



Minutes of the meeting of the Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Wednesday 27 August 2008 at 10.00 am

Present :

Board Members

Mr Seán Hogan, Chairperson
Professor David McDowell, Deputy Chairperson
Dr Christine Kennedy
Professor Stewart McNulty
Dr Michael Hollywood
Mr John Rankin
Mr James Noble
Professor Grace Mulcahy

In attendance: Dr George McIlroy
Dr Seamus Kennedy
Dr Mike Camlin
Dr Robin Boyd

Apologies: Mr Michael Walker
Mr Kieran Campbell
Mr Nicholas Mack
Mr John McKinley
Dr Sydney Neill

Welcome and Introduction

Mr Hogan welcomed all those present.

1. Minutes of the previous meeting held on 25 June 2008

It was proposed by Professor McNulty and seconded by Dr Hollywood that the minutes of the previous meeting be accepted subject to the following amendments:-

- Item 3.2 – Renewables Conference. Para 4, second sentence to read – “Mr Hogan also stated that he was confident that the event would be a success and present AFBI with a platform to raise its profile locally and internationally.”
- Item 4.8 – Outturn 2007-08 Business Plan and Commentary. Para 5 – delete.

- Item 4.8 – Outturn 2007-08 Business Plan and Commentary. Para 6 – remove the words “by the member of the Board”.
- Item 5 – Crossnacreevy Relocation. Para 5, first sentence to read – “In the discussion that followed members of the Board expressed strong concern about the possible damage to AFBI’s reputation amongst its stakeholders”.
- Item 5 – Crossnacreevy Relocation. Para 6 – delete.

2. Matters and Action Points arising from the Previous Board Meeting held on 25 June 2008

It was noted that all of the action points listed had been either been completed or would be addressed during the course of the meeting apart from the following items:-

- 2.1 Item 2.1 Appointment of a Business Manager - It was agreed that the presentation from the AFBI Business Manager be considered as part of the Agenda for the next meeting of the Board (11 September 2008 at VSD). However, if it is not possible to include the presentation then, it would be arranged for the October Board meeting (22 October 2008 at Loughgall).
- 2.2. Item 3.2 Renewables Conference – Dr Kennedy apologised to the Board for not being able to provide a brief as agreed. This was due to the fact that the situation remained fluid. It was noted that the matter would be addressed during the course of the meeting.
- 2.3 Item 5 Crossnacreevy Relocation – Dr Camlin informed the Board that estimated costs in respect of the relocation have been received from Central Procurement Directorate (CPD) but are far greater than what was originally anticipated by DARD. The Crossnacreevy Relocation Team (CRT) is continuing to work on the business case but there may be a slight delay in its completion as DARD have requested that CPD be asked to visit the proposed relocation sites with a view to examining whether any available facilities could be utilised to try to reduce the cost estimates.

The Board noted Dr Camlin’s report and Mr Hogan thanked Dr Camlin for the update. The Board accepted that there was no change in AFBI’s position and requested that the CRT continue work on the business case and that the Board be kept informed of developments.

ACTION: CRT to complete business case and Board to be kept informed of developments.

- 2.4 Item 6.1 – Rewards and Recognition to Staff Scheme. Dr Boyd informed the Board that he had received a detailed report from DARD in relation to this matter requesting further work to be carried out in

order to enhance AFBI's case for this Scheme. Dr Boyd asked the Board for time to analyse the report in more detail before presenting it for consideration.

ACTION: Dr Boyd to analyse report from DARD and present his findings / comments to the Board for consideration.

- 2.5 Item 7.2 – Ministerial Visit. Mr Hogan informed the Board that he had no success in securing a date for the Minister to attend a meeting with the Board and that the meeting scheduled for the 11th September 2008 had also been cancelled. It was now unlikely that a meeting with the Minister would take place until 2009. Board members were advised that the meeting scheduled for AFBI Stormont on 11 September 2008 would still proceed as arranged.
- 2.6 Item 7.3 – Accountability Training for Board Members. Board were advised that the Secretariat is liaising with AFBI Sponsor Branch re confirmation of dates and will contact Board members whenever further information is available.

