



**Minutes of the Meeting of the  
Agri-Food and Biosciences Institute (AFBI) Board  
held at AFBI Hillsborough  
on Tuesday 24 September 2013 at 10.00am**

**Present – Board Members**

Mr S Hogan, Chair  
Prof Wm McKelvey, Deputy Chair  
Mr K Millar  
Mr T Hinds  
Mr B McCann  
Mrs H McCartan  
Prof P Murphy  
Dr C McMurray  
Mr D Lindsay  
Mr S McCaffrey  
Mrs S Havlin

**In Attendance - AFBI Executive**

Mrs L Hogg, Director of Finance and Corporate Affairs Division  
Dr S Mayne, Director of Sustainable Agri-Food Sciences Division  
Mr C Berry, Head of AFBI Finance Branch  
Mr D Griffiths, Financial Improvement Project Leader  
  
Mr S Cousins, AFBI Secretariat

**1. Welcome and Introduction**

**ACTION**

The Chair opened the meeting and welcomed all present especially Mr Colin Berry, the newly appointed Head of AFBI Finance Branch.

**2. Apologies**

Apologies were received on behalf of Mrs H Stewart, AFBI Board member and Prof S Kennedy, Chief Executive Officer who was accompanying the DARD Minister, Mrs M O'Neill MLA on a visit to China as part of a DARD Ministerial delegation.

**3. Conflict of Interests / Register of Interests Declaration**

There were no conflicts of interest declared and no changes to Board members' Register of Interests.

**4. Draft Minutes of the Previous AFBI Board Meeting held on 27 August 2013**

On a proposal from Mr Trevor Hinds, seconded by Mr Bob McCann, the draft minutes from the previous AFBI Board meeting held on 27 August 2013 were approved without amendment.

**5. Action Sheet from Previous AFBI Board Meeting held on 27 August 2013 ACTION**

Progress against actions was noted as per the Action Sheet.

**6. Chairman's Remarks**

**6.1 Meeting with the DARD Minister – 16 September 2013**

The Chair, Deputy Chair and the CEO met with the DARD Minister, Mrs O'Neill in Dundonald House on 16 September 2013. The meeting focussed on AFBI's financial pressures for 2013/14 and up to 2020. The Chair informed the Board that the Minister had asked AFBI to develop a plan for AFBI's future financial sustainability.

The Chair reported that following discussion with the Minister, DARD had advised AFBI that it would meet AFBI's pay progression requirements through a combination of £1m now and the balance later, that DARD would not support AFBI's bid for Corporation Tax interest and penalties bid but would consider AFBI's bid for legal and compensation costs. It had advised that AFBI must meet any shortfall in its income target. DARD has therefore advised AFBI to plan against both a lower and upper planning scenario.

**Exec**

The Chair stated that overall the Minister is very supportive of AFBI and that the meeting had been very worthwhile. The Board were pleased to note the positive outcomes.

*(Mrs Havlin entered the meeting)*

**6.2 Joint DARD / AFBI Board Meeting – Monday 23 September 2013**

The Chair informed the Board that he was unable to attend this meeting due to family circumstances but the Deputy Chair, representatives of the Board and members of the Executive Team were in attendance and the Deputy Chair provided the Board with a report on the proceedings.

Amongst the items discussed during the joint meeting were -

- Budget pressures
- Efficiency savings
- Strategic Cost Model
- Exploring new funding opportunities
- The wider issues facing AFBI
- Readiness for the Public Accounts Committee Hearing
- Potential PEDU review

## **7. Executive Report**

## **ACTION**

In the absence of the CEO, Mrs Hogg, Director of FCAD presented the Executive Report and highlighted a number of key issues for the benefit of the Board.

Following presentation of the report the Board reflected on the recent difficulties faced by the RV Corystes and the potential gap in business continuity. In light of the Board's concerns the Executive provided an assurance that Fisheries and Aquatic Ecosystems Branch is examining ways of dealing with the issues and that DARD is also aware of the situation. The Board encouraged the Executive to actively pursue this matter given that recent reports would suggest that the RV Corystes has a current life span of five working years.

The Board also referred to the outbreak of Salmonella Gallinarum in two free range egg layer flocks. This is the first outbreak seen in Northern Ireland since the 1980s. Although the outbreaks are considered significant the Board was assured that AFBI is fulfilling its role and responsibilities in terms of the testing and diagnostic function but that DARD remains the regulatory authority.

The Board welcomed the report and congratulated the Executive on the extent of the work that is being carried out throughout the organisation particularly on a global basis. The Board also congratulated the CEO on being awarded a Magnolia prize for fostering links between AFBI and the Shanghai Academy of Agricultural Sciences.

## **8. Finance**

### **8.1 AFBI Budget Monitor Report – Position at 31 August 2013**

The overall forecasted outturn for 2013/14 is showing as a deficit. However, the Board was asked to note that the deficit had decreased slightly since that in the July Budget Monitor due to an increase in forecast income and the deferral of some programme expenditure into 2014-15.

The report also provided a recap on the funding issues facing AFBI, the assumptions made in respect of these following the recent advice from DARD and detailed analysis in respect of both income and expenditure.

The report also highlighted a further risk which has been identified recently in respect of retrospective costs associated with travel claims for overtime journeys. The Executive provided an explanation on the work that has been carried out to date. The Executive informed the Board that AFBI was giving the matter further consideration.

