



**Minutes of the Meeting of the Agri-Food and Biosciences Institute
(AFBI) Board
held at
AFBI Loughgall
on Tuesday 22 May 2012 at 10.00am**

Present – Board Members

Mr Sean Hogan, Chair
Prof William McKelvey, Deputy Chair
Prof Patrick Murphy
Mr Seamus McCaffrey
Mr Alan McKeown
Mrs Hilda Stewart
Mr David Lindsay
Mr Ken Millar
Mr Bob McCann
Mrs Hilary McCartan
Mr Trevor Hinds

In Attendance - AFBI Executive

Prof Seamus Kennedy, CEO
Dr Michael Camlin, DCEO
Dr Glenn Kennedy, DCEO (Acting)
Prof John Davis, DCEO (Acting)
Mr Paul Brennan, Head of AFBI HR
Mr Venkat Deshpande, Head of AFBI Finance

Mr Stephen Cousins, AFBI Secretariat

1. Welcome and Introduction

ACTION

The Chair opened the meeting and welcomed all present especially Dr Glenn Kennedy who was attending his first AFBI Board meeting as Head of Division for Veterinary Sciences Division (Acting).

The Chair also took the opportunity to thank the staff at AFBI Loughgall who were involved in making the arrangements for today's meeting and asked the Executive to pass on a vote of thanks on behalf of the AFBI Board.

Exec

2. Apologies

Apologies were received on behalf of AFBI Board members Mrs Sarah Havlin and Dr Cecil McMurray and the Executive submitted an apology on behalf of Mr Joel Ferguson, Head of Corporate Services Division (Acting).

3. Conflict of Interests Declaration

The CEO informed the Board that if there was a need to discuss the details of elements of AFBI overheads, due to a conflict of interest, he would leave the meeting for that item.

- 4. Draft Minutes of the Previous Board Meeting held on 24 April 2012** **ACTION**
- On a proposal from Mr Trevor Hinds, seconded by Mrs Hilda Stewart, the Board approved the draft minutes from the previous Board meeting held on 24 April 2012 without amendment.
- 5. Matters Arising/Action Points from Previous AFBI Board Meeting held on 24 April 2012**
- 5.1 Sharing of Financial Awards – Item 5.3**
- This matter is still ongoing but with the appointment of the new Board Members now confirmed and the makeup of the Board Sub-Committees due to be ratified during today’s meeting, the CEO agreed to discuss the matter with the Deputy Chair in his role as Chair of the AFBI Board Remuneration Committee and provide a report at a future Board meeting. **CEO**
- The Board were content to note the CEO’s proposed course of action.
- 5.2 Equal Pay Deal – Item 5.6**
- DARD has passed the AFBI Business Case in respect of the Equal Pay Deal to its economists and AFBI is now waiting comment. **Exec**
- 5.3 Report from AFBI Rationalisation Group – Item 10 refers**
- In accordance with a request from the AFBI Finance Committee, the Executive agreed to provide the Board with an update on the work being carried out by the AFBI Rationalisation Group at the next meeting of the AFBI Board in June 2012. **Exec**
- 5.4 Timetable for Closure of 2011/12 AFBI Accounts – Item 11.1 refers**
- During a recent meeting with the Northern Ireland Audit Office it was agreed that a final draft of the 2011/12 AFBI Accounts will be presented to the NIAO on 30 July 2012 with the NIAO indicating its intention to have the review of the 2011/12 AFBI Accounts completed by 30 September 2012.
- 5.5 Directors Liability Insurance – Item 12.1 refers**
- AFBI Sponsor Branch is currently seeking advice from the Department of Finance and Personnel (DFP) and the Executive should be in a position to provide a definitive response in time for the next AFBI Board meeting in June 2012. **Exec**
- 6. Chair’s Business**
- 6.1 Membership of AFBI Board Sub-committees for 2012/13**
- The proposed membership of the various AFBI Sub-Committees for the current financial year was ratified by the AFBI Board and becomes effective

immediately.

6.2 Report on Meetings and Events Relating to AFBI

The Chair provided Board members with a report on a number of meetings and events that he had attended since the date of the previous AFBI Board meeting held on 24 April 2012.

6.2.1 Launch of Future Trees Trust

The Chair confirmed his attendance at the recent launch of the Future Trees Trust held at AFBI Loughgall when AFBI was pleased to welcome both the DARD Minister, Michelle O'Neill MLA and Mr Shane McEntee TD, Minister of State at the Department of Agriculture, Food and the Marine for the Government of Ireland.