3. Report from CEO's Office

3.1 AFBI draft Corporate Plan 2008-09 to 2010-11

Dr Boyd informed the Board that the draft AFBI Corporate Plan had been submitted to DARD but DARD had now requested that further amendments be made in relation to two main issues:

- Reference to the SAPO4 facility is removed.
- AFBI insert specific dates in respect of the stated aims and objectives.

A roadblock now exists in terms of finalising and approving the draft Corporate Plan and Dr Boyd sought advice from the Board on how it wished to take the matter forward.

In response, Mr Hogan stated that the AFBI draft Corporate Plan contains AFBI corporate objectives, one of which is AFBI's requirement for a SAPO4 facility. Furthermore, Mr Hogan was adamant that the Corporate Plan is an AFBI document and as such it was for AFBI to decide on the content of the Corporate Plan.

In the general discussion that followed, the Board strongly supported the view of the Chair. The Board agreed that the appropriate time for DARD to consider the feasibility or otherwise of a SAO4 facility was on receipt of the business case.

The Board also inquired if the Chair had received a reply to his letter to Mr Ronnie Jordan, DARD Under Secretary which accompanied the submission of the draft Corporate Plan to DARD. The Board were informed that no response had yet been received. The Board agreed that, given these latest developments, the Chair should write again to Mr Jordan restating that the Corporate Plan is an AFBI document, that

AFBI saw no reason for reference to SAPO4 facility to be removed and seeking a response to the previous letter.

The CEO in commenting on the Board's decision, stated that the Executive also believe it is not in DARD's gift to remove items from the Corporate Plan and supported the Board's decision to issue a further letter and seek a response to the previous correspondence.

Members indicated that they were content to see a copy of the letter following issue.

ACTION: Mr Hogan to write to Mr Jordan on behalf of the Board.

3.2 EU Recognition

The Board was informed that AFBI's application for EU recognition had been successful. CEO advised that while AFBI had been informed of the decision, as yet no written confirmation had been received and the Executive would be pursuing this.

ACTION: AFBI Executive to pursue written confirmation of AFBI's successful application for EU recognition.

3.3 Business Developments

Dr Boyd advised the Board that the AFBI Business Manager has been working on a number of issues, concentrating particularly on areas that were previously closed to DARD Science Service, such as funding programmes controlled by Invest NI. As well as being able to access the various funding programmes, there is also the possibility that Invest NI will recognise AFBI as a "Centre of Competence" which would help to extend AFBI's commercial base.

In addition to the ongoing work with Invest NI, AFBI is also exploring the possibility of becoming a partner Institute with Queen's University as part of its Questor programme and is also working with InterTrade Ireland through the Fusion programme.

It was noted that all of these issues are likely to be covered in more detail by the AFBI Business Manager during his presentation to the Board.

3.4 Annual Report 2007/08

The Board was informed that the 2007-08 Annual Report is due with the Northern Ireland Audit Office (NIAO) by Monday, 1 September 2008. Dr Boyd informed the Board that he would circulate the "scientific content" to both Board members and DARD prior to 1 September 2008 in order to have the report signed off, after which a draft would be presented to the NIAO.

A final draft would then be submitted to the NIAO on either Wednesday 3 September or Thursday 4 September, at which point no further changes would be considered. Any comments from Board members on the draft scientific content would be required no later than 31 August 2008. Dr Boyd apologised for the tight deadline.

ACTION: (1) Dr Boyd to circulate a copy of the “scientific content” to Board members and DARD for comment.

(2) Board members to respond no later than 31 Aug 08.

3.5 International Renewable Energy Conference and Exhibition (IREC)

Dr Boyd provided the Board with an update on the IREC. The Board was informed that final cost estimates are now available but these are dependent on the number of delegates attending and their choice of package. Dr Boyd stated that he was confident that if a deficit occurred, it would be towards the lower end of the scale.

