



**Minutes of the Meeting of the Agri-Food and Biosciences Institute
(AFBI) Board
held at
AFBI Hillsborough
on Wednesday 23 February 2011 at 10.00 am**

Present – Board Members

Mr Sean Hogan, Chairperson
Prof David McDowell, Deputy
Chairperson
Mr Kieran Campbell
Mr Trevor Hinds
Dr Michael Hollywood
Prof Grace Mulcahy
Mr Seamus McCaffrey
Mr Alan McKeown
Prof Stewart McNulty
Mr James Noble
Mr John Rankin
Mrs Hilda Stewart
Mr Michael Walker

In Attendance - AFBI Executive

Dr Seamus Kennedy, CEO
Dr Arthur Gilmour, DCEO (Acting)
Dr David Bryson, DCEO (Acting)
Mr Joel Ferguson, Head of Corporate Services Division (Acting)
Mr Paul Brennan, Head of Human Resources
Mr Venkat Deshpande, Head of Finance
Mr Stephen Cousins, AFBI Secretariat

1. Welcome and Introduction

Action

The Chair opened proceedings with his customary word of welcome and thanked the staff at AFBI Hillsborough for hosting today's meeting.

2. Apologies

An apology was submitted by the Executive on behalf of Dr Michael Camlin, DCEO.

3. Conflict of Interests Declaration

There were no "*Conflict of Interests*" declared.

4. Draft Minutes of the Previous Board Meeting held on 25 January 2011

On a proposal from Prof Mulcahy, seconded by Mr Hinds, the AFBI Board approved the draft minutes of the previous Board meeting held on 25 January 2011 subject to the following amendment:

Sec

Item 16 – Date of Next Meeting

Delete the word “*January*” and replace with “*February*”.

5. Matters Arising/Action Points from Previous AFBI Board Meeting held on 25 January 2011

The Chair proceeded on the basis that any Matters Arising or Action Points from the previous AFBI Board meeting held on 25 January 2011 had been resolved or would be addressed during the course of the meeting with the exception of:

5.1 AFBI Representation in the USA (Item 13 – Mins 25 01 11)

This is now a matter of work in progress and the Executive will keep the Board informed of progress.

Exec

6. Chairman’s Business

6.1 AFBI Performance Review Meeting with DARD Minister and DARD Permanent Secretary

In his report to the Board the Chair stated that the AFBI Performance Review Meeting had been very positive and he highlighted a number of key issues arising from the discussion -

- the DARD Minister was complimentary in terms of AFBI’s vision and performance;
- there is no political appetite in the Northern Ireland Assembly for compulsory redundancies in the public sector
- recognition was given to the budget deficit that AFBI faces in 2011/12 in the context of the draft Budget 2010 proposals. DARD have agreed to work with AFBI in maximising the potential for winning competitive EU R&D funding in order to help reduce the projected deficit.

While the Board welcome the fact that there was no political appetite for compulsory redundancies, it also accepted that a good redundancy scheme can be an effective management tool.

The Executive informed the Board that work on development of a Redundancy Scheme had now been put on hold. However, the Executive stated that should circumstances change, the subject could be revisited.

The Board agreed that the subject of potential redundancy should be a matter of further discussion and should be included on a future Board meeting agenda following the Northern Ireland Assembly elections which will take place in May 2011.

Sec

With regard to the projected deficit that will result from the proposed

reduction in DARD grant-in-aid and other pressures, the Executive had agreed with DARD that the AFBI Business Plan for 2011/12 would include a number of contingencies directed at bridging the gap. While there are no guarantees that AFBI will be able to solve the deficit problem, DARD have indicated that it will support AFBI in developing a plan to deal with the projected deficit.

Action

6.2 Meeting with Representatives of the Northern Ireland Science Park (NISP)

Mr Hinds had arranged a meeting with NISP to allow AFBI to learn more about the NISP model. The Chair, Mr Hinds, Dr Kennedy and Mr Ferguson would attend and the Chair informed the Board that he would report back to members on the outcome of the meeting.

Chair

Mr Campbell entered the meeting.

6.3 New Appointments to the AFBI Board from 1 April 2011

The Chair confirmed that two new members have been appointed to the AFBI Board subject to satisfactory completion of formalities. Both of the appointees are Chartered Accountants with extensive experience as Non-Executive Directors in the public sector.

In keeping with previous arrangements the Chair informed the Board that he would be issuing an invitation to the new members to attend the AFBI Board meeting on 23 March 2011 as observers.

**Chair/
Sec**

7. Corporate Governance Issues

7.1 AFBI Risk Management

Reference was made to a number of updates that had been made to the AFBI Corporate Risk Register (CRR) following a recent meeting of the AFBI Risk Management Co-ordination Group. The Board were informed that the updated version of the CRR had been presented to the AFBI Audit Committee at its meeting on 1 February 2011. The Audit Committee had assured the Board that it was content that the risks were being adequately managed.