The Chair took the opportunity to acknowledge the work of Dr McAdam, Head of Crops, Grassland and Ecology Branch and his staff in making the event a success.

6.2.2 Royal Ulster Agricultural Society – Balmoral Show

The Chair reported on his attendance at the Balmoral Show and in particular the visit of the Deputy First Minister for Northern Ireland, Martin McGuinness MP, MLA to the AFBI stand. His visit coincided with a visitation of delegates from the Shanghai Academy of Agricultural Sciences (SAAS) following which the Deputy First Minister requested that AFBI keep his Department informed of developments with SAAS in advance of a visit by himself and the First Minister for Northern Ireland later this year (2012).

The Chair informed the Board that in light of this request he intends writing to the Deputy First Minister and invite him to visit AFBI prior to his visit to China and receive at first hand a briefing on the collaboration between AFBI and SAAS.

The Chair also took the opportunity to acknowledge the invaluable work of Dr Ziping Wu, Agricultural and Food Economics Branch and the contribution he made towards a very successful visit.

6.2.3 Appointment of Interim Grade 5 in AFBI Corporate Services Division

The Chair confirmed that he had met with Mrs Carol Moore and was pleased to announce that Mrs Moore would be recruited by DARD to assist AFBI in taking forward the recommendations arising from the Organisational Review of AFBI.

The Chair informed the Board that while he would expect Mrs Moore to develop a working relationship with the Chairs of the various AFBI Board Sub-Committees she would only be expected to report to AFBI Board meetings by exception.

Following further discussion, the Executive agreed to provide the Board with a copy of the objectives and targets relating to the role and have this circulated in advance of the next Board meeting in June 2012.

**ACTION
Exec**

The Board was also informed that the new post of Director of AFBI Finance (Grade 6) would be filled by an agency worker on an interim basis and that a number of agencies had supplied details of potential candidates.

6.2.4 Closed Session of the AFBI Board

The Chair acknowledged a request to hold a *closed session* of the AFBI Board but given the timeframe for today's meeting it was decided to hold this request until the next Board meeting in June 2012 and the Secretary was asked to take note.

Sec

7. CEO's Report to the Board

The CEO provided his report to the Board and expanded on a number of items such as the visit from the Shanghai Academy of Agricultural Sciences (SAAS), AFBI-Matrix links, a presentation to the Northern Ireland Assembly Committee for Agriculture and Rural Development and AFBI's attendance at the recent meeting of the DARD Board.

Responding to the CEO's report the AFBI Board focused on the recent DARD Board meeting and AFBI's disclosure that the provisional outturn indicated that it had an under-spend at the end of the previous financial year (2011/12) due to an underspend in grant-in-aid (GIA) and a major increase in non-GIA income.

While the Board acknowledged DARD's concerns and accepted that this situation could not be allowed to happen at the end of the current financial year, it also highlighted the need for AFBI to have a degree of financial end of year flexibility in light of the growing amount of non grant-in-aid income it is now receiving. The CEO said that the recent rapid expansion in non-GIA income to 30% of total revenue meant that the risks for AFBI and DARD had now increased significantly.

The Board agreed that careful consideration would have to be given as to how non grant-in-aid income is accounted for and asked for an item titled, "*Where will AFBI be in five years time?*" to be placed on the agenda for a Board Strategy Day when the matter of non-GIA income could be considered as part of the discussion.

Sec

8. Update on Organisational Review of AFBI

The Executive advised the Board that the report on the Organisational Review of AFBI has been presented to AFBI staff and the Executive have now entered into a formal consultation period with Trade Union Side (TUS) which is due to close out on 11 June 2012.

In the discussion that followed the Executive advised the Board that it had

drafted an implementation plan providing a roadmap from June 2012 to December 2012. At the request of the Board the Executive agreed to email the roadmap to Board members in advance of the next Board meeting in June 2012.

**ACTION
Exec**

9. Draft AFBI Business Plan 2012/13

The draft AFBI Business Plan for 2012/13 was presented to the Board for discussion and approval.

In presenting the 2012/13 Business Plan the Executive advised the Board that it was showing a budget pressure of £825k. This pressure will be relieved through a contribution of income and/or efficiencies.

