



**Minutes of the Meeting of the Agri-Food and Biosciences Institute
(AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Wednesday 16 December 2009 at 10.00 am**

Present – Board Members

Mr Sean Hogan, Chairperson
Prof David McDowell, Deputy Chair
Dr Michael Hollywood
Dr Christine Kennedy
Mr John McKinley
Prof Stewart McNulty
Mr John Rankin
Mr Nicholas Mack
Mr James Noble
Mr Michael Walker
Mr Kieran Campbell

In Attendance - AFBI Executive

Dr Seamus Kennedy, (Acting) CEO
Dr Michael Camlin, DCEO
Mr Joel Ferguson, Head of AFBI Innovations
Mr Paul Brennan, Head of AFBI HR Branch
Mrs Lynsey Alexander, Finance Branch
Mr Stephen Cousins, AFBI Secretariat

1. Welcome and Introduction

ACTION

The Chair issued a welcome to all present especially Dr S Kennedy in his capacity as Acting Chief Executive Officer and AFBI Accounting Officer and Mrs Alexander who was deputising for the Head of AFBI Finance.

2. Apologies

An apology was accepted from Prof Grace Mulcahy and the Chair acknowledged having received notice from Mr Campbell that he would be late.

3. Draft Minutes of the Previous Board Meeting held on 25 November 2009

It was proposed by Mr Walker, seconded by Mr Rankin, that the draft minutes of the previous Board meeting held on 25 November 2009 be accepted without amendment.

4. Matters Arising from the Minutes of the Previous Board Meeting held on 25 November 2009

The Chair proceeded on the basis that any matters arising or action points from the previous meeting had been resolved or would be addressed during the course of the meeting except for the following items:

4.1 Open Meeting – Preliminary Arrangements (Item 4.1 – Mins 25 11 09)

The Executive confirmed that the list of potential attendees had been updated and invitations were in the process of being issued.

In the discussion that followed the Board asked the Executive to consider facilitating AFBI staff who wished to attend the Open Meeting but acknowledged there was a need to ensure that business commitments were met and also a need to ensure that there was a balance between the number of AFBI staff attending and the number of AFBI stakeholders who would be in attendance.

Exec**4.2** Risk Appetite (Item 4.3 – Mins 25 11 09)

The Chair of the Audit Committee, Dr Hollywood advised that the issue of “*risk appetite*” had arisen from a recent Internal Audit Report on “*Review of Risk Management Processes*”. A link to three Treasury documents that make reference to “*risk appetite*” had been forwarded to the Executive for information. However, with the change in Internal Auditors it was decided to hold the matter pending further discussions between Dr Hollywood and the new Internal Auditors which were due to take place shortly.

4.3 Extend Board contact beyond Senior levels within the organisation (Item 6.2.2 – Mins 25 11 09)

Following discussion, the Board accepted a suggestion from the Executive whereby the various Heads of Branch from the three Divisions would make presentations to the Board on the work that they were undertaking within their business areas.

At the request of the Board, the Executive agreed that it would create a “*calendar of events*” for 2010 listing the presentations and the meeting dates. The Executive also advised that the presentations would not be a replacement for the site visits undertaken by the Board and this was welcomed as the Board regarded the site visits as being invaluable to their programme and essential for the development and understanding of the organisation. The Executive also agreed that it would consider making the presentations available to staff electronically subject to commercial confidentiality being upheld.

Exec**5. Report from AFBI Corporate Services Division****5.1** AFBI Risk Management**5.1.1** *AFBI Corporate Risk Register (CRR) – updated 30 October 2009*

The Executive informed the Board that there were no new risks to the organisation. However, in light of recent staff changes the Corporate Risk Register would need to be reviewed and ownership of some risks reallocated.

With reference to the recent staff changes, the Chair advised that Dr Seamus Kennedy had been appointed as AFBI's Acting Chief Executive Officer but the Board will be liaising with DARD in order to establish the essential criteria required to appoint a permanent CEO. The Board acknowledged that it would then be a matter for the newly appointed Chief Executive Officer to determine the future structure of the organisation.