The most notable change to the CRR is in relation to Risk No 5 "*Failure to meet customers' targets and objectives*" which has been removed. It was also noted that there was general agreement that the number of risks on the CRR could be safely reduced. Other risks may therefore be subject to a similar course of action following completion of the ongoing review of AFBI's Risk Management processes by AFBI Internal Audit.

The review of risk management in AFBI is ongoing and should be completed before the Board meeting in May 2011.

In relation to Risk No 16 “*Failure to have ISO17025 accreditation in place for all tests used by DARD for official control purposes in support of Community legislation relating to food, feed, animal health & animal welfare*”, the Board asked the Executive to ensure that the wording associated with the risk reflected the high level of accreditation already existing within AFBI.

Action
Exec

The Executive also provided the Board with an update on AFBI’s roll out of ISO17025 accreditation for additional tests, including a very positive report following a recent UKAS inspection. In recognition of the work undertaken by the AFBI staff involved in this issue, the Board asked the Chair to write to those involved and convey the Board’s appreciation for their efforts.

Chair

Concluding the discussion, the Board welcomed the recent developments relating to the management of risk.

7.2 Whistleblowing and Fraud

There were no new cases to report.

The CEO was pleased to report that during its review of the AFBI accounts for 2010/11, the NIAO had indicated that AFBI had followed the correct procedures in accordance with the agreed policy.

7.3 Health and Safety

There were no accidents or near misses to report.

The Chair acknowledged receipt of information relating to the first cases of successful prosecutions being made under the heading of “*Corporate Manslaughter*”. The Chair asked that a copy of this information be circulated to the Board for information.

Sec

8. Personnel Issues

8.1 AFBI Starters and Leavers Report

The Executive presented the AFBI “Starters and Leavers” report detailing the position at the end of January 2011.

The report also provided details on the number of staff who have taken partial retirement as well as the number of agency staff employed by AFBI.

In response to a query from the Board, the Executive advised that there would be a 2.7% uplift in salaries for 2011/12 but, unlike previous years, this will be reflected in the AFBI baseline.

8.2 AFBI Pensions Issue - Update

Action

The Executive reported on a meeting involving AFBI, Department of Agriculture and Rural Development (DARD), Department of Environment (DOE) and Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) that took place on Friday 28 January 2011. The Executive are hopeful that agreement on the quantum of the cessation penalty can be reached by 11 March 2011.

The Board expressed its delight that matters now appear to be drawing to a close particularly in light of the time and effort spent on this matter by both the Board and the Executive.

In order to keep Board members apprised of the situation the Chair asked the Executive to notify members immediately the cessation penalty is paid.

**Exec/
Sec**

9. Finance

9.1 AFBI Budget Monitoring Report

The Executive presented the AFBI Monthly Budget Monitoring Report for the period ending 31 January 2011.

In the discussion that followed the Executive advised the Board that a meeting had been held with representatives from HRConnect during which HRConnect acknowledged that some difficulties had occurred in certain areas such as salaries and wages. Investigations are continuing in an attempt to resolve these matters.

In relation to income figures, the Executive assured the Board that the increased income figure was based on firm information received from the AFBI Divisions. In terms of capital spend, the Executive reported that assurances had been received from the three AFBI Divisions that the capital allocation for the current financial year would be expended by 31 March 2011.

9.2 Cashflow Report

The Board noted the details contained in the Cashflow Report for the period ending 15 February 2011.

10. Update on Implementation of Financial Management Accounting System

The Executive assured the Board that the implementation of the new Financial Management Accounting System was on target and in some cases targets are being exceeded.

The Executive gave a report on a very positive meeting held with Account NI during which a number of key issues had been discussed and agreement reached on the following:

- *migration* – Account NI will support AFBI in its migration and will continue to provide whatever support is required after 1 April 2011;
- *charging* – there will be no charges incurred by AFBI in respect of the migration;
- *payroll function* – Account NI will continue to provide support for HRConnect in administering AFBI's payroll function, with AFBI providing the interface to the general ledger.

The CEO expressed his gratitude to Account NI for their support of AFBI during the migration and for their offer of continued availability should AFBI wish to return to Account NI in the future.

The Board were very encouraged by this report and the progress being made.

11. Report from AFBI Audit Committee – Audit Committee Meeting held on 1 February 2011

A report from the 19th meeting of the AFBI Audit Committee held on 1 February 2011 was presented to the Board by the Chair of the Audit Committee, Dr Hollywood.

Dr Hollywood highlighted a number of issues for the benefit of the Board.

- *Procurement* – it was noted that the Northern Ireland Audit Office had highlighted this as being a critical matter for the attention of the Audit Committee and Dr Hollywood advised the Board that there was a need to maintain a watching brief on the topic. It was also noted that procurement will also be on the agenda of both AFBI IA and DARD IA in terms of forthcoming reviews.
- *Value for Money Audit* – the NIAO have commenced an examination of the services provided to DARD by AFBI involving audit activity in both organisations.