Commenting on the Business Plan the Board stated that further work would be needed in respect of the Key Performance Indicators (KPIs) and these should remain within Operational Delivery Plans but not in the Business Plan.

The Executive agreed to provide for the June meeting an analysis of the 2012/13 budget, including contingencies, liabilities and assumptions. The Chair of the Finance Committee gave the Board an undertaking that this would be discussed at a meeting of the Finance Committee to be held prior to the next AFBI Board meeting.

Subject to the removal of the KPIs the Board were content to approve the Business Plan.

10. AFBI Board Finance Sub-Committee

10.1 Minutes of AFBI Board Finance Committee Meeting held on 23 April 2012

Mrs Hilary McCartan, Chair of the AFBI Board Finance Committee presented a copy of the final minutes from the AFBI Board Finance Committee meeting held on 23 April 2012 and the Board were content to note.

10.2 Report on AFBI Board Finance Committee Meeting held on 9 May 2012

The Chair of the Finance Committee informed the Board that the main focus of attention of the Finance Committee meeting held on 9 May 2012 was a revised format for the Finance Report to the Board. The new format was evidenced by the finance paper (provisional outturn for 2011/12) presented at today's meeting.

11. Finance

11.1 Finance Report to the Board (1 April 2011 to 31 March 2012)

The Executive provided the Board with a report containing the provisional outturn figures for the 2011/12 financial year.

In the discussion that followed, the Board also raised concerns at the

significant under-spend that had been incurred at the end of the previous financial year and accepted that the increase in non-grant-in-aid income posed a risk to both AFBI and DARD. The Executive also accepted that there were lessons to be learnt from the previous financial year that would have to be implemented in order to ensure better forecasting of income and expenditure so that any surplus could be identified as early as possible.

ACTION

In terms of the formal Finance Report to the Board, the Board acknowledged the work and progress made by the AFBI Board Finance Sub-Committee and the report presented at today's meeting met with the full approval of the AFBI Board.

In relation to future financial reporting the Board agreed that the "Latest Best Estimate" (LBE) column contained in the report would have to be more meaningful during 2012/13.

It was suggested that the Board should see a project balance summary for all projects at year end.

12. AFBI HR

12.1 AFBI Starters and Leavers Report and Summary of Outturn for 2011/12

The Board were content to note the Starters and Leavers Report and Summary Outturn for 2011/12.

Commenting on the report the Board suggested that it does raise the issue of succession planning within AFBI and how this is being managed.

The Executive agreed that it would provide a paper on the subject for discussion at a future Board meeting or consider the matter for inclusion on the agenda for the forthcoming Board Strategy Day.

Exec

13. AFBI Board Audit Committee

13.1 Report and Draft Minutes from Audit Committee Meeting held on 3 May 2012

In presenting his report to the Board Mr Bob McCann, Chair of the Audit Committee drew attention to the three Internal Audit reports issued since the date of the previous Audit Committee meeting held on 27 January 2012 and asked the Board to note that all three reports had provided a "satisfactory" level of assurance.

The Chair also reflected on the discussion that had been held during the meeting regarding the date for completion of the 2011/12 AFBI Accounts and was content to note that this had now been brought forward to the end of September 2012.

14.	Governance Issues	ACTION
14.1	<u>AFBI Risk Management</u>	
	The AFBI Risk Management and Business Planning Group met on Friday 18 May 2012 and a revised AFBI Corporate Risk Register will be presented at the next meeting of the AFBI Audit Committee and then presented to the Board.	Exec
14.2	<u>Whistleblowing and Fraud</u>	
	There were no reports of any new cases of whistleblowing or fraud.	
14.3	<u>Health and Safety</u>	
	There were no reports of any health and safety issues.	
15.	DARD Sponsorship Manual	
	The Board received a paper from the Executive that provided a background note to the introduction of the DARD Sponsorship Manual which became effective from 1 April 2012 and is applicable to all of DARD's Arms Length Bodies (ALBs).	
	The Board accepted the paper for information at this stage and noted that a further paper highlighting any major issues that AFBI finds difficulty in complying with the Sponsorship Manual, and is not able to resolve through discussion with AFBI Sponsor Branch, will be brought back to the Board.	Exec
16.	Extension of Departmental Information Governance Structures to AFBI	
	The Board were presented with a paper relating to the establishment of Information Governance in DARD's Non-Departmental Public Bodies (NDPBs).	
	Having considered the paper and obtained an assurance from the CEO that he was satisfied that there were no major implications, the Board accepted a proposal from Mr Trevor Hinds, seconded by Mr Seamus McCaffrey to approve AFBI's participation in the Extension of Departmental Information Governance Structures to AFBI.	
	The Board noted that, following confirmation of the Board's approval the DARD Permanent Secretary would write to the AFBI Chair and the CEO authorising the extension of departmental governance arrangements to AFBI.	
17.	AFBI Board Draft Scheme of Delegation and Draft Standing Orders	
	Following discussion the Executive agreed to review the financial limits entered under Section 4 of the draft Scheme of Delegation and resubmit the papers at a future AFBI Board meeting.	Exec

