



**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI (HQ) Newforge
on Tuesday 26 February 2013 at 10.00pm**

Present – Board Members

Mr Sean Hogan, Chair
Prof William McKelvey, Deputy
Chair
Mrs Hilda Stewart
Mr Trevor Hinds
Mr David Lindsay
Mrs Hilary McCartan
Dr Cecil McMurray
Mrs Sarah Havlin
Mr Seamus McCaffrey
Mr Bob McCann
Mr Ken Millar

In Attendance - AFBI Executive

Prof Seamus Kennedy, CEO
Dr Michael Camlin, DCEO – Applied Plant Science Division
Dr Stanley McDowell, DCEO – Veterinary Sciences Division
Prof John Davis, DCEO (Acting) – Agri-Food and
Environmental Science Division
Mrs Lesley Hogg, Director of Finance and Corporate Affairs
Mr Darren Griffiths, AFBI Financial Improvement Project
Leader

Mr Stephen Cousins, AFBI Secretariat

ACTION

1. Welcome and Introduction

The Chair opened the meeting and welcomed everyone present. A special welcome was afforded to Dr Stanley McDowell following his recent appointment as Director of Veterinary Sciences Division.

2. Apologies

Apologies were received on behalf of Board members Prof Patrick Murphy and Mr Alan McKeown. The Chair informed the Board that Mr McKeown was unable to attend due to a family illness. The Board extended its best wishes to Mr McKeown and the Chair agreed that he would relay this message to Mr McKeown and his family on behalf of the Board.

Chair

3. Conflict of Interests / Register of Interests Declaration

Mr David Lindsay declared that he was a member of the Northern Ireland Food Advisory Committee of the Food Standards Agency. The Chair thanked Mr Lindsay for his declaration but with no indication of any immediate conflict the Chair agreed to proceed with the business of the meeting.

4. Draft Minutes of the Previous AFBI Board Meeting held on 29 January 2013

On a proposal from Mrs Hilda Stewart, seconded by Dr Cecil McMurray, the Board approved the draft minutes from the previous Board meeting held on 29 January 2013 without amendment.

5. Matters Arising/Action Points from Previous AFBI Board Meeting held on 29 January 2013

5.1 Defining AFBI's Emergency Response Capability – Item 5.2

The CEO reported that the Executive is still developing a response to the request for information received from the Department of Agriculture and Rural Development (DARD). The main issue was in relation to the lack of definition of the appropriate scale of response in each of the areas requested by DARD.

Exec

5.2 Health and Safety Executive (HSE) (Northern Ireland) Report on the Findings from the Stress in the Workplace Risk Assessment – Item 5.3

The CEO reported that the compilation of an executive summary and the development of an implementation/action plan is still a matter of work in progress. It was agreed that when the summary and plan have been completed the Executive will present them to the Board.

Exec

5.3 Joint DARD / AFBI Board Meeting on 6 February 2013 – Item 6 (2)

The minutes from the Joint DARD/AFBI Board meeting held on 6 February 2013 are now available and the Chair will arrange for these to be circulated to members.

Chair

5.4 Report from Applied Plant Science and Biometrics Division / Finance Query - Item 8.3

Dr Camlin indicated that, in view of the Board's concerns, the division was aiming to achieve savings of £95k in expenditure by imposing a strict prioritisation on further expenditure up until 31 March 2013. However, it was stressed that there was no direct linkage between income from non grant-in-aid work and overall divisional expenditure which, while it covered some external contract work, was mainly required to deliver DARD's assigned work programme.

It was also reported that the division had already absorbed £20k of additional expenditure for the ash dieback emergency response situation. The Board accepted the explanation provided on the basis that the division is focused on making savings.

5.5 Board Comments / Observations following presentation of the Divisional Reports – Item 8.5

The Chair of the Appointments and Remuneration Sub-Committee (A&R Committee) informed members that matters relating to HR Connect and HR management would be considered and discussed at the next meeting of the A&R Sub-Committee (Tuesday 5 March 2013) and a report to the Board would follow.

**Chair of
A&R
Com**

6. **Chair's Business**

The Chair informed members that he and the CEO had attended a function in Hillsborough Castle hosted by Arlene Foster MLA, Minister for Enterprise, Trade and Investment when President Barzani of the Kurdistan Region of Iraq had been the Guest of Honour. This had followed a visit to AFBI by the Kurdistan delegation.

7. **CEO's Report**

7.1 Visit to AFBI of a Delegation from Kurdistan

Commenting further on the event at Hillsborough Castle, the CEO reported that the President of Kurdistan and his delegation had visited AFBI HQ on 6 February 2013 during which the President made it known that agriculture is his top priority hence his keen interest in AFBI.

