



Minutes of the meeting of the Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Wednesday 23 April 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
Mr John McKinley
Professor Stewart McNulty
Mr James Noble
Mr John Rankin

In Attendance: Dr George McIlroy, Chief Executive Officer
Dr Robin Boyd, Head of Chief Executive's Office
Mr Stephen Dolan, Head of Business Support Unit
Mr Stephen Cousins (Secretary)

Apologies: Professor Grace Mulcahy
Mr Michael Walker

Welcome and Introduction

Mr Hogan opened the meeting with a welcome to all those present and in attendance.

Mr Hogan informed the Board that he was aware that five Board members had completed their term of office at 31 March 2008 however, he advised the Board that he had made a recommendation that their appointment be extended. As far as he was aware DARD was currently in the process of formalising these appointments and he was content to proceed with the business of the meeting on the basis that confirmation will be received in due course.

1. Minutes of the Open Meeting held on 27 March 2008

It was proposed by Professor McNulty and seconded by Mr Rankin that the Board accept the minutes of the meeting held on 27 March 2008, subject to the following amendments:

- In Attendance “*Mr Jim McAdam*” to read “*Dr Jim McAdam*”
- Item 3, para 6

“...*Mr Hogan advised that he had given an interview with Farmgate, provided an interview with the BBC for their Farming Life programme...*” to be amended to read

“...*Mr Hogan advised that he had given an interview with Farming Life, provided an interview with the BBC for their Farmgate programme...*”

- Item 4.1.3, para 2, last sentence

“*DARD*” to be replaced with “*stakeholders*”

- Item 4.3, para 3, second sentence

The word “*Phosphorous*” to read “*Phosphorus*”

- Item 4.3, para 3, second sentence

“...*AFBI’s proactive role in analysing soil samples...*” to be amended to read “...*AFBI’s proactive role in analysing soil and water samples*”

- Item 4.4, para 6, last sentence

“*all AFBI staff*” to read “*all appropriate staff*”

2. Matters arising from the Minutes of 28 February 2008 and 27 March 2008

Mr Hogan referred to the matters arising from the Board meetings held on the 28 February 2008 and 27 March 2008.

Board Meeting - 28 February 2008

2.1 Appointment of Deputy Principal Accountant

On request for an update, Mr Dolan informed the Board that two applications were received and an offer of appointment had been made

but early indications would suggest that there will not be a positive response.

In view of this being the second recruitment competition in respect of this post, it was suggested that future options include the upgrading of the post or the outsourcing of the preparation of accounts to an external company.

In terms of the 2007/08 accounts Mr Dolan reported that the position would be covered by a temporary appointment.

The CEO also confirmed that the Executive will produce a working plan detailing how AFBI will achieve a timely set of accounts, being conscious of the fact that resourcing was an issue highlighted by the NIAO in respect of the 2006/07 accounts.

Mr Dolan advised the Board that he would keep them informed on progress in relation to the preparation of the accounts and the CEO stated that he would welcome any help from members of the Board who could assist in this matter.

2.2 Audit Committee Annual Report 2006-07

Dr Hollywood confirmed that the Audit Committee Annual Report for 2006-07 had been completed and a copy submitted to the Chair and the CEO. This will be presented at the next meeting of the Audit Committee on 29 April 2008 and will be included in the papers for submission to the next Board meeting.

2.3 Rolling Database of Major Issues Raised at Board Meetings

Following discussion it was agreed that completed items should not be removed but shown separately so as to differentiate from the “ongoing” issues.

2.4 Crossnacreevy Relocation

The Board was informed that there would be a further meeting of the Crossnacreevy Relocation Project Team on Monday 28 April 2008. This meeting would consider a few other sites that have now been identified but had not been included in the shortlist previously agreed by the Project Team.

Following this meeting a summary report will be completed and a paper provided for the Board. It was agreed that Dr Camlin be invited to present this report at a future meeting.

2.5 Appointment of Business Manager

The Board was informed that the appointed Business Manager, Mr Joel Ferguson, was now in post. It was suggested that he be invited to attend a future meeting of the Board at a date and time to be arranged.

