



Minutes of the meeting of the Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI Stormont, Stoney Road, Belfast
on Thursday 11 September 2008 at 10.00 am

Present:

Board members

Mr Sean Hogan, Chairperson
Professor David McDowell, Deputy Chairperson
Mr Kieran Campbell
Dr Michael Hollywood
Dr Christine Kennedy
Mr Nicholas Mack
Professor Grace Mulcahy
Mr John McKinley
Professor Stewart McNulty
Mr Jim Noble
Mr John Rankin
Mr Michael Walker

In Attendance: Dr George McIlroy, Chief Executive Officer
Dr Seamus Kennedy, Deputy Chief Executive Officer
Dr Michael Camlin, Deputy Chief Executive Officer
Dr Robin Boyd, Head of Chief Executive's Office
Mr Stephen Cousins (AFBI Secretariat)

Apologies: Dr Sydney Neill, Deputy Chief Executive Officer

Welcome and Introduction

The Chair thanked everyone for attending and apologised for the short period between meetings which was due to changes in the Minister's diary. The Chair expressed the pleasure of the Board in holding a meeting at AFBI Stormont and looked forward to the tour of the various business areas within the Veterinary Sciences Division.

1. Minutes of the previous meeting held on 27 August 2008

1.1 It was proposed by Mr Rankin and seconded by Dr Christine Kennedy that the minutes of the previous meeting be accepted without amendment.

1.2 Matters Arising/Action Points from Minutes of 27 August 2008

The Chair accepted that any matters or actions points arising would be addressed during the course of the meeting.

2. **Report from Chief Executive's Office**

2.1 Business Opportunities

Dr Boyd reported that progress was being made by the AFBI Business Manager (ABM) in a number of areas.

Interaction is ongoing with Invest NI regarding AFBI's eligibility for the Proof of Concept Funding Scheme.

The Scheme is reviewed annually in April of each year and at present only the two Universities (Queen's University, Belfast and University of Ulster) receive funding. Now that AFBI has received EU recognition there are positive indications that AFBI will be accepted as a third entity. If accepted AFBI could receive further funding up to the value of £80k per project to assist in commercialisation.

Another area currently being explored is the possibility of AFBI becoming registered as a Competence Centre. This would either be in collaboration with one of the universities or there may be a possibility that AFBI could "go alone". If successful this could result in access to funding in the region of £1m per year over a 3-year period. Again, there are positive indications and any work resulting from this recognition would be undertaken in conjunction with commercial partners.

The Chair stated that the Board are delighted at the progress being made and asked that the Executive convey its encouragement to the Business Manager.

Action: Executive to convey the encouragement of the Board to the Business Manager.

It was suggested that the Business Manager may address the Board meeting in December when further information may be available.

2.2 International Renewable Energy Conference (IREC08)

Dr Boyd advised that work on the Conference is progressing and events are on schedule.

The Executive acknowledged that it was important for Board members to be in attendance at this event and agreed to give consideration to

their role and would present proposals either by correspondence or at the next Board meeting.

Action: Executive to consider role of Board members during the Conference and present proposals by correspondence or at the next Board meeting.

Dr Camlin took the opportunity to outline some details regarding speakers and confirmed that all speaking slots had been allocated or taken. The programme is now available for viewing on the IREC08 website.

The Board acknowledged receipt of information relating to costs and gave a commitment to undertake whatever is required in order to help make the event a success.

It was agreed that details of the various events would be circulated to the Board and Board members would advise the Executive of their availability.

**Action: (1) Executive to circulate details of the various events.
(2) Board members to advise the Executive of their availability.**

2.3 AFBI Draft Corporate Plan 2008 to 2011

The Board were informed that the AFBI Executive had been requested to make a presentation to DARD Departmental Management Board (DMB) on the need for a SAPO4 facility. In so doing it may change the opinion of some members of DMB that there was a need for this issue to remain in the AFBI Corporate Plan. While the Chair was content to note this development the question of who “owned” the Corporate Plan still remained.

