 2020-21 advising that this provided a central record of all the key financial impacts and may be used for future audit and financial reporting references noting that this will continue to be updated on a quarterly basis. Should the Covid-19 pandemic impact on the 2021/22 financial year, similar updates would be reported.

In relation to the costs of undertaking Covid-19 testing on behalf of the Belfast Health & Social Health Trust which to date had been met by DAERA, it was noted that a letter from the DAERA Minister had been sent to the Department of Health seeking funding for the testing work.

Mrs Hanna suggested expanding the financial impact of Covid-19 paper to include costs of agency workers. The Chair also asked that the rationale behind the decision not to furlough staff should be expanded in the paper and documented for audit purposes.

JK

BREAK

8. BREXIT – Update on AFBI Preparedness

ACTION

Mr Douglas provided an update on the potential impacts of Brexit on the statutory surveillance work carried out at VSD AFBI. Noting potentially there may be additional testing required on border control checks. Discussions are ongoing with DAERA on this. To date there is still no clarity on what level of testing or sampling will be required at border control checks. However, this will be determined by the outcome of negotiations between UK and the Commission. It was noted that current concerns in relation to additional accreditation. It was further noted that the scale of additional testing is still an unknown.

Mr Douglas commented that in terms of additional animal import testing, there had been some concern about additional equine movement testing. However, this is less than anticipated as the existing Tripartite Agreement over equine movements will continue for NI under the NI Protocol. This would negate the need to test horses moving across the border. It was noted however, that additional testing may be required moving equine to and from Great Britain.

Mr Douglas advised that discussions were ongoing with DAERA over any possible changes in sampling rates, particularly for animal disease and veterinary medicines testing. He advised he has requested that the Heads of Branch scope out any additional resource requirements which may be needed for 2021/22 budget cover.

The Board were advised that a Commission decision was received September 2020 notifying that NI labs could continue to deliver Official Lab (OL) functions for work in NI. However, GB labs would no longer be recognised as such, nor would the UK National Reference Labs (NRLs). Therefore, the NI Official Laboratory would have to align with NRLs in other EU member states to continue to deliver its OL duties. It was noted that work has been ongoing since then with DAERA to define the new NRL's that AFBI need to align to. It was further noted further that a draft MOU has been developed and shared

for comment and that DAERA was expected to issue a formal letter confirming official laboratory status under the controlled regulations before Christmas. **ACTION**

Regarding AFBI NI Official Lab functions (OL), it was noted the Commission will continue to recognise UKAS ISO17025 accreditation. However, if AFBI were to undertake other OL functions for other EU Member States it would be necessary to seek accreditation from another accreditation body outside of NI. The Board noted that Dr Douglas had made an initial approach to the Irish National Accreditation Body (INAB) to scope out what this might entail. Preliminary scoping work as is currently being undertaken to include indicative costs. Further discussion with INAB planned for 25 November 2020. However, it was noted that it would take INAB three months to visit, meaning AFBI would not be EU compliant by 1 January 2021.

It was noted that AFBI will still be answerable to the GB national laboratory under Domestic legislation as well as the EU national laboratory network.

Dr Schön reported there was still uncertainty surrounding the fishery agreement with the UK, noting the main concern for AFBI would be the flow of funding from the EU into NI when the European Fisheries Fund was no longer in place.

The Chair sought for further clarity on the impact to AFBI, referring to previous discussion on the impact of Brexit for AFBI and in particular the new Environment and Marine Division. Following discussion the Chair requested EMT provide a detailed briefing prior to his upcoming meeting. Concern was raised over the issues discussed. EMT agreed to compile a paper detailing the impact on the budget and any risks to AFBI and how to mitigate risks.

There was some discussion on the impacts on suppliers, people and data, with it being noted that a detailed paper would also be presented at the OD&HR Committee. It was noted that the situation would be kept under review as more detail became available. The Board enquired if any scenario planning had been undertaken and if there was a Brexit co-ordinator in place, Mrs Kelly agreed to take forward to EMT and suggested inviting the Research Support Office officials to the next Board meeting, to address the concerns raised by the Board.

It was also requested that a risk analysis is presented at next Board meeting.

JK

9. Finance & Business

ACTION

9.1 AFBI Finance Update Report

Mrs Kelly presented the Finance Update Report. She highlighted that since the last Board meeting, Finance have met Heads of Branch again as part of the normal budget management cycle. Based on the November budget meetings the collective position for the year end forecast has risen slightly from £13.6 to £13.7m. Assuming an income projection of £13.7m, an outturn of circa £530k of an underspend in AFBI operating costs was forecast. Further close monitoring will be required over the coming months to determine the veracity of the forecast income figure and associated costs.

In relation to 2020/21 Capital Budget, it was noted the latest capital forecast was showing an underspend of £260k, of which £128k relates to Recurrent Capital and £132k relates to Capital Systems. It was further noted a deferred procurement exercise on a £64k asset is due to an unsuccessful tender exercise, which has slipped into the next financial year.

9.2 Annual Report and Accounts 2019/20 and NIAO Report to those Charged with Governance 2019/20

Mrs Kelly advised that the NI Audit Office (NIAO) had completed their audit fieldwork on 13 November 2020 and presented their Report To Those Charged With Governance (RTTCWG) to AFBI's ARAC at its 18 November meeting.

She outlined that NIAO had confirmed that the Comptroller and Auditor General (C&AG) plans to certify the AFBI 2019-20 financial statements with an unqualified audit opinion.