Action

The Executive confirmed that an *"interest circular"* had been issued in respect of the Deputy Chief Executive Officer's post at the Veterinary Sciences Division and an internal trawl notice had been issued in respect of the Head of Corporate Services Division post. In relation to the latter, the Executive advised that they were hopeful that someone would be appointed prior to the Christmas holidays.

In the discussions that followed the Board made a number of suggestions:

Risk No 1 – "Failure to recruit, retain and motivate staff with the right skills, experience and competencies"

The Board suggested that in light of recent staff changes the Executive examine this risk with a view to raising the risk rating in respect of *"Likelihood"* from a *"1"*.

Exec

Risk No 2 – "Insufficient resource allocation for AFBI from DARD"

The Board suggested that the Executive examine the list of *"Risk Indicators"* and the *"Additional Actions required to fully manage the risk"*

Exec

Following discussion on this issue the Board were in agreement regarding the need for the Executive to issue a balanced statement at this time thanking staff for their work and commitment but outlining the challenges that lie ahead.

Exec

Risk No 5 – "Failure to meet customers' targets and objectives"

The Executive reported that DARD as a customer has agreed to work with AFBI in identifying areas where possible savings could be made.

In response, the Board were pleased to learn of this development and that discussions were ongoing.

5.2 Whistleblowing and Fraud

The Executive advised that there were no new cases of whistleblowing or fraud to report since the last date of meeting.

The two cases referred to during last month's meeting are still ongoing but the Executive gave an indication that it would hope to reach a conclusion quite soon.

5.3 Health and Safety

Action

The Executive advised that there were no major incidents to report since the last date of meeting.

The Executive informed the Board that the Health and Safety Executive had carried out a series of farm inspections across a number of AFBI sites and the reports had identified a number of minor issues which are being dealt with at a local level.

The Board were also advised that the overarching AFBI Health and Safety Advisory Group would be chaired by Dr A Gilmour in place of Dr R Boyd who will be retiring.

Mr Kieran Campbell joined the meeting at this point.

5.4 Finance Report

The Executive presented the Board with the monthly Budget Report for the period ending 30 November 2009.

In presenting the report the Executive highlighted a number of issues:

- Budget 2009/10 – the Executive advised the Board that AFBI was on target to meet and remain within the allocated budgets.
- Income – the Executive reported that due to resource difficulties in Account NI there is currently a backlog of invoices waiting to be processed. The matter has been raised with Account NI and they are aware of the situation and have given an assurance that invoices belonging to AFBI will be given priority in the pending workflow.
- Capital Expenditure – this budget is on track but there has been some delays due to processes within the Central Procurement Directorate (CPD) but matters are progressing.

The Board thanked the Executive for the report. In response the Board expressed concerns about the backlog of invoices and the impact that this may have on the organisation in terms of cash flow.

In reply the Executive gave a report on a recent meeting with Mr Paul Wickens, Director of the Shared Services Organisation (which incorporates HR Connect, Account NI and IT Assist) and Mr John Crosby, Chief Executive Officer for Account NI.

The Executive acknowledged that this had been a useful meeting and a number of important issues had been raised including:

- Financial Reports – currently the financial reports provided by Account NI do not provide appropriate information.
- Costs – AFBI indicated that the high current costs for the service provided by Account NI was a major concern.
- Representation at Account NI Business Meetings – given AFBI's

unique position in comparison to Northern Ireland Civil Service Departments, AFBI has been invited to attend future meetings of Departmental Finance Officers. The next meeting is due to be held this Friday (18 December 2009).

Action

The Board expressed their appreciation to the Executive for providing a report on this meeting with Account NI and asked the Acting CEO if he would issue a brief note to Board members highlighting any issues arising from the meeting of Departmental Finance Officers.

**Acting
CEO**

5.5 Strategy to Meet Funding Shortfall

Following consideration of the paper that AFBI have presented to DARD in response to the proposed savings that DARD intend to make from the AFBI grant-in-aid budget, the Board accepted that this was only the beginning of a process and further discussion and negotiation would be required before a final agreement is reached.