The Board indicated that they were content for the presentation to be made to DMB but accepted that the proposal for a SAPO4 facility would succeed or fail on the basis of a Business Case.

In the general discussion that ensued the Board suggested that the presentation to DMB should acknowledge the difference in opinions that currently exist, that the AFBI Board accepts that DARD will have concerns regarding issues contained in the Plan but that DMB have to accept that this is an AFBI document and it is for the AFBI Board to decide on its content.

The Board also, agreed that as well as convincing DARD for the need for such facility there were also benefits to be derived in respect of public health issues and the case for a SAPO4 facility may ultimately be decided by the Northern Ireland Executive rather than an individual Department.

The Chair referred to AFBI's independence from DARD. If there was an insistence by DARD that items be removed from the AFBI Corporate Plan then funders (such as the EU) could be justified in questioning the status of AFBI's independence.

In summarising, the Chair confirmed that –

1. The Board were still of the opinion that its insistence on what is contained in the AFBI Corporate Plan would remain in place and the issue is now seen as a matter of principle.
2. The Board agreed that the Business Case for a SAPO4 facility should be pursued by the AFBI Executive through Dr S Kennedy.
3. The Board would respond to Mr R Jordan (DARD Under Secretary) on the basis that this is a matter of principle.
4. AFBI must have ownership of its Corporate Plan as proof of its independence as a Non Departmental Public Body.

2.4 AFBI Draft Business Plan 2008/09

Dr Boyd advised the Board that the draft Business Plan was almost complete. The Chair appreciated the fact that there had been a short period since the last meeting with little room for progress. While it was important to note DARD's comments regarding the Business Plan, Dr Boyd advised that this would not result in a re-write of the document.

Action: Dr Boyd to complete the draft and forward to DARD for approval.

3. **Report from Business Support Unit**

3.1 Risk Management

CEO advised the Board that there were no reports of any new corporate risks or any changes to current corporate risks within AFBI. CEO informed the Board that the Executive will continue to work with AFBI Internal Audit on the issue of Risk Management and is confident the system that AFBI relies upon is working. This fact was acknowledged by the DARD Permanent Secretary during the recent AFBI Performance Review Meeting.

3.2 Fraud

CEO confirmed that the fraud investigation referred to at last month's meeting is continuing and the Executive will take this forward and will

keep the Board informed of developments. CEO also confirmed that there were no implications for the Board.

Action: CEO to keep the Board updated on the investigation.

CEO took the opportunity to acknowledge the work undertaken by Dr S Kennedy who had been appointed Acting Accounting Officer in his absence and thanked him for his contribution during his period of absence.

3.3 Health & Safety

CEO reinforced the paramount importance of Health and Safety to AFBI given the nature of the work undertaken by the organisation. CEO informed the Board that there were no reports of health and safety incidents since the date of the last meeting.

3.4 Accounts 2007-08

CEO advised the Board that the Northern Ireland Audit Office (NIAO) had been with AFBI for approximately six weeks and all information requested had been provided with AFBI working on the basis that the deadline for signing-off on the Accounts was still on schedule. However, AFBI had recently been made aware that during a meeting between AFBI Sponsor Branch (ASB) and the NIAO, the NIAO had indicated that the audit may be delayed. After alerting NIAO to the fact that this was the first that AFBI had become aware of this possible delay the NIAO had issued an apology for the breakdown in communication. CEO confirmed that Dr Hollywood (Chair of the Audit Committee) had also been made aware.

The possible delay in signing-off the Accounts was due to the Pensions issue as the NIAO had not yet received the required assurance that the figure reflecting AFBI's possible liability in respect of the previous deficit had been calculated correctly. CEO advised that AFBI had written to the Government Actuary's Department and is now awaiting a reply. As soon as this information is received it will be forwarded to the NIAO immediately.

3.5 Finance

The Board were asked to note that the Finance Report did not differ dramatically from that presented at the August Board meeting.

