



**Minutes of the Meeting of the  
Agri-Food and Biosciences Institute (AFBI) Board  
held at AFBI Newforge  
on Tuesday 17 December 2013 at 10.00am**

**Present – Board Members**

Mr S Hogan, Chair  
Prof W McKelvey, Deputy Chair  
Mr T Hinds  
Mr B McCann  
Mrs H McCartan  
Prof P Murphy  
Dr C McMurray  
Mr D Lindsay (Items 1-7 & 14)  
Mr K Millar  
Mr S McCaffrey  
Mrs S Havlin (Items 8-20)  
Mrs H Stewart

**In Attendance - AFBI Executive**

Prof S Kennedy, Chief Executive Officer  
Mrs L Hogg, Director of Finance and Corporate Affairs Division  
Mr J Ferguson, Head of AFBI Innovations (Presentation)  
Dr D McCleery, Horizon 2020 Northern Ireland Contact Point for Agri-Food (Presentation)  
Mr C Berry, Head of AFBI Finance Branch (Item 9)  
Mr D Griffiths, Financial Improvement Project Leader (Item 9)  
Mr P Brennan, Head of AFBI HR (Item 12)  
Mr J Adams, AFBI Secretariat

**1. Welcome and Introduction**

**ACTION**

The Chair welcomed all present especially Mr Joel Ferguson, Head of AFBI Innovations and Dr David McCleery, Horizon 2020 Northern Ireland Contact Point for Agri-Food.

**2. Apologies**

There were no apologies.

**3. Conflict of Interests/Register of Interests Declaration**

There were no changes to Board members' register of interests. However, Prof McKelvey informed the Board of a potential conflict of interest between his membership of the Board of the Scottish Environment Protection Agency and AFBI's future plans to replace its marine fisheries research vessel, as referenced in AFBI's Science Strategy 2014-2019 (Item 14). The Board signified that it was content to proceed.

**4. Presentations**

**4.1 AFBI Intellectual Property Management**

Mr Ferguson gave a presentation on AFBI's Intellectual Property (IP) Management outlining the policies and procedures for managing IP, the procedures for capturing and managing ideas, inventions and collaboration

agreements that may provide AFBI with rights to IP and additional actions/opportunities to develop and exploit IP arising from AFBI's research work.

**ACTION**

Mr Ferguson informed the Board that an Invest NI report entitled "*Maximising the Commercial and Economic Impact of the Northern Ireland Publicly Funded Research Base*" identified significant programmes, to support knowledge transfer and innovation, that are not open to AFBI. The Board was asked to note that this point has been conveyed in AFBI's response to the public consultation on the Department of Enterprise Trade and Investment's draft Innovation Strategy 2013-2025.

Going forward the Board was asked to note that the IP Assets Register will be migrated to an automated system called MyIP. Staff will be encouraged to make more use of the Invest NI Proof of Concept (PoC) programme and AFBI will continue to seek additional core support for commercialisation.

The Board was content to support the recommendations in the paper and, following a question and answer session, thanked Mr Ferguson for his timely presentation.

#### **4.2** Pathways to Success – A Strategy for Maximising Opportunities under Horizon for Agri-Food in NI

Dr McCleery's presentation focused on an overview of Horizon 2020, Northern Ireland structures, past successes through previous EU frameworks and his role as the Northern Ireland Contact Point (NICP) for agri-food.

Dr McCleery highlighted the mission, vision and goals in respect of his paper "*A strategy for maximising opportunities under Horizon 2020 for agri-food in Northern Ireland*" and the Board was content to note the draft strategy.

In the discussion that followed, the Board recognised the difficulties posed with co-ordination of projects and the importance of seeking collaborations with the most appropriate EU partners and countries; in order to maximise funding opportunities and influence EU policy to meet the needs of the Northern Ireland supply chain.

The Board congratulated Dr McCleery on his appointment, thanked him for his interesting presentation and agreed to forward any contacts that would be of potential benefit to him.

**Board**

*(Mr Ferguson and Dr McCleery left the meeting.)*

#### **5. Draft Minutes of the Previous AFBI Board Meeting held on 17 December 2013**

On a proposal from Dr McMurray, seconded by Mr McCaffrey, the draft minutes from the previous AFBI Board meeting held on 27 November 2013 were approved without amendment.

**6. Action Sheet from Previous AFBI Board Meeting held on 17 December 2013 ACTION**

The Board was content to note the progress against actions as per the Action Sheet.

**7. Chairman's Remarks**

The Chair referred to recent correspondence among Board members regarding DARD's proposed terms of reference for a review of AFBI. He summarised the Board's concerns that the draft TOR were largely operational in nature and lacked a focus on strategic issues that could impact on the future sustainability of AFBI. The Chair indicated that he would raise the matter with the DARD Board at the joint DARD/AFBI meeting scheduled in January 2014.