During the visit the delegation was accompanied by Jonathan Bell MLA, Junior Minister, Office of First Minister and Deputy First Minister (OFMDFM) and following introductions, the delegation were given a presentation and short tour of AFBI Newforge.

Overall the visit was seen as a great success with Invest NI acknowledging the input from AFBI. It was noted that Minister Foster had made reference to AFBI on a number of occasions during her speech in Hillsborough Castle.

Commenting on the report, the Board congratulated the Executive on the developing links with the Kurdistan region and welcomed news that business opportunities are being exploited.

7.2 Equal Pay

AFBI HR have worked with the Labour Relations Agency to facilitate staff "*conciliation*" meetings and as a result the vast majority of qualifying staff have signed an agreement to accept the offer made to them and will now receive payments in the March 2013 pay run. NIPSA has also been supportive of this process.

7.3 KPMG Review

Dr Stanley McDowell has been appointed as Director of Veterinary Sciences Division and took up post on 25 February 2013. Dr Sinclair Mayne has been appointed Director of the Agri-Food Sciences Division and will take up post with effect from Monday 4 March 2013.

Following discussion the Executive agreed to reconsider its decision to leave the word “*environmental*” out of the title of the new division.

Exec

An offer has been made to the successful candidate in respect of the Head of Finance post and AFBI are now waiting on a response.

7.4 DARD's Mid-Year Review of AFBI's Delivery of 2012/13 Assigned Work Programme / Visit of Mr N. Lavery, DARD Permanent Secretary designate

Following discussion the Chair expressed a keen desire for AFBI to provide a response to the review before the proposed visit of the newly appointed DARD Permanent Secretary, Mr Noel Lavery, takes place on 21 March 2013.

Exec

It was further agreed that a small working group be formed to consider the format and presentations to be made during Mr Lavery's visit. While the original invitation was issued to the CEO and the Chair, the Chair indicated that it may be appropriate for the Chair of the Finance Sub-Committee and the Chair of the Audit Committee to also attend. Attendance would be confirmed at a later date.

**Chair &
CEO****7.5** AFBI Risk Assessment

The CEO informed the Board that he had received the output of the DARD risk assessment of AFBI in recent days. He had circulated to the Chair, Deputy Chair, Chair of the Finance Committee and Chair of the Audit and Risk Committees for information. The Board requested that it be circulated to all members prior to discussion at the March Board meeting.

CEO**7.6** Brucella Test-Positive Cattle at AFBI Hillsborough

The six animals in the group of yearlings that had reacted to a blood test for brucellosis have now tested negative on bacteriological culture. However, in a subsequent statutory herd blood test carried out in early February 2013, another heifer in the same group has now tested positive with two other animals testing inconclusive. This means that the AFBI Hillsborough site has had to remain closed to visitors to the livestock section and additional bio-security procedures maintained until the results of confirmatory testing are available and a clear herd blood test obtained.

7.7 AFBI Estate **ACTION**

The CEO has discussed with DARD the possibility of inviting the Minister to AFBI Stormont to view the VSD Main Building and hear a presentation on the results of the Department of Finance and Personnel's Central Procurement Directorate's feasibility study on the options for refurbishment or replacement of the building. Work on the preparation of the Outline Business Case for the VSD Main Building project has now been resumed.

The CEO has extended an invitation from the Chief Executive of the Maze / Long Kesh Development Corporation to the DARD AFBI Estate Programme Board to also visit the site. The Chair of the Programme Board had accepted the invitation and is hopeful that the visit will take place at an early date.

7.8 Northern Ireland Audit Office (NIAO) Value for Money Review

AFBI are still waiting on the next draft from the NIAO.

7.9 Badger Sett Survey

Work on the badger sett survey commenced on 11 February 2013 following receipt by AFBI from DARD of the first farmer permissions for AFBI staff to enter holdings for the purposes of carrying out the survey. Due to the later than anticipated commencement of the survey, there is now pressure on AFBI to have it completed before spring vegetation obscures the location of setts. For that reason the pool of staff has been increased from twelve to sixteen. AFBI are still proceeding on the basis that DARD are taking the lead on study design while AFBI is taking the lead on delivery of the survey.

7.10 Stakeholder Engagement

It was agreed that next month's Board meeting (March 2013) would be shorter than usual in order to accommodate an Open Meeting which would immediately follow the Board meeting. The Executive highlighted the existence of DARD's stakeholder group and that it would be mindful of this when making arrangements for the event.