In presenting the Finance Report, the CEO highlighted several issues –

1. *GAE* – CEO stated that he was comforted by the fact that most of the spend associated with *GAE* occurs early in the year and the remaining 21% is enough to carry AFBI through the remainder of the financial year.

2. *Current/Programme* – there are no concerns as this will increase and is in line with previous years.
3. *Income* – CEO stated that the Executive expected to see this figure increase substantially in the next few months and this was in line with previous years.
4. *Ring Fenced Budgets* – Executive are content that these budgets are being managed appropriately.

Overall, there are no issues of concern and the Executive is content that AFBI is on target in relation to all matters. However, if the Board has any concerns the CEO would be willing to address them.

Following deliberation regarding the details contained in the report, the Board accepted the assurance of the Executive that it had taken account of current trends, particularly in relation to overspend and underspend in specific areas.

However, the Executive agreed that a more detailed report would be presented to the Board on a six monthly basis.

Action: Executive agreed to provide the Board with a more detailed report on a six monthly basis.

It was also noted that the Board would wish to see a breakdown of the allocation of capital funds to ensure the budget was on target.

Action: Executive to provide a breakdown of the allocation of capital funds to ensure the budget was on target.

4. Any Other Business

4.1 Pensions Issue

A note to the Board from the Chair regarding the ongoing Pensions issue was circulated prior to the meeting.

The main purpose of the note was to inform the Board of the current position and assure the Board that the Executive has done all in its power to help resolve the issue.

Despite an undertaking by the Government Actuary's Department (GAD) to complete matters by 30 November 2008, the Chair had to report that this date had now slipped by approximately six months.

The Board were also notified of further correspondence having been received from the Member of Parliament for the area, Mr Jeffery Donaldson MP MLA, who had written again to the DARD Minister

concerning this issue. AFBI had been asked to make an input into a response and this will indicate that timelines have changed but also underline the fact that the problem lies outside AFBI's control.

CEO expressed disappointment that the AFBI Executive had been informed of this slippage on 2 June 2008 but regretted the fact that the Board was only being informed now. CEO also acknowledged the fact that the Board could not be held responsible for any delay as it can only act on the recent information presented. In response the Board recognised the current pressures on the Executive and appreciated the efforts that have been made to date.

With regard to further action the Board asked that their frustration at the lack of progress on this issue be recorded and suggested that AFBI write to the Government Actuary's Department on a monthly basis to ensure that progress is being made and also to highlight the embarrassment that their delay had caused to AFBI.

The Board also agreed that this issue should remain as a "*standing item*" on the agenda for future Board meetings when they would expect to receive further progress reports from the Executive.

Action: Secretariat to ensure that the Pensions issue remains a "*standing item*" on the agenda.

The Board reiterated its concern was for the staff caught up in this issue and asked if financial assistance could be given to those affected. The Board were advised that staff were currently receiving emergency payments but there is a possibility that there could be a shortfall in such payments.

The Executive agreed to contact the Department of Finance and Personnel with a view of obtaining approval for an interim payment or lump sum to be made and would also check how many staff were involved. The Board will be given an update at the next meeting.

**Action: (1) Executive to contact DFP to seek approval for an interim payment or lump sum to be made.
(2) Executive to check number of staff involved.**

4.2 Rolling Database of Issues Raised at Board Meetings

Secretariat to update the Rolling Database of issues based on decisions taken during today's meeting.

Action: Secretariat to update Rolling Database.

4.3 Revised List of Meeting Dates and Arrangements

The revised list of meeting dates and arrangements were noted and agreed.

4.4 National Ploughing Championships, Kilkenny

The Chair informed the Board that AFBI would once again be represented at the National Ploughing Championships which are being held in County Kilkenny between 23 and 25 September 2008. This would be a joint venture involving DARD, CAFRE and AFBI with the DARD Minister likely to be in attendance on the opening day.

AFBI will have a promotional trailer on site that will be used to highlight the International Renewable Energy Conference.