The Board also accepted that the paper defines the areas where possible savings could be made but it also outlines the pain that will be associated with such savings should DARD accept the proposals.

As reported earlier in the meeting, DARD has agreed to a joint DARD/AFBI strategic examination of the current DARD work programme with the aim of identifying areas where potential savings could be made. This will include both R&D and statutory work.

Following discussion the Board signified that they were content with the responses that it had received from the Executive and accepted that there was a need for DARD, as the customer, to provide AFBI with direction regarding which parts of the work programme they may wish to cease

The Executive also made the Board aware that the issue of efficiency savings would also be absorbed into the ongoing talks with DARD.

5.6 Personnel Issues

5.6.1 *HR Connect*

HR Connect is still in the process of bedding in but AFBI staff continue to find the system cumbersome.

A lack of representation at Directorate level was highlighted during recent meetings with Mr Paul Wickens, Director of the Shared Services Organisation and this undoubtedly leaves AFBI exposed in terms of the decision and reporting making processes. The Executive advised that Mr Wickens was examining the issue and will notify AFBI in due course.

5.6.2 Equal Pay Deal

Action

AFBI had preliminary discussions with DARD on the issue of Equal Pay. DARD was of the opinion that this did not apply to AFBI. AFBI sought legal advice on this matter which confirmed that the Equal Pay issue will apply to those NICS staff who transferred from DARD Science Service into AFBI at the time of its formation. In order to implement the deal AFBI may have to submit a Business Case to DFP and this is currently under consideration.

As well as the initial one-off payment in respect of back-pay, the Board were also made aware that an uplift of salaries would be required and this would have an impact on the salaries and wages budget. However, the Executive advised that at this present time it is unaware of the financial costs involved.

6. Report from AFBI Innovations Branch

The Board received the latest monthly progress report from AFBI Innovations Branch and were asked to note the details particularly those relating to the development and introduction of a three-year Marketing Strategy and, further to last month's report, Miss Shirley Black had now taken up post within the Branch.

7. Pensions Issue

DARD have prepared and submitted a Business Case to DFP in respect of the thirty-seven ex-ARINI employees who decided to transfer their accrued pension benefit from the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) to the Principal Civil Service Pension Scheme NI (PCSPSNI). Subject to Department of Finance and Personnel (DFP) approval the transfers should be completed by 31 January 2010.

The Board were pleased to note that actual progress is being made in respect of those who had decided to transfer their pension entitlement and encouraged the Executive to keep moving this issue forward.

8. Rewards and Recognition to Staff Scheme

The Executive reported that this matter still rests with DFP. However, indications from DFP suggest that it is content in principle with the Scheme. A number of specific queries have been raised by DFP but the Executive advised it was confident that a satisfactory response can be provided and DARD is currently in the process of replying.

The Executive took note that in the event of any substantive changes being made to the Scheme the AFBI Remuneration Committee would need to have sight of them in order to assure the Board that the main aims and objectives of the Scheme had not been fundamentally changed.

9. Any Other Business

9.1 Rolling Database of Issues Raised at Previous Board Meetings

The Board noted the changes to the Rolling Database and signified that they were content.

9.2 AFBI Board Effectiveness Review (BER)

The Board noted that Mr Simon Parker (BER facilitator) had met recently with the AFBI Senior Management Team.

The Chair requested that this item should be included on the agenda for the January Board meeting and in the meantime the Chair would hold further discussions with the CEO.

Sec

9.3 Winter Fair – King’s Hall, Belfast

The Chair acknowledged that this had been another successful event and expressed the Board’s appreciation for the staff input.

9.4 EU Fisheries Meeting, Brussels

The Board were pleased to note that the scientific advice given to the DARD Minister, Michelle Gildernew MP MLA during negotiations on EU fishing quotas was supplied by AFBI scientists. This again underlines the importance of the work and research carried out by AFBI scientists and its impact on government policy.

10. Date of Next Meeting

The next meeting of the Board will be held on Wednesday 27 January 2010 at AFBI (HQ) Newforge.

Following the close of business the Executive retired from the meeting and the Board met under the heading of “Reserved Matters”.

Signed: _____
(Chairperson)

Date: _____