**Chair**

A lengthy discussion followed on a number of strategic issues on foot of a paper circulated to Board members by Prof Murphy. The Executive agreed to produce a short discussion paper on the issues and circulate to Board members for comment, prior to the joint DARD/AFBI Board Meeting.

**Exec**

**8. Executive Report**

The CEO presented the Executive report and highlighted the recent conference, organised jointly by the Northern Ireland Institute of Agricultural Science and the Institute of Food Science and Technology, and hosted by AFBI Hillsborough, on the challenges facing global food security. The CEO also informed the Board of his intention to invite the speaker, Professor Charles Godfrey, Hope Professor of Zoology at Jesus College Oxford, to visit AFBI again to discuss agri-food R&D with key stakeholders.

**9. Finance**

**9.1 AFBI Budget Monitor Report – Position at 30 November 2013**

Mr Berry presented the November Budget Monitor Report and asked the Board to note that it has been prepared in the context of AFBI fully implementing the savings, as instructed by DARD on 21 October 2013, to meet the deficit encompassed in the "upper planning scenario". The November report indicates a forecast surplus of £337k because of a recent increase in income and a reduction in interest and penalties in respect of Corporation Tax.

Mr Berry also informed the Board that DARD has recently informed AFBI that it will be allocated a further £2,812k of funding to meet the in-year pressures. The Board was asked to note that, as notification had only recently been received, only the £1.985m relating to pay progression costs had been reflected in the November Budget Monitor. It will require some time to identify the scope for reversing the recently implemented cuts to the work programme, the associated expenditure and to produce a revised end-of-year forecast outcome. The Executive assured the Board that work has commenced to reinstate as many as possible of the suspended elements of the DARD work programme.

## 9.2 Medium Term Financial Plan - Baseline

Mr Griffiths presented a paper on AFBI's baseline Medium Term Financial Plan (MTFP) highlighting the structure, key assumptions and options to mitigate the projected annual deficits up to 2019/20. The Board noted the major conflict between the assumption that the level of work in the DARD work programme should remain largely the same against the projected substantial reductions in Grant in Aid that would result in a forecast deficit of the gross budget from 5.6% in 2014-15 to 28.2% in 2019-20.

In response to a query on the royalty income stream, the Executive informed the Board that an update on this matter will be provided at the January meeting of the Board.

LH

## 9.3 Medium Term Financial Plan – Sensitivity Analysis

Mr Griffiths presented a paper on the sensitivity analysis of AFBI's Medium Term Financial Plan (MTFP) which outlines the effect that changes to key assumptions have on the projected annual deficits identified in the MTFP.

In presenting the paper the Board was asked to note that following the production of the MTFP, the projected annual deficits have changed marginally to reflect updated estimates of depreciation charges in the later years covered by the MTFP and the fact that assumed estate capital funding of £1m will be included in DARD's rather than AFBI's plan. The sensitivity testing of a number of key assumptions shows that the most material impact is caused by changes in annual pay costs and royalty income.

The Board welcomed the paper and requested a table summarising the various scenarios.

Exec

## 9.4 AFBI Strategic Cost Model Reports 2013/14

Mr Griffiths presented a paper on the type of management information that will be produced by the Strategic Cost Model (SCM). In particular the Board's attention was drawn to the format of Annex 2 *"Income and expenditure by project and branch"* and the benefits of migrating the SCM into a more user-friendly platform by 1 April 2014.

The Board noted the progress to date and indicated that it was content with the format of the reports.

## 10. **Governance Issues**

### 10.1 Risk Management

#### 10.1.1 *Reports of New or Emerging Risks*

The Executive advised the Board that there were no new risks to report.

#### 10.1.2 *Review of Corporate Risk No. 2 - "If AFBI fails to provide agreed external emergency response capability (ERC) requirements and maintain internal*

*business continuity this will negatively impact AFBI's service delivery and reputation."* **ACTION**

Mrs Hogg presented *Corporate Risk No. 2* and informed the Board that the current version incorporates changes agreed at the September meeting of the Risk Management & Business Planning Group and that the next review of the Corporate Risk Register will be undertaken in January 2014.

The Board was content to note the risk score, existing controls in place to manage the risk and the progress of the additional actions being undertaken.

## **10.2** Whistleblowing and Fraud

The Executive updated the Board in respect of the ongoing Whistleblowing and Fraud investigation as outlined in the briefing paper and asked the Board to note that the two new cases reported are under investigation by HR Connect.

The Board was content to note the status of the report.

## **11. End Year Review of AFBI's Delivery of the 2012/13 Assigned Work Programme**

The Executive asked the Board to note the very positive year-end assessment of AFBI's delivery of the Assigned Work Programme (AWP) 2012/13 in the report produced by DARD and that no major issues were identified. The Board requested that, going forward, all AFBI Branches that were involved in delivery of the AWP be required to respond to the survey.

**Exec**

The Board welcomed the excellent results in the report and requested that the Executive pass on its congratulations to all staff involved.

**LH**

## **12. Staff and Organisational Improvement Plan – Update**

Mr Brennan presented a paper on the progress of the Staff and Organisational Improvement Plan which consolidates the actions to address a number of recurring issues raised by staff through a number of initiatives such as the Stress in the Workplace Survey, Morale and Motivation Survey and the Investors in People review.

In response to a query on the objective "*Enhance Health & Wellbeing in the Workplace*", Mr Brennan confirmed that the completion date of 2015/16 refers to the timing of the next staff survey and not the completion of the ongoing actions.

The Board was content to note the status of the plan and that progress is being made on six of the seven objectives with the one outstanding recommendation on hold, pending the appointment of an internal resource.

## **13. Draft Minutes from Extraordinary Audit Committee Meeting held on 26 November 2013**

The Board noted the draft minutes from the extraordinary Audit Committee

**14. Report from Science Strategy Committee Meeting held on 13 December 2013**

Mr Lindsay presented the draft “*AFBI Science Strategy 2014-2019*” and indicated that the document should be viewed as a high level strategic vision for science within the organisation. The five year strategy should be reviewed at the midway point and the Board was also informed that a more detailed paper on divisional structures will follow which should be reviewed on a more frequent basis to ensure that AFBI remains at the forefront of the agri-food industry.

During the discussions that followed a number of Board members expressed the view that the strategy provided a sound overarching vision for the organisation and how it wants to proceed. However, some members raised a number of issues such as, the limited information on funding elements, the lack of quantifiable dates and targets, the absence of any reference to increasing or decreasing R&D in individual scientific areas, and the strategy’s acceptance within academic circles.

The Executive indicated the constraints in which they had been operating in producing this strategy under the current interpretation of the DARD-AFBI customer-contractor relationship. AFBI did not have scope to identify research priorities as that role was reserved by DARD under its Evidence and Innovation Strategy. Unlike that of other science delivery organisations in the UK and Ireland, AFBI’s science strategy was therefore restricted to identifying the scientific platform capabilities (technologies and skills) that were likely to be required to deliver R&D priorities and projects identified by DARD. Board members were requested to send any further comments and suggested amendments to the Science Strategy Sub-committee for consideration and incorporation into the document. Subject to receipt of any further comments, the strategy was approved by the Board, in principle, with a 73% majority.

**Board**

**15. DARD/AFBI Meetings**

**15.1 Ad hoc Meeting of Representatives of AFBI and DARD Boards – Thursday, 9 January 2014**

The Board noted the date of the ad-hoc meeting of representatives of the AFBI and DARD Boards which had been discussed earlier in the meeting.

**15.2 AFBI Chair and Deputy Chair Meetings with Departmental Board**

The Board was content to note the dates of the AFBI Chair and Deputy Chair meetings with the DARD Board.

**15.3 DARD/AFBI Joint Board Meetings**

The Board was content to note the dates of the DARD/AFBI Joint Board meetings and agreed its representation at the meeting to be held 10 February 2013.

**16. AFBI Open Meeting – Proposed date 25 March 2014**

The Board was content to note the proposed date of the AFBI Open Board meeting. The Executive also advised that it would welcome comments from the Board in respect of the structure and content of the meeting.

**Board****17. Rolling Database of Issues Raised at Board Meetings**

The Board was content to note the updates to the rolling database.

**18. Any Other Business****18.1 NIPSA Presentation to January Board Meeting**

The Board noted that a NIPSA representative has been invited to give a presentation to the Board at the January 2014 meeting.

**18.2 Information Requested by Public Accounts Committee**

The CEO informed the Board that the additional information requested by the Public Accounts Committee at its hearing held 27 November 2013, has been submitted to the Committee by DARD.

**19. Review of Board Effectiveness**

On reviewing the effectiveness of the Board meeting, members expressed the view that it had been a robust meeting with a frank exchange of views.

**20. Next AFBI Board Meeting**

The next AFBI Board meeting will be held in AFBI Newforge on Tuesday 28 January 2014 commencing at 10.00am.

Signed: \_\_\_\_\_  
(Chairperson)

Date: \_\_\_\_\_