### **8.2 Finance Plan 2013/14**

Having identified a funding deficit the Executive provided a plan outlining the options to address the deficit under both the lower and the upper planning

scenarios.

**ACTION**

Amongst the options highlighted to address the lower planning scenario were:

- A reduction in agency staff including the redeployment of substantive employees into more critical posts being covered by agency staff
- Improving attendance management
- A reduction in overtime
- A reduction in travel and subsistence
- A reduction in overheads

The Executive highlighted that in order to achieve the upper planning scenario AFBI would have to ask DARD to contribute to the deficit by reviewing those elements of the Assigned Work Programme that could be reduced, cancelled or deferred as well as deferring training, not replacing leavers and suspending recruitment. The Executive also highlighted that it was important that the cuts would not impact AFBI's ability to deliver its income generating projects.

Following a lengthy discussion the Board asked the Executive to provide a paper detailing how savings are going to be made, the likely quantum involved and the impact on the business.

**Exec**

The Board also requested a short introductory paper on DFP's, Performance and Efficiency Delivery Unit (PEDU) and the work that it undertakes.

**Exec**

### **8.3 Finance Improvement Plan (FIP) Phase 2**

The Executive provided the latest progress update in respect of a number of issues identified for inclusion in the FIP Phase 2.

These issues included –

- The development of a medium term financial plan
- Ongoing work in respect of the strategic cost model
- Delegating staff budgets by the end of October 2013

The Board signified that it was content to note the progress being made.

## **9. Divisional Presentation – Sustainable Agri-Food Sciences Division (SAFSD)**

Dr Mayne, Director of SAFSD, gave the Board a presentation on the Division during which he outlined the structure, provided an overview of activities, reflected on recent scientific highlights, commented on the challenges and focused attention on current and future opportunities.

During the course of the presentation the Board made a number of comments. With regard to the capital investment required in the Estate the Executive assured the Board that it is working with DARD on this issue and that it intends to develop plans showing the investment required at each site.

In relation to current and future staffing arrangements within the Division, the Executive reported that work is ongoing in terms of encouraging DARD to define its future scientific requirements which in turn will assist with succession planning.

In closing, the Board congratulated Dr Mayne on a tremendous presentation which was very informative and will help provide Board members with a better understanding of the issues affecting the Division.

*(Prof Murphy and Mr Lindsay left the meeting)*

## **10. Governance Issues**

### **10.1 AFBI Risk Management**

There was no report of any new or emerging risks to the organisation.

### **10.2 Whistle Blowing and Fraud**

The Board received an update on the suspected theft which is under investigation.

## **11. Management Statement & Financial Memorandum (MSFM) - Revised**

A revised version of the MSFM based on an updated model from the Department of Finance and Personnel was presented to the Board for approval.

In presenting the document the Executive advised the Board of some further amendments that the Executive proposed to incorporate over and above those included in the draft circulated to members.

The Board considered the draft and in particular responsibilities associated with the development of AFBI's Corporate Plan and the completion of economic appraisals in relation to the work undertaken for DARD.

On a proposal from Mr Trevor Hinds, seconded by Mr Seamus McCaffrey, the Board signified it was content to approve the revised version of the MSFM subject to the incorporation of the further comments discussed.

*(Mrs McCartan left the meeting)*

## **12. Report from Organisational Development & Human Resources (OD&HR) Sub-Committee Meeting held on 23 September 2013**

Prof McKelvey, Chair of the OD&HR Sub-Committee, provided the Board with a brief report on the recent meeting of the Committee.

Amongst the issues discussed were –

- Sickness / absence – a detailed report was provided by the Executive and, at the request of the Committee, the Executive has been asked to drill down into the 30% of absences that have been classified as undefined and provide a more detailed analysis. The Committee also expressed concern that there are pockets within the Institute where absences are higher than the average and again the Executive has been asked to provide an analysis.
- Agency Staff – concerns were expressed at the numbers of agency staff employed by the Institute but the Committee was assured that these will decrease as substantive posts are filled.
- Morale and Motivation Survey – an action plan was considered.
- Review of HRConnect – the Committee approved the draft Terms of Reference but the Executive will review the contractual arrangements before the tender is issued.

**13. Report and Draft Minutes from KPMG AFBI Operating Model Working Group Meeting held on 27 August 2013**

Prof McKelvey, Chair of the Group made reference to the draft minutes from the previous meeting and provided the Board with a brief update.

Prof McKelvey stated that AFBI had requested an extension to the business development proposal under consideration and has asked the Strategic Investment Board to explore and develop principles and processes that can be applied in the event of a similar business proposal being received.

**14. Report and Draft Minutes from Science Strategy Sub-Committee Meeting held on 23 August 2013**

The Committee reported that there has been significant progress made on the development of an AFBI Science Strategy but further progress has been delayed due to preparatory work for the forthcoming Public Accounts Committee Hearing.

The Committee stated that it had received a draft strategy on genomics which it was considering and that genomics should be an area of importance to DARD.

**15. Rolling Database of Issues Raised at AFBI Board Meetings**

The Board was content to note the comments provided by the Executive in respect of the issues recorded on the Rolling Database of Issues Raised at AFBI Board meetings.

**16. Any Other Business**

**16.1 AFBI Road Shows**

It was agreed that Board members would notify the Secretary of their availability to attend the forthcoming AFBI Roadshows being held at various AFBI sites during the early part of October.