Board Meeting - 27 March 2008

2.6 SAPO4 Facility

The AFBI Executive is currently preparing a business case for a SAPO4 facility and will keep the Board informed on progress. It was agreed that this item be included on the Rolling Database.

3. Report from Chief Executive's Office

3.1 Corporate Plan

Dr Boyd updated the Board on the current position of the AFBI Corporate Plan. He reminded the Board that the Plan had been signed-off in January and submitted to DARD but agreement had been given to hold the Plan pending the outcome of the external consultancy assignments.

Dr Boyd reported that he had just received the consultancy reports and his aim was to incorporate any relevant findings into the Corporate Plan. This would be completed by the end of April 2008, after which the revised Plan would be resubmitted to the Board for signing-off before being forwarded to DARD.

Given that the Corporate Plan is one of the topics on the agenda for the next Board meeting when the DARD Minister will be in attendance, it was agreed that a presentation on the revised Corporate Plan should be made on this occasion.

As there would be no Board meeting prior to the 29 May 2008, it was agreed that Dr Boyd would circulate the revised draft Corporate Plan to Board members in advance for their approval/comment. In order to expedite matters it was agreed that Dr Boyd would highlight the relevant changes from the draft Corporate Plan dated 9 January 2008 and include a brief explanation why the changes had been made.

Board members also expressed a desire to see the reports from the consultants and if there are further issues arising which members felt impacted on the Corporate Plan, they would be highlighted and dealt with at a later date. This should not cause a problem given that the Corporate Plan is considered to be a "*live document*" subject to continuing review.

3.2 Renewables Conference

Dr Boyd provided the Board with an update on the plans for the AFBI Renewables Conference. It was confirmed that the Conference will be held on the 28 and 29 October 2008 in the Slieve Donard Hotel, Newcastle and the aim is to have a provocative and challenging event that will attract 200 delegates. Dr Boyd gave a brief outline of the conference format and advised the Board that he would keep them updated on progress.

It was noted that this event involved input from the Northern Ireland Housing Executive who were very enthusiastic and keen to see tangible benefits arising from the event. It was also confirmed that ICCUSA were no longer involved however, AFBI would continue to work with other contacts that had been made during the recent visit to the USA.

With regard to the funding of the event it was noted that AFBI's aim would be to neutralise the costs through sponsorship and external funding and arrangements are currently being made to secure a main sponsor. There is also a hope that some Northern Ireland Assembly Ministers will arrange for their Departments to sponsor various events.

Dr Boyd also advised that a business plan will be completed in respect of the Conference and will provide a mechanism for evaluating the event and AFBI will also publish the outcomes from the Conference.

In commenting, members of the Board indicated that they were pleased to note that there would be a process for evaluating the event, that sponsors will not be allowed to influence the direction of the event thereby avoiding conflict with AFBI's specific business interests and the outcomes from the Conference will be published.

Overall, the Board agreed that it is important that this event is a success given that it will be AFBI's first major conference and indicated that they would be content for it to proceed even if sufficient sponsorship to cover full costs is not secured. The Board were fully supportive of the Executive and it was agreed that the matter be raised at the next meeting of the Board when the Minister will be present. Given the Minister's support for the event this would provide an opportune time to provide her with an update.

4. Report from Business Support Unit

Mr Dolan presented the Business Support Unit report. The report had been circulated to members prior to the meeting.

4.1 AFBI Risk Management

Mr Dolan advised that the AFBI Senior Management Team had met during April and no new risks had been reported or identified.

It was noted that some presentational changes had been made to the Corporate Risk Register (directional arrows are now included in the summary) and this Corporate Risk Register will be presented to the Audit Committee at their meeting on the 29 April 2008.

The Board were also informed that Internal Audit (Deloitte) had presented a draft report on "*Risk Assurance Review*" which had provided AFBI with a "*satisfactory*" level of assurance. AFBI is now at the stage of identifying how the risks relate to the internal business plans and by providing the necessary evidence to show how the risks are being managed at a Corporate and Divisional level. These issues are being actively considered and will be taken forward by the Executive.