Exec

8. Reports from Divisions

8.1 Report from Agriculture, Food and Environmental Science Division (AFESD)

Prof Davis reported significant activity across all branches within the division with a number of new projects being initiated.

With reference to the report, specific mention was made of the appointment of Dr Annika Clements who has joined AFBI to work on the INTERERG SpRes oil spill modelling project. This project is a major European collaboration modelling the movements and biological impacts of oil spills at sea. The Board were pleased to note this exciting development.

The Board also questioned whether it was worth pursuing one contract which was relatively low in value. The Executive assured the Board that in this particular case, the monetary value was secondary to AFBI gaining recognition in this field.

In view of the imminent appointment of a new science director, the Board took the opportunity to acknowledge the work of Prof Davis, Dr Crozier and Dr Carson and thanked them for their contributions over the last number of months. The Chair will write formally on behalf of the Board to each of the three members of staff. .

Chair

8.2 Report from Veterinary Sciences Division (VSD)

Dr McDowell presented the divisional report on behalf of VSD and gave a brief overview of some of the work that is taking place across the various branches. The Board were pleased to note the report and made particular mention of Dr John McKillen's success at being accepted onto a training course at the Wellcome Trust Genome Campus which will undoubtedly help increase AFBI's knowledge in this area.

8.3 Report from Applied Plant Science and Biometrics Division (APSBD)

In presenting the APSBD report to the Board, Dr Camlin referred to a very professional presentation made to the ARD Committee the previous week by Drs McCracken and Fleming of AFBI and Dr Mayne of DARD. The purpose of the presentation was to provide evidence to the Committee on ash dieback disease and some wider plant health issues. Copies of the Hansard record are available if required.

Dr Camlin also outlined how a risk analysis approach to attach probabilities to the division's original over-ambitious income projection had led to a reduced income projection being brought to the Board in October 2012 during the mid-year review. Dr Camlin also indicated that, due to resource accounting rules, some adjustments of income received had been accrued back to the previous financial year. Work on some other contracts would now not commence until the next financial year. This now meant that the division was projecting income of £1.8m against a more realistic target of £1.9m. This still represents a challenging figure for a small division of three branches, one of which has more limited income-earning opportunities.

8.4 Report from Finance and Corporate Affairs Division (FCAD)

Mrs Hogg presented the divisional report on behalf of FCAD and highlighted a number of items for the benefit of the Board such as the extensive work being carried out by AFBI HR in respect of workforce planning and the ongoing work by AFBI Innovations in relation to the 2013/14 assigned work programme.

Commenting on the report the Board referred to the divisional key

performance indicators, especially the target relating to staff absenteeism. In the discussion that followed the Executive advised that it was monitoring the situation in a number of ways, including emphasising to staff the need to conduct return to work interviews in a timely manner. It would provide a paper on the morale and motivation survey for the Board's consideration and comment at the Board meeting in April 2013.

ACTION

Exec

The Board were also informed that a business case is being prepared in respect of the post of AFBI legal advisor for which a recent competition had been unsuccessful. This will highlight the most suitable option relating to future recruitment to this post.

9. Governance Issues

9.1 AFBI Risk Management

9.1.1 *Reports of Any New or Emerging Risks*

There were no reports of any new or emerging risks to the organisation.

9.1.2 *AFBI Corporate Risk Register (dated 31 January 2013)*

The latest version of the AFBI Corporate Risk Register was presented to the Board and members were asked to note that apart from the creation of a risk aimed specifically at estates issues, there have been no other substantive changes made since the last update in September 2012.

Commenting on the paper the Board reflected on the requirement to develop a Science Strategy which is one of the additional actions to be taken to manage Corporate Risk No5 – *If AFBI fails to maintain and grow its excellence in scientific capability this will adversely impact AFBI's reputation and ability to deliver to its customers.* The Board acknowledged that 30 June 2013 presents a challenging deadline and agreed that a more realistic target date would be 31 December 2013 given the delay in the appointment of the new Science Directors. The Board are hopeful that the process can be speeded up now that the two science directors have been appointed.

The Board asked the Executive to consider issues relating to the management of intellectual property rights. The Board also expressed a desire for the Executive to provide a report on this subject at some point in the future.

Exec

9.2 Whistleblowing and Fraud

There were no reports of any new whistleblowing incidents. However, the Executive did report that a small sum of cash has gone missing and, while this could simply be a case of the money having been misplaced, the PSNI had been notified. Since the matter was reported, a number of internal control measures have been improved to help mitigate against this type of

incident happening in future.