In noting the report, the Chair, Mr Hogan, reflected on the work carried out by the Audit Committee since AFBI's creation and the assurance that this Committee has given to the Board during this period. Mr Hogan then took the opportunity to thank the Chair and members of the Committee for their hard work and diligence which he stated was very much appreciated by their Board colleagues.

The Board were content to note the report from the Audit Committee subject to a few minor amendments which the Secretary was asked to make.

12. AFBI's Science Strategy

Action

12.1 Report from AFBI Board Strategy Committee (BSC)

In his opening comments to the Board, the Chair of the BSC, Mr Walker reminded the Board that the BSC stems from a suggestion made at the May 2010 Board meeting from the then Acting CEO, Dr Kennedy that a science committee was needed to assist with major decisions on what areas of science would need to be retained by AFBI for the future sustainability of the organisation.

This initial suggestion has since merged with subsequent discussions on the proposals required to meet savings in the DARD Grant-in-Aid.

In his report to the Board the Chair of the BSC stated that the remit of the BSC is to make recommendations to the Board on the scientific and strategic direction of AFBI. The inaugural meeting of the BSC had been held on 23 November 2010 with a second meeting having taken place on 25 January 2011.

During these first meetings members of the BSC set themselves a number of tasks including -

- The development of a matrix that would help AFBI identify scientific areas where it believes it is a world leader.
- Stakeholder days where industry stakeholders could focus on R&D
- Consider a meeting between the AFBI Board and DARD Departmental Board.

The BSC also considered a discussion paper presented by Prof McNulty at the January meeting focusing on the means of costing, in a realistic way, the work undertaken for DARD (and other customers). This would facilitate the selection, on a rational basis, of the science that AFBI should focus on in the future.

The paper had also led to an in-depth discussion on the role and importance of the AFBI Time and Task Recording System (TTRS) as well as the possibility of external benchmarking.

The BSC also intend to examine, among other issues, –

- Commercialisation activities stemming from AFBI Innovations
- Business opportunities for the RSV Corystes
- Technology Strategy Board funding

In responding to the report the Board discussed the issue of a meeting between the AFBI Board and the DARD Departmental Board and agreed that this was a recommendation worth pursuing.

To progress matters, the Chair of the AFBI Board agreed that he would

contact DARD to seek agreement for a meeting, including an agreed agenda, and would also take into consideration the need for a suitable venue that could accommodate a subgroup of the AFBI Board and those who would be in attendance from DARD.

Action
Chair

The Board also accepted a suggestion that the April Board meeting would provide a good opportunity for Board members to consider the key issues in advance of this meeting.

Board
Members

At the request of the BSC, the Board also agreed that it would consider the criteria that should be used in the development of a matrix that would help AFBI identify scientific areas where AFBI believes it is a world leader. This exercise is to be completed via correspondence and responses will be collated by the Secretariat.

Board
Members/
Sec

The Board thanked the Committee for its work to date and was content to note the report.

13. AFBI Business Plan 2011/12 and AFBI Corporate Plan 2011/12 to 2014/15

Both the draft AFBI Business Plan 2011/12 and AFBI Corporate Plan 2011/12 to 2014/15 have now been issued to the Board for comment.

The Executive provided the Board with an overview on the development of both plans and outlined how these will be aligned, in terms of the corporate goals and the in-year targets.

In response, the Board thanked the Executive for enabling it to have early sight of both documents and acknowledged the deadline of Friday 4 March 2011 for return of comments.

Board
Members

14. Any Other Business

14.1 Rolling Database of Issues Raised at AFBI Board Meetings

The Board noted the updates to the Rolling Database of Issues Raised at AFBI Board Meetings and were content to approve.

In relation to the Equal Pay Deal, the Executive confirmed that Trade Union Side had provided a verbal response but the Executive were now waiting on written confirmation to enable the Business Case to be finalised and submitted to DARD for onward transmission to Department of Finance and Personnel (DFP). The Board will be kept informed on progress.

Exec

14.2 Acting/Temporary Posts with AFBI

The Board made reference to the number of Acting/Temporary Posts in the AFBI SMT. The CEO acknowledged the comments and assured the

Board that steps were being taken to address that issue.

Action

15. Date of Next Meeting

The next meeting of the AFBI Board is due to be held on Wednesday 23 March 2011 at AFBI Newforge.

Presentation

A presentation on the work being carried out at AFBI Hillsborough by Agriculture Branch, Agri-Food and Environmental Science Division was given by the Head of Agriculture Branch, Dr Alistair Carson.

The Board were very impressed by the presentation that highlighted the science being carried out in a number of key areas and thanked Dr Carson and the staff in Agriculture Branch for the work that they are undertaking.

Signed: _____
(Chairperson)

Date: _____