4.2 Fraud

There were no incidents of fraud or suspected fraud to report.

The Board were informed that the Fraud Policy had been placed on the AFBI intranet and fraud awareness posters had been strategically placed across all AFBI locations.

Fraud training is now an issue and AFBI is in the process of sourcing a training provider. Some members of staff have attended training courses recently and feedback will be evaluated to determine if this was beneficial and whether or not the training represented value for money.

Mr Dolan informed the Board that a recent report had been completed for DARD which indicated that the issue of fraud was a low risk within the organisation.

4.3 Health and Safety

There were no new issues to report in respect of health and safety.

Mr Dolan informed the Board that a recent report on health and safety matters had been completed but the recommendations arising related mainly to operational matters.

The main issue arising from the report centred on the apparent lack of resources at Divisional level to implement the findings arising from investigations or audits undertaken by the AFBI Health and Safety

Officers but alternative arrangements have been put in place to circumnavigate any health and safety issues.

4.4 AFBI Accounts 2007/08

The Board were informed that AFBI and the NIAO (Northern Ireland Audit Office) have agreed an audit and client liaison strategy for the audit of AFBI's 2007/08 accounts. The key dates to be noted are the end of June 2008 when the aim is to present a draft of the accounts to the NIAO and the end of September 2008 when the aim is to have the accounts signed-off.

Reference was again made to the recruitment of an accountant to assist in the preparation of the accounts and confirmation that a temporary appointment will be made to cover this position.

In relation to the Quality Assurance of the information being provided the Board were informed that the services of an external company would be employed to enable AFBI to get through this period and meet the key dates.

The CEO assured the Board that a set of draft accounts will be made available to members of the Audit Committee so that they are also able to Quality Assure them before they are submitted to the NIAO.

A budget report for the period ending 31 March 2008 was presented.

Three specific areas were mentioned during further discussion –

1. *Total net resource* – this indicates a slight overspend but this is within the accepted limit authorised by DFP and is therefore not an issue. It was noted that this overspend was due mainly to the VAT issue.
2. *Capital Purchases* – the report showed there was an overspend of £56,000 (3%) on capital purchases.
3. *Ring-fenced Budgets* – it was noted that the objectives had been met in relation to these budgets and the balances had been cleared by the end of the financial year, 31 March 2008.

In relation to capital expenditure it was noted that an infrastructure strategy is in the process of being developed and it was suggested that this may be of interest to the Board. At the request of a Board member it was agreed that a paper relating to capital expenditure would be presented to the Board at a future meeting.

- 4.5 A Board member asked about the position of the Strategic Investment Board (SIB) review of AFBI's estate. The CEO confirmed that work was ongoing in this area and SIB had funded the two consultancy

assignments one of which focused on assets. The fieldwork has been completed in respect of these assignments and the reports are now awaited. The CEO asked for the AFBI Executive to be given time to consider the findings following which a report/strategy document on assets will be presented to the Board.

5. Review of Open Meeting

The Chair advised that it may be more appropriate to discuss this issue in more detail nearer the time of the next Open Meeting but welcomed initial comments from Board members.

The comments received suggested that more thought be given as to how we engage with our stakeholders; acknowledgement that the date of the Open Meeting will be determined by the publishing of the Annual Report and Statement of Accounts and more interaction with the press such as a possible tour of the facilities to maximise publicity. In addition to these comments there was also an opinion that the Board organise two separate events:

- An event that will fulfil the Board's obligations in relation to an Open Meeting.
- An event to cater for the stakeholders that would incorporate some of the ideas that had been mentioned such as a business lunch and a tour of the site(s) and facilities.

6. Remuneration Committee

The minutes of the Remuneration Committee meetings held on 15 March 2007 and 28 February 2008 were circulated to members of the Board and members were asked to take note.

