



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

**Present – Board Members**

Mr Sean Hogan, Chair  
Prof David McDowell,  
Deputy Chair  
Mr Trevor Hinds  
Mr Seamus McCaffrey  
Mr Bob McCann  
Mrs Hilary McCartan  
Prof Stewart McNulty  
Mr John Rankin  
Mrs Hilda Stewart  
Mr Michael Walker  
Prof Grace Mulcahy  
Mr James Noble  
Mr Alan McKeown

**In Attendance - AFBI Executive**

Prof Seamus Kennedy, CEO  
Dr David Bryson, DCEO (Acting)  
Prof John Davis, DCEO (Acting)  
Mr Joel Ferguson, Head of Corporate Services Division (Acting)  
Mrs Venkat Deshpande, Head of AFBI Finance  
Mr Paul Brennan, Head of AFBI HR  
  
Mr Stephen Cousins, AFBI Secretariat

**1. Welcome and Introduction**

**Action**

The Chair opened the meeting and thanked everyone for attending.

**2. Apologies**

An apology had been received from Mr Bob McCann that he would be unable to be in attendance for the first part of the meeting. The Executive submitted an apology on behalf of Dr Camlin, DCEO.

**3. Conflict of Interests Declaration**

There were no conflicts of interest declared.

**4. Draft Minutes of the Previous Board Meeting held on 26 October 2011**

On a proposal from Mr Michael Walker; seconded by Prof Stewart McNulty, the Board approved the draft minutes from the previous Board meeting held on 26 October 2011 subject to the following amendment:

Item 14 - Reports from Divisions – second paragraph, insert the word “*Plant*” after the word “*Applied*”.

**Action  
Sec**

**4.1 Matters Arising/Action Points from Previous AFBI Board Meeting held on 26 October 2011**

**4.1.1 Item 5.1 - Review of AFBI’s Commercial Terms and Conditions**

The Executive advised the Board that the development of a policy in support of “*Non-Solicitation*” and Protection of AFBI Intellectual Property was currently in progress but a draft should be available for the next Board meeting in December 2011.

**4.1.2 Item 5.3 – AFBI Risk Management Strategy**

The Board were advised that the AFBI Risk Management Strategy would be on the agenda of the next Board meeting in December 2011. Included as part of this Item will be a discussion on *Risk Appetite*.

**Exec /  
Sec**

(Prof Mulcahy entered the meeting)

**5. Draft Minutes of the AFBI Open Meeting held on 26 October 2011 at AFBI Hillsborough**

On a proposal from Mr Trevor Hinds, seconded by Mrs Hilda Stewart, the Board approved the draft minutes from the Open Meeting held on 26 October 2011 without amendment.

Commenting on the Open Meeting, the Deputy Chair reflected on the success of the event and how pleasing it was to have received good engagement with the stakeholders particularly during the *Question and Answer* session.

In supporting the view of the Deputy Chair, the Chair commented on the positive feedback that he had received. He also highlighted the number of stakeholders who had expressed surprise on learning of the depth of work that AFBI undertakes. The Chair suggested that sometime in the near future, the Board may wish to examine this issue in more detail and consider ways in which AFBI could become known to a wider audience.

**Chair /  
Sec**

**6. Chair’s Business**

**6.1 AFBI Board/Senior Management Roadshows**

The Chair informed the Board that the AFBI Board and the Senior Management Team are currently engaged in a series of Roadshows. These events are being held across various AFBI sites and the presentations will mirror those given during the recent AFBI Open Meeting.

The Roadshows are being held for the benefit of AFBI staff, the majority of whom could not attend the Open Meeting, and the aim is to provide them with a “*helicopter*” overview of the organisation.

**Action**

The Chair added that these events are very important, thanked fellow Board members for their support and attendance during recent events at AFBI Stormont and AFBI Newforge and encouraged other Board members to attend forthcoming events at AFBI Hillsborough and AFBI Loughgall on 5 December 2011.

**Board**

## **6.2** Joint DARD/AFBI Board Meeting

The Chair provided Board members with a report on the recent meeting of a subgroup of the AFBI Board with the Department of Agriculture and Rural Development (DARD) Departmental Board (DB). During the meeting the CEO had given the DARD DB a presentation on AFBI’s current financial position, pressures, trends in grant-in-aid and staff numbers in recent years, an update on the current Organisational Review being undertaken by KPMG, and a review of scientific achievements in AFBI.