ARAC had recommended the Annual Report and Accounts be presented to the Board for approval.

There was discussion surrounding Appendix 1 'Letter of Representation' with it being agreed to accept subject to wording changes.

The AFBI Annual Report and Accounts 2019/20 were proposed by Hrs Hanna and seconded by Mrs Houston. The Board approved the signing of the AFBI Annual Report and Accounts 2019/20.

The Board commended the Executive and Finance team in completing the AFBI Annual Report and Accounts by November. They acknowledged the work

not only improving on previous audits points raised by NIAO but still being able to meet the audit timescales despite working remotely due to the Covid-19 restrictions. **ACTION**

9.2.1 Cover Report – Draft AFBI Annual Report and Accounts 2019/20

Discussed under item 9.2 of the agenda.

9.2.2 Draft AFBI Annual Report and Accounts 2019/20

Discussed under item 9.2 of the agenda.

9.2.3 Report to those Charged with Governance 2019/20

Discussed under item 9.2 of the agenda.

LUNCH

Governance Issues

10.

10.1 Risk Management

10.1.1 Reports of New or Emergency Risks

There were no reports of new or emerging risks.

10.1.2 AFBI Corporate Risk Register (Draft) – November 2020

The Board asked the Executive to consider whether in the current circumstances, leadership needed to be added to the Risk Register, it was noted this is included in Corporate Risk 4 on the register. However, Mrs Hanna requested consideration is given to the scoring and wording of CR4.

Fraud

10.2

10.2.1 Reports on New or Ongoing Cases

There were no reports of new or ongoing cases.

AFBI Honorary Status Policy (Draft)

10.3

After discussion, it was agreed that the protocol would be approved subject to a number of additional clarifications being provided to the Board in relation to the termination of honorary status and in relation to conduct.

- 10.4** Following discussion the Board agreed to approve subject to confirmation that this be reviewed in the coming months to reflect any Brexit implications.

11. Health & Safety

11.1 Reports of New or Ongoing Cases

The Board noted there were no new RIDDOR cases to report.

12. Animal Health Sciences Building Project

Dr Douglas began by welcoming Ms Janet Uhlemann (Project Sponsor) and Dr Kate Duffy (Project Manager) to the meeting. They would be presenting an overview and update on the new Animal Health and Science Building Project. Ms Uhlemann began by advising there was representation from DAERA, Department of Finance & AFBI and reflects importance of AFBI VSD Work Programme for the Department, underpinning public health, animal health & welfare, contributing to the success of the wider agri-food sector and contributing to the Northern Ireland economy.

Ms Uhlemann commended the commitment and work undertaken by consultants and AFBI staff, in particular Ms Duffy.

It was noted that BREEAM (Building Research Establishment Environmental Assessment Method) Excellent Target certification is being sought allowing a 5 year Government soft landing period. It was noted that this is probably the maximum time CPD would approve.

The Board enquired if the £42 million includes construction costs as well as fixtures and fittings, with Ms Uhelmann confirming there was £3 million set aside for fixtures and fitting, noting further there was an additional 15% optimism bias built in. The Board strongly welcomed the inclusion of environmental and sustainability targets within the project. In terms of sustainability and efficiency savings, it was asked if there would be saving with the new development. Ms Uhelmann advised that the business case had not been built on efficiencies, and the likelihood is running costs would increase. However, there would be efficiency savings from new technology and the benefits from using up to date building materials.

The Board also enquired to whether the need to transfer existing equipment from the current building had been considered. Dr Douglas advised that there was a detailed equipment register as part of the design process. **ACTION**

The Board thanked Dr Douglas, Ms Uhelmann and Ms Duffy for the detailed presentation and commended the progress being made. It was agreed that a further update be provided to the Board in six months' time.

13 Board Sub-Committees

13.1 Draft Minutes of the Finance & Business Strategy Committee Meeting held on 12 November 2020

The Board noted the draft Minutes of the Finance & Business Strategy Committee Meeting held on 12 November 2020. Dr Costello Smith highlighted that the Committee had welcomed the provision of the 6 months accounts to September 2020 at the meeting

13.1.1 Report and draft Minutes of the Audit & Risk Assurance Committee Meeting held on 18 November 2020

The Board noted the draft Minutes of the Audit & Risk Assurance Committee Meeting held on 18 November 2020. EMT confirmed that the ToR's for all AFBI Board Sub-Committees would be amended to specifically allow virtual meeting. **GM**

14. Board Member Learning & Development Policy

The Chair had requested a Board Member L&D Policy be developed. Board Members were content to approve the policy subject to confirmation being received from AFBI Sponsor Branch detailing their contentment with the policy. **GM**

15. Draft Board & Sub Committee Meetings Schedule 2021-22

Following discussion it was agreed that EMT would consider the schedule of meetings in light of school holidays and revise the schedule where appropriate.

16. Any other Business

The Chair encouraged Board Members to read the copy of the DAERA Science Strategy which had been issued to Members.

He sought an update on the recruitment of a Change Manager, noting that process is ongoing.

Mrs Costello-Smith thanked EMT and the team for preparing for a productive, constructive & open Board meeting.

17. Board Meeting Effectiveness

The Board was content that the meeting had been effective.

18. Date of next meeting

The next meeting of the AFBI Board is scheduled to take place on Thursday 17 December 2020 at Crossnacreevy and via Webex.

Signed: _____
(Chairperson)

Date: _____