The key issue currently being addressed by the Remuneration Committee is the AFBI Rewards and Recognition to Staff Scheme (RRSS) and Professor McDowell provided the Board with a progress report. The report underlined the Committee's continuing frustration at the slow rate of progress on this issue and the absence of a formal response from DARD and DFP. In light of this frustration the Committee advised the Board as follows –

- The Board lobby both DARD and DFP with the aim of having the Scheme approved as soon as possible.
- The matter is referred to at AFBI Board meetings and members provided with regular updates.
- The minutes of Board meetings should provide a record of the Board having considered the matter and reflect that this is very much a "live" issue. With this in mind it was noted that a

chronological list detailing significant dates in the chain of communications to DARD/DFP will be presented to the Board.

Professor McDowell's report also highlighted that the current Scheme focuses only on payments arising from Intellectual Property Rights (IPR) and as such affects only a minority of staff. However, Mr Dolan had informed the Committee that the AFBI Executive is considering a "*recognition strategy*".

It was also noted that associated guidelines relating to the proposed Scheme should be drawn up by the AFBI Executive and submitted to the Remuneration Committee for comment and suggestion prior to being signed-off by the Board.

In view of the obvious frustrations being experienced by the Remuneration Committee it was agreed that the matter should be raised at the next Board meeting when the Minister will be present. The matter should be highlighted under the heading of the Corporate Plan given that it is one of the recognised targets. It was also agreed that the Minister would be given prior notification regarding this issue in advance of the May 2008 Board meeting.

Mr Dolan also agreed to contact Mr John Smith, DARD Finance Director to ascertain DARD's current position in relation to the Scheme.

Following further consideration it was agreed that the Board would sign-off on the Scheme at the next meeting thereby giving a clear indication that the Board is willing to implement the Scheme but is unable to do so as DFP approval has not been given. A copy of the document is to be re-issued to Board members prior to the next meeting.

The Board also agreed to identify and seek the support of other organisations that may be in a similar position to AFBI.

In concluding the discussions it was noted that the Board recognises the efforts of Mr Dolan in relation to this matter.

7. Any Other Business

7.1 Rolling Database of Major Issues Raised at Board Meetings

A copy of the Rolling Database of Major Issues Raised at Board Meetings, updated to highlight the position of the various issues as at March 2008, was included in the papers circulated to Board members prior to the meeting.

Pension Matters – The next step is for the relevant staff to be provided with the information necessary to enable them to decide whether it is beneficial to transfer their pension contributions from NILGOSC to the

PCSPS or let it remain with NILGOSC. While it was noted that this was outside of AFBI's remit Board members agreed that the issue should remain on the database until confirmation had been received that the information required had been provided.

7.2 Arrangements for May Board Meeting

A brief itinerary outlining the proposals for the Minister's visit to the May Board meeting being held in Hillsborough had been circulated to members in advance of this meeting.

Following consideration of the proposals it was agreed that the Board meet at 9.30 am in order to clear any necessary business in advance of the Minister's arrival.

It was also noted and agreed that the request for an SAPO4 facility be mentioned at the May meeting in order to heighten awareness and the issue be recorded on the Rolling Database as previously agreed.

The CEO informed the Board that the Northern Ireland Assembly Committee for Agriculture and Rural Development is holding a Committee meeting at AFBI Hillsborough and had requested that AFBI make a presentation to the Committee on renewables. This request had been acknowledged and it was agreed that the occasion would also present AFBI with an opportunity to show the Committee the work that is taking place at AFBI Hillsborough in relation to renewables. The CEO advised that he would submit a paper to Board members in advance of the Committee meeting.

7.3 AFBI Attendance at Balmoral Show

Dr Boyd reminded the Board of the AFBI exhibits for the 2008 Balmoral Show. Board members were also informed that the Executive would also be offering Board members and their guests a park and ride facility along with tickets to the Show. Further details will be issued to Board members in due course.

It was suggested by a Board member that for future shows the AFBI Executive may wish to consider inviting a guest speaker. It was agreed that this was a worthwhile suggestion and the Executive would take note.

It was also suggested that consideration be given to highlighting the Renewables Conference and the CEO confirmed that arrangements are in hand.

8. Date of the Next Meeting

The next meeting of the Board will be held on Thursday 29 May 2008
at AFBI Hillsborough.

Signed: _____
(Chairperson)

Date: _____