With regard to the maximum number of delegates who can attend, Dr Boyd advised that this would be determined by the size of the room but he could not envisage a situation where anyone would be turned away.

To date, the feedback from Morrow Communications would suggest a positive response but it is still too early to confirm definite numbers. Work is ongoing in relation to other aspects of the programme and Dr Boyd agreed to pursue contacts with other Northern Ireland Civil Service (NICS) Departments.

In the general discussion that followed the Board referred to the lack of detail on the IREC website regarding speakers and topics. The Board requested that the AFBI Executive examine this with a view to having the details enhanced in order to attract delegates.

With regard to the Sponsorship Breakfast hosted by AFBI on 4th July 2008, the Board was advised that the event had been held and contacts were still being pursued. However, even though the event went well and the feedback was positive, AFBI was unable to secure as much sponsorship as it had hoped.

On commenting, Mr Hogan stated that he would not be too disappointed if there was a slight loss in view of the fact that:

- (i) this was AFBI’s first major conference
- (ii) that the IREC was an exciting prospect for AFBI and offers the potential to showcase the organisation.

The Deputy Chair advised that it was important that costs were controlled. In response the CEO assured the Board that the Executive were organising the event in a totally professional manner following

which the accounts and any associated running costs would be open to scrutiny and fully auditable as with all monies managed by the Executive team.

It was suggested and agreed that the Chair would seek advice from the DARD Minister regarding the protocol for contacting other Northern Ireland Executive Ministers.

ACTION: Mr Hogan to seek advice from DARD Minister re the protocol for contacting other NI Executive Ministers.

4. Report from Business Support Unit

The CEO gave a report to the Board on behalf of the Business Support Unit.

(i) Risk Management

There are no changes to the Corporate Risk Register.

(ii) Fraud

The CEO reported that Divisional Heads were not aware of any Fraud within their areas. However, the CEO noted that an active ongoing investigation of a case of fraud was being carried out and he would report further at the September meeting.

(iii) Health and Safety

No health and safety incidents to report.

(iv) Finance

A report detailing AFBI's current financial position was presented as a paper to the Board prior to the meeting.

In commenting on the report, the CEO made particular reference to the "spend to date" figures and given that AFBI is currently a third of the way through the present financial year, the expected total spend to date should be in the region of $33\frac{1}{3}\%$ and in fact the report shows that this is 36%.

With regard to other aspects of the report, the CEO asked the Board to note that there were no major concerns relating to the low percentage figure in respect of income as the majority of income is not received until the final third of the financial year.

In supporting this view, Dr Camlin assured the Board that all AFBI Divisions are expecting a rise in income during this current financial year.

The Board acknowledged AFBI's achievement in securing additional income particularly in light of the current economic downturn and worldwide financial climate.

CEO also took the opportunity to highlight another issue which may have a significant financial impact on AFBI. This matter relates to an issue which predates the creation of AFBI and centres on the equality of pay for civil servants at the lower end of the administrative grades. The Northern Ireland Executive has given a commitment to resolving the issue and to making any necessary back payments. However, in order to meet this commitment, funds will have to be found within current departmental budgets, and as part of this, AFBI has been requested by DARD to formulate plans for releasing approximately £1m if required.

The Board was informed that the AFBI Executive has undertaken an initial examination and are in the process of finalising plans. It was agreed that the Executive would keep the Board fully informed of developments.

ACTION: The AFBI Executive to finalise plans to relinquish funds if necessary and keep the Board fully informed of developments.

(iv) AFBI Draft Business Plan 2008/09

The Board was informed that AFBI Sponsor Branch was keen to ensure that the Corporate Plan and the Business Plan complemented each other and that the performance parameters in the Business Plan are set correctly. The CEO confirmed that this was work in progress and Dr Boyd was instructed to take the matter forward on behalf of the Executive.