The Chair informed the Board that he considered the meeting to have been very worthwhile and expressed his desire to see further such meetings take place in the future, possibly on a six monthly basis. It was agreed that the Executive would explore this possibility with DARD.

**Exec**

Following discussion, the Board thanked the Chair for his report and accepted the need for continuing dialogue on a regular basis. The Board suggested that the next meeting should be held as soon as possible following the publication of the KPMG Report on the Organisational Review of AFBI.

On a request from the Board, it was agreed that the minutes from the meeting would be made available to Board members.

**Exec /  
Sec**

## **7. CEO’s Report**

In presenting his report to the Board the CEO highlighted a number of items of particular interest.

### **7.1** Business Development – Visit to Teagasc

The CEO informed the Board that during his recent visit to Teagasc he and the AFBI Chair had met the Chair, Director and Senior Executives at the Teagasc headquarters at Oakpark, Co Carlow.

During the visit discussions had centred on current links between AFBI and Teagasc and the potential for future collaboration, particularly in areas where each organisation has limited resources.

The CEO also informed the Board that like the Scottish Agricultural

College and several other research institutes in Scotland, Teagasc has considerable freedom to carry out research programmes to meet the needs of government and industry. In response, the Board stated that it recognised the drivers in the O’Hare Review that resulted in the creation of AFBI but that the institute is now in a different place than at the time of the review. In future, more efficient ways to address those drivers will be needed.

**Action**

## **7.2 Business Development – Potential for a Joint Venture**

The CEO also informed the Board that he had met with the Chair and Managing Director of a commercial company to discuss ongoing commercial work with AFBI. Following this initial meeting, the CEO and those individuals had had the opportunity of presenting this link to the First Minister, Rt. Hon Peter Robinson MLA.

## **7.3 Business Development – Representation in the USA**

The Board were asked to note that the appointment of an AFBI representative in the USA has been delayed due to changes at the Northern Ireland Bureau in Washington.

The Executive agreed that it will keep the Board informed of developments.

**Exec**

## **8. Governance Issues**

### **8.1 Risk Management**

#### **8.1.1 *AFBI Corporate Risk Register – New or Emerging Risks***

The Board noted that there are no reports of new or emerging risks to the organisation since the previous meeting.

The Executive stated that the main focus of attention is still on the budget shortfall and a lot of work has taken place in the last few weeks culminating in a bid being submitted to DARD for consideration in the January Monitoring Round.

### **8.2 Whistleblowing and Fraud**

There were no reports of any new or ongoing cases of whistleblowing or fraud to report.

### **8.3 Health and Safety**

There were no reports of any major health and safety incidents or near misses.

**8.4**      EU Audit of Brucellosis Testing      **Action**

The Executive informed the Board that an EU audit of the brucellosis eradication programme in Northern Ireland had recently become available. While there are no problems relating to the methodology and the accuracy of the laboratory testing, the auditors have indicated that some of the claimed expenditure was not allowable.

The Executive advised the Board that it would seek further information on the issue from the EU auditors.      **Exec**

**9.**      **Report on the Contingency Laboratory at VSD**

The Executive provided the Board with a report on the ceiling collapse in the refurbished Contingency Laboratory at AFBI Stormont which had not yet been commissioned.

The Board were asked to note that, following an inspection by Properties Division of the Department of Finance and Personnel it was difficult to establish the precise reason for the ceiling collapse.

Following a lengthy discussion on the matter, the Board received an assurance from the CEO that he would not permit AFBI staff to commence work in the building until satisfactory assurances on its safety had been received. The Board supported this position.

It was agreed that before the Board consider taking further action, the CEO will raise matters with the DARD Deputy Secretary, Dr Mark Browne and provide the Board with an update at the December Board meeting.      **CEO**

*(Mr McCann entered the meeting)*

**10.**      **AFBI Personnel**

**10.1**      AFBI Starters and Leavers Report

The Board received the latest AFBI Starters and Leavers Report detailing the position at October 2011.

The Board were content to note.