ACTION

9.3 Health and Safety

The Executive provided the Board with a report on an incident involving AFBI staff undertaking some routine work on the River Bann when the outboard motor on their boat had seized. This necessitated the crew having to row to the river bank opposite to their point of disembarkation. The local community rescue service came to their aid swiftly and returned them safely to the other side of the river. The crew had followed the correct emergency procedures at all times. AFBI is grateful to the local community rescue service.

9.4 DARD's Mid-Year Review of AFBI's Delivery of 2012/13 Assigned Work Programme

The Board were provided with a copy of DARD's Mid-Year Review of AFBI's Delivery of the 2012/13 Assigned Work Programme for noting and discussion.

Reflecting on the findings of the review the Executive stated that the report is now somewhat dated and as such does not portray AFBI's current position. However, the Executive are hopeful that this will be rectified and reflected in the End of Year Review.

Overall the report was regarded as very positive with only a small number of issues requiring a response. Going forward the Executive will be asking DARD for an opportunity to comment on future reports prior to issue of a final report.

Exec

The Executive also addressed the Board's concerns regarding gaps or potential gaps in some areas of science capability. One key area is TB research where several new appointments have been made and several others are in progress. The volume of statutory TB testing carried out by AFBI during the period was substantially in excess of that requested by DARD at the beginning of the year. In the context of the recent emergence of several new diseases of trees, there was a need to strengthen future plant pathology capability and ensure effective succession planning.

In the discussion that followed the Board also accepted that overall the report was positive and were appreciative that DARD were willing to share the findings with AFBI. However the Board also accepts that there are a small number of issues that need to be addressed by DARD such as –

- Consideration needs to be given to some of the wording contained in the report as this can have a negative impact on the morale and motivation of AFBI staff.
- A greater degree of understanding and appreciation of the challenging demands being made by some DARD customers.

In light of the report and the subsequent comments made during the

discussion, it was suggested that AFBI should engage more directly with DARD customers to help both parties gain a better insight into the challenges facing each other and a better understanding of AFBI's position. The Executive agreed to give this suggestion further consideration.

**ACTION
Exec**

10. Finance

10.1 AFBI Budget Monitor Report

The report highlighted the financial position at 31 January 2013 and presented an overall forecast outturn for the current financial year as a surplus of £99k. The Executive also informed the Board that it was still awaiting confirmation of the rateable valuation figure from Land and Property Services in respect of AFBI Hillsborough.

Following presentation of the report, the Board raised a query regarding the classification of agency staff payments. The Executive agreed with the Board's view that these payments should in future be detailed under the heading of salaries and wages rather than as overheads and would aim to do so from the start of the next financial year.

Exec

10.2 Finance Improvement Plan

In presenting the report the Executive highlighted a number of updates in respect of the following key areas –

- *Financial reporting* – new financial reports have been produced for each division which facilitate accurate reporting at branch and project level.
- *Budgeting* – the AFBI Senior Management Team have agreed the current institute establishment but further work is required to agree the budgeted establishment for 2013/14.
- *Pegasus* – having successfully reconfigured the system to provide additional functionality, the Finance Improvement Project lead will work with the system suppliers to objectively assess the broader capabilities of the system with a view to informing a discussion about linkages with other AFBI systems.
- *9-Month Closedown* – 9-month accounts are to be produced in the week commencing 18 February 2013.

The Board was content with the progress being made in respect of the Finance Improvement Plan.

11. Business Planning

11.1 AFBI Business Plan Targets 2012/13 – Progress at 31 January 2013

The Board focused on the targets that have been classified as “*at risk of not fully achieving*” and the Executive provided explanations and reasons as to why this is likely to be the case.

The Board also approved the Executive's request to place the following targets on hold –

- Finalise and approve AFBI's Science Strategy by 30 December 2012.
- Agree and initiate an implementation plan for AFBI's Science Strategy by 30 January 2013.

11.2 Draft AFBI Business Plan 2013/14

In presenting the draft 2013/14 AFBI Business Plan the Executive highlighted the major dependence on non grant-in-aid income with the target for 2013/14 being £18.4m. The Executive also advised the Board that, whereas DARD had previously indicated that the 2013/14 budget figures provided by AFBI in October 2012 were for indicative purposes only, it has recently advised AFBI that this draft had in fact been treated by DFP as the agreed position. The Executive advised that the budget figures presented in the main body of the report were AFBI's current estimate of the 2013/14 budget and that the DFP-approved figures were those contained in the Annex. The Executive stated that it would seek to align both sets of figures at the June monitoring round. The Executive acknowledged that there are lessons to be learnt from this and if a draft budget has to be provided by October each year then AFBI and DARD will need to review the business planning process.