The Chair reported that there had been positive feedback following AFBI's attendance at last year's Championships. It was also the intention of the Chair and the CEO to use the occasion to meet with the Minister over lunch if her diary permitted.

4.5 Official Opening of the Energy Research Centre (ERC) at AFBI Hillsborough

The Chair reported that AFBI is seeking a date in December 2008 that would suit the Minister's diary in order that she could perform the official opening of the ERC. It was agreed that the Executive will keep the Board updated on developments.

Action: Executive to provide the Board with update on developments.

4.6 National Reference Laboratory Award

The Board were informed that AFBI had been awarded National Reference Laboratory (NRL) status in respect of Marine Biotoxins. The Board acknowledged that this was a prestigious award for the organisation and asked that all those involved be congratulated.

Action: Executive to pass on the congratulations of the Board to those involved in attaining this award.

4.7 Royalties Issue – Update on Legal Case

The Board were advised that legal proceedings were still on-going. Dr Boyd is taking this issue forward on behalf of AFBI and will provide the Board with future updates.

Action: Dr Boyd to keep the Board informed of developments.

5. Presentation of the Business Case for a SAPO4 Facility

Dr S Kennedy gave a presentation to the Board on the need for a SAPO4 facility and used the occasion to obtain comment and feedback which would be incorporated into a final presentation to be given to the DARD Departmental Management Board.

The Secretary was asked to note comments from Board members and forward these to Dr S Kennedy following the meeting.

After the presentation the Board expressed their appreciation for the work undertaken by Dr S Kennedy and his team at VSD.

Action: Secretary to note comments of the Board and forward to Dr S Kennedy for incorporating into a final presentation.

6. Date of the Next Meeting

The next meeting of the Board will be held on Wednesday 22 October 2008 at AFBI Loughgall.

Signed: _____
(Chairperson)

Date: _____

Matters arising and action points from meeting on 11 September 2008

1.	<i>Item 2.1</i>	<u>Business Opportunities</u> Executive to convey the encouragement of the Board to the Business Manager.	Exec
2.	<i>Item 2.2</i>	<u>International Renewable Energy Conference (IREC08)</u> <ul style="list-style-type: none"> • Executive to consider role of Board members during the Conference and present proposals by correspondence or at the next Board meeting. • Executive to circulate details of the various events. • Board members to advise the Executive of their availability. 	Exec Exec Board
3.	<i>Item 2.4</i>	<u>AFBI Draft Business Plan 2008/09</u> Dr Boyd to complete the draft Business Plan 2008/09 and forward to DARD for approval.	RB
4.	<i>Item 3.2</i>	<u>Fraud</u> CEO to keep the Board updated on the investigation.	CEO
5.	<i>Item 3.5</i>	<u>Finance</u> Executive agreed to provide the Board with a more detailed report on a six monthly basis.	Exec
6.	<i>Item 4.1</i>	<u>Pensions Issue</u> <ul style="list-style-type: none"> • Secretariat to ensure that the Pensions issue remains a “standing item” on the agenda. • Executive to contact DFP to seek approval for an interim payment or lump sum to be made. • Executive to check number of staff involved. 	SC Exec Exec
7.	<i>Item 4.2</i>	<u>Rolling Database of Issues Raised at Board Meetings</u> Secretariat to update Rolling Database.	SC

8.	<i>Item 4.5</i>	<u>Official Opening of the Energy Research Centre (ERC) at AFBI Hillsborough</u> Executive to provide the Board with update on developments.	Exec
9.	<i>Item 4.6</i>	<u>National Reference Laboratory Award</u> Executive to pass on the congratulations of the Board to those involved in attaining this award.	Exec
10.	<i>Item 4.7</i>	<u>Royalties Issue – Update on Legal Case</u> Dr Boyd to keep the Board informed of developments.	RB
11.	<i>Item 5</i>	<u>Presentation of the Business Case for a SAPO4 Facility</u> Secretary to note comments of the Board and forward to Dr S Kennedy for incorporating into a final version.	SC