**10.2**      Litigation Cases

The Executive advised the Board of pending litigation cases and the estimated costs to AFBI.

The Chair suggested that there may be a need for the Board to consider this matter in more detail from a policy perspective. The Executive assured the Board that there is a rigorous system in place for robustly managing such cases, taking account of legal advice.

Based on the assurances provided by the Executive the Board signified that it was content for the Executive to proceed on the basis of the system already in place as long as the Board is kept fully informed and provided with regular updates.

**Action**

**Exec**

### **10.3** Report on the Functionality of HR Connect (HRC)

A report from a high level review of the functionality of HR Connect was presented by the Executive.

The Executive asked the Board to note that the paper is the first step in its review of HRC. While AFBI recognised that the system had been improved by the Shared Services Organisation, it remained less than ideal. However, because there was currently insufficient resource in AFBI to introduce an alternative system and it would be premature to do so in advance of the outworkings of the Organisational Review, it was agreed that the issue would be postponed for consideration at a later date.

## **11. Finance**

### **11.1** Monthly Budget Monitoring Report

The Executive advised the Board that AFBI is forecasting a deficit at the end of the current financial year (2011/12). However, as mentioned previously, a bid to cover this has been made in the current financial monitoring round and the outcome should be known sometime next month (December 2011). The fundamental issue is that reduction in wages and salary costs and various efficiency savings could not match the rate of the major reduction in grant-in-aid that has occurred in recent years.

The Executive also confirmed that it was preparing contingency plans in the event that the bid is unsuccessful and advised the Board that it would be content to let it have sight of these plans at the next Board meeting in December 2011.

**Exec**

The Board were also content to note that DARD has been made fully aware of the current situation and the possible implications for the DARD work programme.

### **11.2** Cash Flow Report

The Executive informed the Board that it did not foresee any pressures building in terms of cash management but reported that AFBI are still experiencing some problems in relation to the timely drawdown of Grant-in-Aid. However, AFBI are hopeful that any difficulties can be resolved and discussions with DARD are continuing.

### **11.3** Northern Ireland Audit Office Review of 2010/11 AFBI Accounts

The Executive reported that it was on track to have all of the outstanding

VAT returns compiled by the end of November 2011 and that a meeting with the NIAO has been arranged for early December 2011. Following that, AFBI will know what further action, if any, is required to complete the review of the 2010/11 AFBI Accounts.

**Action**

**12. Finance Committee**

**12.1 Report from AFBI Finance Committee on meeting held on 15 November 2011**

The Chair provided the Board with an overview of the Finance Committee meeting held on 15 November 2011.

In response, the Board thanked the Finance Committee for the work that it carries out and for the comfort and assurance that it provides to Board members. The Executive added its appreciation for the work carried out by the Finance Committee.

**12.2 Minutes from the AFBI Finance Committee meeting held on 29 September 2011**

The draft minutes from the AFBI Finance Committee meeting held on 29 September 2011 were presented to the Board and duly noted.

**13. Strategic Item – AFBI Overheads**

The Executive provided the Board with a short paper on the subject of AFBI Overheads. The Executive stated that the main aim of the paper is to stimulate discussion and seek recommendations from the Board in relation to this matter.

Following consideration and comment the Board accepted a suggestion from the Chair of the Finance Committee that it would be more appropriate for this matter to be referred to the Finance Committee in the first instance and the Secretary was asked to note for inclusion on a future agenda of the Finance Committee.

**Sec**

**14. Draft Minutes from AFBI Audit Committee meeting held on 27 September 2011**

The draft minutes from the AFBI Audit Committee meeting held on 27 September 2011 were presented to the Board and duly noted.

The Board were also informed that the next meeting of the Audit Committee was provisionally scheduled for December 2011 to consider specifically the 2010/11 AFBI Accounts.

**15. Report from AFBI Board Strategy Committee meeting with DARD held on 26 October 2011**

A draft minute of the AFBI Board Strategy Committee meeting with representatives of DARD held on the 26 October 2011 was presented to the Board and duly noted.

The Chair of the Strategy Committee, Mr Walker informed the Board that DARD had not yet had sight of the draft minutes but the Secretary would be forwarding a copy following today's meeting. The Board would be notified if any significant changes emerged.