ACTION: Dr Boyd to address outstanding issues and take the matter forward on behalf of the Executive.

5. Report from AFBI Performance Review Meeting

Mr Hogan informed the Board that the Performance Review Meeting (PRM) involving himself, members of the AFBI Executive, DARD Minister and the DARD Permanent Secretary had taken place as planned. The meeting had been very positive with the Minister and the Permanent Secretary both indicating that they were completely satisfied with the manner in which AFBI's business is being conducted. There were no concerns raised and the Minister and Permanent Secretary were content to address the issues presented to them.

With regard to the report on the Validation of the AFBI Business Plan for 2007/08, AFBI were mildly criticised but DARD accepted that the report was not a fair reflection of AFBI's overall achievements.

There was also some mild criticism regarding the manner in which the AFBI Business Plan had been presented. Reference was also made to

the SAPO4 facility. The Minister inquired about the current position of the proposal and was informed by the CEO that a business case was in the process of being completed. The Permanent Secretary advised that he was aware of the proposal and was awaiting the business case.

In supporting the comments of the Chair, the CEO added that the progress shown by AFBI in relation to the introduction and publishing of its policy documents such as the Anti-Fraud and Whistleblowing Policy and the Health and Safety Policy was acknowledged and the Minister and Permanent Secretary stated that they were content.

Mr Hogan advised the Board that he had informed the Minister that the Board would be initiating an inward focusing review on the performance of the Board and AFBI Senior Management. Mr Hogan would now be writing to the Centre for Public Communication Research (CPCR) seeking advice on how this could be achieved. Mr Hogan agreed to keep the Board informed on developments.

The Board inquired if there was an agreed minute of the meeting. The Chair confirmed that there was a record of the meeting, but advised that he had not as yet seen a final minute. It was agreed that the Executive would pursue this matter and a final minute would be presented to the Board as a paper at a future meeting.

The Board also agreed that in light of the difficulties being experienced, particularly in obtaining approval for the AFBI Corporate Plan and as a follow up to the PRM, it would be useful to hold a joint meeting with the DARD Departmental Management Board (DMB). It was agreed that the Chair issue a letter of invitation to the DARD Permanent Secretary inviting DMB to AFBI Headquarters, Newforge.

ACTION: (i) Mr Hogan to write to CPCR re advice on an “inward facing review” and keep Board informed of developments.

(ii) AFBI Executive to pursue final minute of the PRM and submit to Board as a paper during a future meeting.

(iii) Mr Hogan to write to the DARD Permanent Secretary with an invitation to hold a joint meeting of the AFBI Board and the DARD Departmental Management Board.

(Following discussion after the Board meeting, the Chair and CEO agreed to hold the invitation pending a possible discussion with the DARD Minister at the forthcoming National Ploughing Championships in Kilkenny.)

6. Report from Audit Committee

The draft minutes of the AFBI Audit Committee (A.C.) meeting held on 1 July 2008 and a covering report from the Chair of Committee, Dr Hollywood, were circulated to the Board prior to the meeting.

In presenting his report, Dr Hollywood highlighted several key points:

(i) A.C. delight at the Northern Ireland Audit Office's (NIAO) response to the first draft of the 2007/08 accounts and their acknowledgement of the progress and improvement in the quality of the accounts.

(ii) pleased to see the surge in activity in clearing the majority of audit recommendations and while this indicated good progress, there was still much to do and the matter should be kept under review.

(iii) acknowledgement of the good progress made on the recommendations relating to the Management of Research Contracts and the fact that the NIAO did not think that this matter would be so significant for their audit.

(iv) the Corporate Risk Register is undergoing an in depth management review with one risk in particular, "failure to respond effectively to an emergency", causing some concern as it has risen from the lowest level to the second level since the last A.C. report. The A.C. will return to this important issue following completion of the review.

In conclusion, Dr Hollywood congratulated the Executive Team on the progress made to date.

In the discussion that followed, Mr Hogan acknowledged the great deal of work undertaken by the A.C. and thanked it for ensuring that the stewardship of the Board was being managed effectively. Mr Hogan stated that he was delighted to have received this record and thanked Dr Hollywood for his report and comments.

The Board supported the comments of the Chair and in the discussion that followed, reflected on the level of audit activity within the organisation and the role of DARD IA. In response Dr Hollywood said the Board should take comfort that there are two sets of internal auditors but their activity should be monitored as it undoubtedly has an impact on daily operations. With regard to the presence of DARD I.A., Dr Hollywood advised the Board that their continued involvement was seen as being helpful.

The CEO also supported the comments of the Chair and commended the A. C. on their professionalism. However, CEO advised the Board that he did not envisage a downturn in the number of audit inspections particularly in the short term.

2007/08 Accounts

Dr Hollywood advised the Board that the draft annual accounts were produced on 1 July 2008 but the A.C. wasn't able to examine these due to the impending deadline for submission to the NIAO. A provisional meeting date for the A.C. has been set aside for the 9 September 08 to consider any issues that may arise in respect of the 2007-08 accounts but given the fact that the Annual Report has to be submitted to the NIAO prior to the date, this meeting may no longer be necessary.

ACTION: Dr Boyd and Dr Hollywood to take matters forward in respect of the Annual Report and Statement of Accounts and arrange a meeting for 9 September 08 if required.

7. DARD Draft Evidence and Innovation Strategy Consultation Document and draft AFBI Response

A copy of DARD's draft Evidence and Innovation Strategy Consultation document accompanied by a draft AFBI response was circulated to the Board prior to the meeting.

During the general discussion, the Board made some additional comments some of which were:

(i) Para 3 – further adjectives to be included to highlight AFBI's unique status in terms of the science it provides.

(ii) Para 2 – rather than express concern about DARD's aspirational target to put 50% of its R&D (Research and Development) out to competitive tender, AFBI should acknowledge the target and indicate that it is confident in its ability to successfully bid for this work. However, AFBI should also suggest that the DARD criteria should take account of local interests and signify that the default contractor for R&D is AFBI.

(iii) That the AFBI Executive take note of the indicators being given by DARD through this document and the Executive build on these by tailoring an organisation that will be able to meet DARD's requirements. In response the CEO confirmed that the AFBI Executive had taken note of these indicators and was well placed to meet the needs of DARD.

In light of the comments and suggestions made during discussion, the Board agreed that the CEO amend the proposed response and re-issue to Board members for final comment prior to submission.

The Board also agreed that any response should be made public.

ACTION: CEO to amend proposed draft response and reissue to the Board for comment prior to the deadline for submissions which is 4 September 08.

8. **Any Other Business**

1. Revised dates and arrangements for Board meetings.

Mr Hogan apologised to the Board for making changes to the original schedule but emphasised that this was done to accommodate a meeting with the Minister. In view of the changes made to the original schedule the Board were asked to note and approve a revised version for the remainder of 2008.

Subject to a further change to the November meeting, when it was agreed that the Board would visit AFBI Hillsborough, the Board accepted the revised schedule.

ACTION: Board Secretariat to amend list of meetings and arrangements and issue a revised list to the Board.

2. Rolling database of issues raised at Board meetings

Board noted the changes made to the rolling database since the last meeting and acknowledged that the majority of the items had been discussed during the course of this meeting.

ACTION: Board Secretariat to note current position and update rolling database as necessary.

3. Loughgall Open Day – 17 September 2008

Mr Hogan highlighted the date and time of the Loughgall Open Day and issued an invitation to all Board members.

4. Board Members Individual Performance Assessments (IPA)

Mr Hogan advised the Board that their IPAs were almost complete and would be with them within the next ten days. Members were asked to check the details and return the forms as soon as possible.

ACTION: (i) Mr Hogan to issue assessment forms to Board members.

(ii) Board members to check details and return forms as soon as possible.

9. Date of the Next Meeting:

It was noted that the next date of meeting would be 11 September 2008 in AFBI Stormont at 10am.

Signed: _____
(Chairperson)

Date: _____

Matters arising and action points from meeting on 27 August 08

1.	<i>Item 2.3</i>	<u>Minutes and Action Points of the previous meeting held on 25 June 2008 – Crossnacreevy Relocation</u> <ul style="list-style-type: none"> CRT to complete business case and keep Board informed of developments. 	MC
2.	<i>Item 2.4</i>	<u>Rewards and Recognition to Staff Scheme</u> <ul style="list-style-type: none"> Dr Boyd to analyse report from DARD and present his findings / comments to Board for consideration 	RB
3.	<i>Item 3.1</i>	<u>AFBI draft Corporate Plan</u> <ul style="list-style-type: none"> Mr Hogan to write to Mr Jordan on behalf of the Board. 	SH
4.	<i>Item 3.2</i>	<u>E.U. Recognition</u> <ul style="list-style-type: none"> AFBI Executive to pursue written confirmation of AFBI's successful application for EU recognition. 	Executive
5.	<i>Item 3.4</i>	<u>Annual Report 2007/08</u> <ul style="list-style-type: none"> Dr Boyd to circulate a copy of the "scientific content" to the Board and DARD for comment. Board members to respond no later than 31 August 08 	RB Board
6.	<i>Item 3.5</i>	<u>International Renewable Energy Conference (IREC)</u> <ul style="list-style-type: none"> Mr Hogan to seek advice from DARD Minister re the protocol of contacting other Northern Ireland Executive Ministers. 	SH
7.	<i>Item 4.3</i>	<u>Report from BSU - Finance</u> <ul style="list-style-type: none"> AFBI Executive to finalise plans to relinquish funds, if required and keep the Board fully informed of developments. 	Executive
8.	<i>Item 4.4</i>	<u>AFBI draft Business Plan</u> <ul style="list-style-type: none"> Dr Boyd to address outstanding issues and take the matter forward on behalf of the Executive. 	RB

9.	<i>Item 5</i>	<u>Report from AFBI Performance Review Meeting (PRM)</u> <ul style="list-style-type: none"> • Mr Hogan to write to CPCR re advice on an “inward facing review” and keep Board informed of developments • AFBI Executive to pursue final minute of the PRM and submit to Board as a paper during a future meeting. • Mr Hogan to write to the DARD Permanent Secretary with an invitation to hold a joint meeting of the AFBI Board and the DARD Departmental Management Board. 	SH Executive SH
10.	<i>Item 6</i>	<u>Report from Audit Committee</u> <ul style="list-style-type: none"> • Dr Hollywood and Dr Boyd to take matters forward in respect of the Annual Report and Statement of Accounts and arrange a meeting for 9 Sept 08 if required. 	MH / RB
11.	<i>Item 7</i>	<u>DARD draft Evidence and Innovation Strategy Consultation Document and draft AFBI Response</u> <ul style="list-style-type: none"> • CEO to amend proposed draft response and reissue to the Board for final comment prior to the deadline for submissions which is 4 September 2008. 	CEO
12.	<i>Item 8.1</i>	<u>Revised Dates and Arrangements for Board Meetings</u> <ul style="list-style-type: none"> • Board Secretariat to amend list of meeting dates and arrangements and issue a revised list to the Board. 	Secretariat
13.	<i>Item 8.2</i>	<u>Rolling Database of Issues Raised at Board Meetings</u> <ul style="list-style-type: none"> • Secretariat to note current position and update rolling database. 	Secretariat
14.	<i>Item 8.4</i>	<u>Board Members Individual Performance Assessments (IPA)</u> <ul style="list-style-type: none"> • Mr Hogan to issue assessment forms to individual Board members within next ten days. • Board members to check details and return forms as soon as possible. 	SH Board Members