The Executive also drew the Board's attention to the assumptions that have had to be made when preparing this draft business plan. These included an assumption that DARD would provide funding for pay progression costs through the June Monitoring Round and that the cost of new R&D projects to be approved by DARD after preparation of the draft business plan would be balanced out by the scheduled ending of some existing R&D projects at 31 March 2013. The Executive advised that a paper relating to pay progression costs will be submitted to DARD shortly.

In the discussion that followed on the proposed key performance indicators (KPIs) and targets, it was agreed that AFBI scientists should publish in the journals with the highest impact factors relevant to the particular subject matter in order to maintain AFBI's international standing and facilitate entry to leading research consortia. Delivery of the proposed senior management and staff development programme was also discussed as well as the need to include some KPIs on the recommendations arising from the agreed HR Strategy.

Overall the Board were content to approve the draft 2013/14 AFBI Business Plan subject to the Executive making the agreed changes. This decision was ratified by the Board on a proposal from Mrs Hilary McCartan, seconded by Mrs Sarah Havlin.

Exec

12. Report from Finance Sub-Committee – Draft Minutes from Meeting held on 24 January 2013 ACTION

The draft minutes from the Finance Sub-Committee were circulated to members for noting. In presenting the draft minutes Mrs Hilary McCartan, Committee Chair advised that she had nothing further to add to the verbal report that she had given to the Board at the previous meeting. The Board were content to note.

13. Report from Audit Committee Meeting – Draft Minutes from Meeting held on 31 January 2013

The draft minutes from the Audit Committee meeting held on 31 January 2013 were circulated to the Board and duly noted. Mr Bob McCann, Committee Chair, highlighted two main issues.

The first is the Internal Audit Report on the Review of HR Management which had received a “*limited*” assurance rating. Mr McCann provided the background to the review and highlighted the main areas of concern which centred on AFBI’s use of agency staff and temporary promotions. AFBI management are currently in discussion with the Internal Auditors, DARD and the NIAO regarding queries over some aspects of the report.

The other issue relates to the request for an independent review of the service provided by HR Connect. Mr McCann reported that AFBI Internal Audit have stated that it would not be possible for this review to take place as part of the current audit plan. Nevertheless the Audit Committee have recommended to AFBI management that this request remain high on the agenda. The Executive agreed that it would carry out a review during the first half of 2013/14.

Exec

With regard to the report on the Review of HR Management the Board accepted that it will be for the AFBI Executive to provide the necessary assurances that the issues highlighted are being addressed and the recommendations contained in the report are being implemented. The Board noted that the Executive are due to submit a paper on this matter at the next meeting of the Audit Committee (May 2013) and the Board will be kept informed of developments.

**Chair of
Audit
Com**

14. Report from Science Strategy Committee – Draft Minutes from Meeting held on 22 November 2012

The draft minutes from the Science Strategy Committee meeting held on 22 November 2012 were circulated to the Board for noting. In the absence of Mr Alan McKeown, Committee Chair, Dr McMurray advised the Board that the committee were keen to develop a science strategy but this has been delayed due to the pending appointments of the new Heads of Divisions and other current priority pressures on the Senior Management Team. Dr McMurray also indicated that there was a need for the committee to review meeting dates given that the target in the AFBI Business Plan is to have an

AFBI Science Strategy in place by the 31 December 2013. The next meeting of the Science Strategy Committee is due to take place on Friday, 8 March 2013. **ACTION**

15. Report from AFBI / DARD / SIB / KPMG Working Group – Draft Minutes from meeting held on 1 February 2013

Prof McKelvey, Chair of the working group presented the Board with a copy of the draft minutes from the meeting held on 1 February 2013. In presenting the draft minutes for noting, Prof McKelvey stated that the meeting had provided a useful start and welcomed the input from the Strategic Investment Board. The next meeting will be held on Tuesday, 5 March 2013.

16. Rolling Database of Issues Raised at AFBI Board Meetings

The Board signified that it was content with the revised Rolling Database of Issues Raised at AFBI Board Meetings.

17. Date of Next Meeting

The next meeting of the AFBI Board will be held in the AFBI Boardroom, AFBI (HQ), Newforge on Tuesday 26 March 2013 at 9.30am and this will be followed by an Open Meeting. The Executive agreed that it would circulate a copy of the proposed programme for the event to Board members in advance of the event.

Exec

Signed: _____
(Chairperson)

Date: _____