Sec

**16. Report from AFBI Board Remuneration Committee meeting held on 14 November 2011**

A draft minute of the AFBI Board Remuneration Committee meeting held on 14 November 2011 was presented to the Board and duly noted.

The Chair of the Remuneration Committee provided a brief summary of the main business conducted during the meeting which was to consider a submission made under the AFBI Staff Rewards and Recognition to Staff Scheme – Rewards to Inventors Policy.

The Chair reported that the Remuneration Committee, having assured itself that the Executive had followed the correct procedures in identifying the inventors and calculating the amount of the award, were content to recommend that payments be made to the staff involved pending –

- DARD assurance that some minor amendments made to the Scheme since it had been approved would not be in breach of the agreed policy.
- That the award be made known to all AFBI staff as a way of further encouragement and motivation.

On a proposal from Mr Walker, seconded by Mr Hinds, the Board approved the recommendation from the Remuneration Committee.

The Remuneration Committee also informed the Board that during the course of its meeting, there had been some discussion on the subject of prizes won by AFBI staff during the course of their work for AFBI that included an element of personal award. The Remuneration Committee did not consider that these fall within the scope of the Rewards to Inventors Scheme. The Chair reported that the Executive have agreed to examine how these could be dealt with under existing procedures and if this was not possible, it would consider a separate policy on the matter. The Executive informed the Board of NICS guidance on receipt of offers of gifts and hospitality precludes the acceptance of cash by staff except to a maximum of £75 in clearly definable circumstances where no public resources had been used.



(Mr McKeown, Prof Mulcahy and Mr McCaffrey left the meeting)

**Action**

## **17. Organisational Review of AFBI**

The CEO informed the Board that the review team were currently engaged with AFBI staff in one-to-one meetings and a number of focus groups. A meeting of the Steering Group is also due to be held in early December 2011.

On a recommendation from the Board, the Chair agreed that he would consider the possibility of holding an extraordinary Board meeting to consider the findings of the review. However, this would depend on when the report is published as it may be more convenient to allocate a specific period for discussion during the January or February Board meetings.

**Chair**

## **18. Reports from AFBI Divisions**

The Board received reports from the four AFBI Divisions.

Amongst the issues highlighted was the continuing work on the DARD/AFBI Memorandum of Understanding. Commenting on this issue the Board emphasised the need for the Executive to ensure that any costing element relating to the DARD work programme includes a fair and full apportionment of AFBI overheads.

In further discussion the Board reflected on the usefulness of the information contained in the reports and suggested that this information should also be made available to staff throughout the organisation.

The Board agreed and indicated that it was considering incorporating the reports into a Staff Newsletter. The Executive also informed the Board that it was currently developing a *Communications Strategy* and when this is complete it will be submitted to the Board for comment and approval.

**Exec**

(Mr Hinds left the meeting)

## **19. Any Other Business**

### **19.1 Commercial Opportunity**

The Executive presented the Board with a draft Heads of Agreement setting out the principal terms and conditions for a commercial relationship.

Following consideration, the Board gave its approval and offered its congratulations to the Executive on the successful negotiation of these terms.

The Executive informed the Board that approvals would be required from DARD/DFP before AFBI could enter any joint ventures or set up subsidiary companies.

**Exec**

**19.2** Rolling Database of Issues Raised at Previous Board Meetings

The Board noted the updates to the Rolling Database made following the previous Board meeting held on 26 October 2011.

On the issue of Equal Pay, the Board were advised that a Business Case is currently with DARD prior to submission to DFP.

**20. Date of Next Meeting**

The next meeting of the AFBI Board will be held on Wednesday 21 December 2011 in the AFBI Boardroom, AFBI (HQ) Newforge.

**PRESENTATION**

Prof John Davis, Head of Agricultural, Food and Economics Branch gave the Board a presentation on the development by AFBI of the first Input/Output Model for the agri-food sector in Northern Ireland and outlined the possible significance of the programme in terms of forming and guiding Government policy as well as being of value to industry.

The Board were impressed with the programme and its potential and congratulated Prof Davis and his team of Dr Ziping Wu and Miss Erin Minihan.

Signed:

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(Chairperson)

Date:

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