- 18. Draft AFBI Counter Fraud Policy** **ACTION**
- On a proposal from Mrs Hilary McCartan, seconded by Mr Ken Millar, the Board approved the draft AFBI Counter Fraud Policy subject to an Executive Summary being included for ease of reference. **Exec**
- 19. Draft AFBI Conflict of Interest, Duty of Fidelity and Confidentiality**
- Following consideration and discussion the Board decided to hold approval of the policy pending the outcome of discussions with Trade Union Side and an update to reflect the Board's concerns surrounding any potential conflict with AFBI's whistleblowing policy.
- The Executive agreed to re-examine the draft policy in light of the Board's comments and re-submit at a future meeting. **Exec**
- 20. Reports from AFBI Divisions**
- The Reports from AFBI Divisions were taken as read with nothing further to add to the reports from Veterinary Sciences Division (VSD) or Corporate Services Division (CSD).
- Further to the report from Applied Plant Science and Biometrics Division (APSB), the Head of Division, Dr Camlin provided a background note on AFBI's acceptance of an invitation to attend the International Pacific Halibut Commission Workshop held in Seattle, USA with the main focus for AFBI being on survey design and sampling strategies.
- Further to the report from Agri-Food and Environmental Science Division (AFESD), Prof John Davis Acting Head of Division informed the Board that a number of Branches had been successful in securing R&D projects from the recent DARD Evidence and Innovation call.
- Commenting on the reports the Board congratulated APSB on its double anniversary in respect of the Loughgall grass breeding programme and the successful launch of the Future Trees project.
- In terms of future Reports from Divisions, the Board asked that the reports contain a table detailing bids for funding that have been made since the date of the previous meeting as well as the value and the stage that the bid is at. **Exec**
- 21. Any Other Business**
- 21.1 AFBI Board – Discussion on Strategic Items**
- Following discussion the Board decided to combine a Strategy Day with the next meeting of the AFBI Board on 26 June 2012.
- The format and location of the meeting are to be confirmed and the Executive agreed to provide a draft agenda for consideration. **Exec**

PRESENTATION

A presentation on the AFBI Estate Strategy – VSD Stormont Outline Business Case (OBC) Project was given jointly by Dr Eileen Stewart, Head of Emergency Planning, Safety and Estate Branch and Mr Stephen Cross, Senior Consultant, Information Strategy and Innovation Division, Business Consultancy Services, DFP.

The presentation focused on three main areas

- 1. Background and Strategic Context*
- 2. VSD-Stormont Outline Business Case (OBC) Project*
- 3. Outline Business Case (OBC) Scope*

It was noted that the AFBI Stormont (VSD) main building project is the first in a series of OBCs arising from an overarching AFBI Estate Programme Strategic Outline Case covering various elements of the AFBI Estate. The timeline for completion of this initial OBC is 31 December 2012. It was also noted that given the poor condition of the main building at AFBI Stormont (VSD) it is imperative that work on this OBC is not delayed while the overall position of the AFBI Estate is considered.

In the discussion that followed the Board acknowledged that this will be a significant body of work and the timeline for completion is challenging. The Board also agreed that a SAPO4 High Containment Facility should be considered within the overall scope of an AFBI Estate Strategy and it is critically important that the AFBI Estate Strategy aligns with the AFBI Corporate Strategy.

The Board approved the general direction of travel as outlined in the presentation and thanked Dr Stewart and Mr Cross for the tremendous work completed to date. The Board agreed to consider the matter further during its planned Strategy Day but in the meantime the Board requested that the project continue.

Signed:

(Chairperson)

Date:
