



Minutes of the meeting of the Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Wednesday 19 September 2007 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
Mr John McKinley
Professor Stewart McNulty
Mr James Noble
Mr John Rankin
Mr Michael Walker

In Attendance: Dr George McIlroy, Chief Executive Officer
Mr Stephen Dolan, Head of Business Support Unit
Mr Manus McGuinness (Secretary)

Apologies: Professor Grace Mulcahy
Dr Robin Boyd, Head of Chief Executive's Office

1. Minutes of the meeting held on 15 August 2007

The minutes of the meeting held on 15 August 2007 were agreed subject to the following changes:

- In 2.1.2 the first and second sentences of the first bullet point should be replaced with "*In response to a question about the state of readiness of the Lamont facility at VSD it was explained that the problems with the Lamont Building were being resolved with a view to becoming fully operational.*"
- In 4.4.1 the penultimate and previous sentences – from "*Mr Rankin*" to "*within AFB*" should be deleted.

2. Matters Arising

2.1 AFBI Accounts 2006-07(2.2)

2.1.1 Mr Dolan reported that he would be meeting the NIAO Audit Manager the following day. From recent discussion between the AFBI Accountant and NIAO the indications were that there were no major concerns about the accounts and the target date for completing the audit would be met.

There are a number of minor issues and significant number of accounting adjustments. This is not surprising in the context of the preparation of these first accounts – for example, significant issues in terms of transfer of balances and consolidation of assets, the DARD accounting system, posting the closure of accruals later than usual in the process. Overall, the aim of unqualified AFBI accounts should be achieved.

2.1.2 In a short discussion Mr Dolan explained that his people were working with the auditors to try and ensure no carry over implications into future years from the accounting adjustments. The preparation of future accounts should be eased with the appointment of a DP Accountant in November.

3. AFBI Health & Safety Arrangements

3.1 Contextual Presentation

3.1.1 Mr Gary Bolton, Head of AFBI Health & Safety Unit, gave a presentation on the legislative context in which organisations have to meet their Health & Safety (H&S) requirements. The Health & Safety at Work (NI) Order 1978 has been the operating legislation for Northern Ireland. However, following public demand for tougher laws for company failures that result in loss of life, new legislation has been introduced – the Corporate Manslaughter Bill. This will apply to companies and other corporate organisations in the public and private sectors from April 2008 and is designed to make it easier to prosecute organisations when gross negligence leads to death. It provides the potential for reputational damage as courts will be able to impose unlimited fines and to require companies to publicise details of their convictions. Under the Bill the Public Prosecution Service will only need to establish that a death occurred due to a gross breach of relevant duty of care and that a significant management failure was a substantial element of that breach. There will be an emphasis on a “*safety culture*” – juries will include the “*attitudes, policies, systems or accepted practices*” in an organisation – and company documents will be under scrutiny at trial and for evidence in relation to systems of work.

3.1.2 Mr Bolton made a number of recommendations for AFBI to consider on the way forward –

- Identify and train people responsible for the health and safety programme; promote the H&S policy.
- Risk management programme must be current, compliant with legislation, implemented, documented and communicated.
- Training for competency, safe working, protection of others.
- All contractors must be vetted, competent etc.
- Plan procedures to ensure they comply with H&S, monitor audit etc, record.
- Co-operation and communication at all levels of responsibility.
- Promote a “*health & safety culture*”, involve staff in decisions, increase awareness of H&S duties and responsibilities etc.

3.1.3 A number of points were made in a short discussion:

- AFBI has a good working relationship with the Health & Safety Executive who are very willing to give advice.
- The AFBI Board takes seriously its responsibility to safeguard the health and welfare of its employees and needs to be assured that proper safeguards are in place. While legislation and penalties are useful aspects, it is equally important to have the right systems and arrangements in place.
- The organisation also needs to be protected, with robust systems and properly maintained records.
- AFBI has an excellent H&S record which has carried through from pre-AFBI arrangements. Systems are compliant and constantly enhanced to ensure that H&S is a daily consideration for staff. The Board needs to be content that the Executive Team is handling the arrangements appropriately.

3.2 AFBI Health & Safety Advisory Group – Terms of Reference

3.2.1 Mr Dolan presented the Terms of Reference (TOR) for a new Health & Safety Advisory Group to be set up with the primary function of reporting to the Senior Management Team (SMT) on overarching H&S issues. The background to this development is the current arrangement where H&S issues are managed through Divisional H&S groups, DCEOs report on an exception basis to SMT and subsequently the CEO briefs the Chair of the AFBI Board of significant events. The AFBI Management Team has decided to strengthen this arrangement by forming an overarching group to advise on H&S matters and thereby provide a formal mechanism for identifying H&S policy issues, reporting on events and co-ordinating H&S advice throughout AFBI. The group will provide a formal corporate reporting facility on H&S to SMT and Board. SMT will receive 6-monthly reports and additional exception reports. Membership of the group will be representative of Divisions,

Estates Management, H&S Unit, HR and TUS and will be chaired by the Head of BSU. The group will also provide SMT with periodical written reports as agreed covering areas of legislation and compliance, incident reports on accidents, near misses, statistics and training requirements.

3.2.2 In discussion it was explained that H&S will be a standing item at SMT meetings which are scheduled before each Board meeting. It was suggested that the group should look urgently at the recommendations on the way forward made by Mr Bolton. In relation to the agenda for the group, this will be set by the chair and representatives and will be discussed at the first meeting. This must be set within the business objectives and priorities. While the group can set its own priorities, these must be endorsed by SMT.

3.2.3 The Board welcomed these developments on health and safety. On a proposal by Mr Walker, seconded by Professor McNulty, the Board adopted the Terms of Reference for the Health & Safety Advisory Group.

4. Report from the Business Support Unit

4.1 AFBI Risk Management

Mr Dolan advised members that there were no new risks or significant changes to risks to report. Changes have been made to the ratings on some corporate risks. These and other changes arising from the Internal Auditor's risk assurance review will be brought to the Audit Committee on 25 September. The Board will receive a report from the Audit Committee at the October meeting. Dr McIlroy referred to the embedding of risk management from SMT down to DCEOs and Project Leaders, reviews by our Internal Auditors and DARD IA and H&S elements as indicators of compliant risk management arrangements.

4.2 Pension Matters

4.2.1 Mr Dolan reported that the business case had gone through the DARD system and was now with DFP Supply for decision. He was aware of the DFP view that the case made was acceptable, that there was a deficit to be met in NILGOSC and that former ARINI staff would suffer detriment if the issue was not resolved in the terms of the business case. As the matter had now reached a final stage at official level a letter had not been sent to the Minister as discussed at the previous meeting. Dr McIlroy said that a final push should bring the issue to a successful conclusion. He acknowledged the support management had received from the Board in this long running and difficult issue.

4.2.2 The Board agreed that correspondence with the Minister on the pensions issue would only be needed if final resolution could not be achieved at official level. The Board expressed its appreciation of the

work done by Mr Dolan in managing this issue and of the support given by Mr Ditchfield since his move to DARD Sponsor Branch. It was recognised that this issue was at the last stage, with DFP supply as the final door to be opened. An Open Meeting will be held before Christmas and the issue needed to be resolved before then.

- 4.2.3 Mr Rankin referred to his position as a former Trustee of ARINI and informed the Board of a letter he had received from a member of staff at Hillsborough. This person was resigning and had raised the issue of staff frustration arising from a number of issues in the move to AFBI including pensions. Mr Rankin said that he would like to send a short reply. This would refer to the work of the Board and Management in seeking to resolve the pensions issue. He would clear the letter with the Chair and the CEO. The Board agreed this request. Mr Hogan said that the correspondence had also been sent to him and he would be responding. Dr McIlroy said that he had spoken to local management about the points raised in the letter.

4.3 Finance

- 4.3.1 Mr Dolan presented a budget monitoring and forecast sheet for 2007-08. This showed a forecast deficit of £0.664m compared to £1.5m in the previous figures. The revised figure has been achieved following discussions with Divisions, review and reallocation of budgets and a revised target for income. Looking ahead, AFBI will be facing cuts of £0.7m, £1.4m and £2.1m in the Comprehensive Spending Review (CSR) over the next three years. Proposals for making these cuts will be submitted to DARD and will also be brought to the Board. In response to a question about income generation, Mr Dolan said that it was planned to appoint a Business Development Manager which would provide a focal point for generating AFBI business. Further details will be brought to the Board.
- 4.3.2 Mr Hogan advised that the CSR was one agenda item for the meeting with DARD scheduled for 5 November 2007. He asked Members to send him their proposals for the agenda. Mr Hogan explained that he had spoken to other Chairs about CSR cuts and it was a fact of life that these would have to be made. AFBI was trying to work with DARD to clarify the expectations of both sides in the cuts exercise. Dr McIlroy stressed the need for caution that reductions in budget were not met by the expedient of bringing in more income. External contract money needs to be organically grown; making cuts is a more complex issue which has to consider what can be provided from the budget allocated. AFBI cannot continue to provide the same service in a reduced funding regime. The new costing system is key in identifying what can be delivered against resources provided.
- 4.3.3 In discussion the point was made that AFBI's flexibility to provide a service would be affected by cuts and the question was raised why money generated externally should go back to the Department. The

point is, if the Department provides insufficient funding, elements of the service it expects can be at risk. In conclusion, the Board will wish to be content that the Executive has a cogent strategy to deal with managing reductions in its budget. Proposals should be brought back to the Board.

4.4 AFBI Costing System Project

4.4.1 Mr Dolan gave a presentation on the AFBI Costing System covering background, elements, TTRS, activities, work programme, costing system/Pegasus and costing structure. He set out the developments in the various phases of the new system from April 2006 to March 2008 when the system will go live. He concluded the presentation with an outline of the systems top five impacts:

- Flexible reporting available for different levels.
- Budget allocation based upon full cost analysis.
- Income and expenditure tracking available.
- Basis for SLAs and customer feedback.
- Full cost of AFBI's work programme.

In a brief discussion it was clarified that most consumables could be allocated to activities, with only general consumables to overheads, and that AFBI could bid separately for capital.

4.4.2 The Board welcomed and endorsed the developments on this impressive and comprehensive system for costing AFBI's work programme.

5. Review of Business Plan 2007-08

Mr Dolan tabled a revised business plan in which targets and budgets have been updated to reflect the June monitoring outturn and the September bid. A half yearly progress report will be presented for review and discussion at the October meeting and members were invited to review this business plan in preparation for the October meeting.

6. Any Other Business

6.1 Rolling Database of Major Issues Raised at Board Meetings

Members were content with the Rolling Database which had been revised to take account of the comments made at the August meeting.

6.2 Board Papers

It was agreed that copies of the presentations on Health & Safety (item 3.1) and Costing System (4.4) and the Business Plan (item 5) would be placed on the AFBI Board website.

7. Date of the Next Meeting

The next meeting of the Board will be held on Wednesday, 17 October 2007.

Signed: _____
(Chairperson)

Date: _____