



**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI (HQ) Newforge
on Tuesday 27 November 2012 at 10.00am**

Present – Board Members

Mr Sean Hogan
Prof William McKelvey
Mrs Hilda Stewart
Mrs Sarah Havlin
Mr Trevor Hinds
Prof Patrick Murphy
Mr Bob McCann
Mrs Hilary McCartan
Dr Cecil McMurray
Mr Alan McKeown
Mr Ken Millar

In Attendance - AFBI Executive

Prof Seamus Kennedy, CEO
Dr Walter Crozier, DCEO - AFESD (Acting)
Mr Joel Ferguson, Head of Corporate Services Division (Acting)
Mr Darren Griffiths, Interim Director of Finance
Mr Paul Brennan, Head of AFBI HR

Mr David Armstrong, AFBI Biometrics and Information
Management Systems Branch
Dr Linda Farmer, Head of AFBI Food Chemistry Branch
Mr Stephen Cousins, AFBI Secretariat

1. Welcome and Introduction

ACTION

The Chair opened the meeting and welcomed all present.

2. Apologies

Apologies were received on behalf of the following –

Mr Seamus McCaffrey AFBI Board Member
Mr David Lindsay AFBI Board Member
Dr Michael Camlin, DCEO - APSBD
Dr Glenn Kennedy DCEO – VSD (Acting)

3. Conflict of Interests Declaration

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

(Dr Armstrong entered the meeting.)

4. Presentation on Draft AFBI Records Management Policy & Strategy

Dr Armstrong provided the Board with an update on the progress made in the development of an AFBI Records Management Policy and Strategy following the previous presentation made during the AFBI Board meeting in April 2012.

ACTION

Dr Armstrong informed the Board that the draft policy had been reviewed by staff in both the Department of Agriculture and Rural Development for Northern Ireland (DARD) and the Public Records Office for Northern Ireland (PRONI) and both bodies were content.

The Executive informed the Board that following approval of the draft policy a working group would be established to finalise a business case in support of an electronic document records management system (EDRMS). During further discussion the Board made clear the need for the Executive to ensure that whatever option is chosen that value for money must balance the cost against the overall requirements of the organisation.

Exec

On a proposal from Mr Alan McKeown seconded by Mrs Hilary McCartan the Board approved the draft policy.

(Dr Armstrong left the meeting)

5. Draft Minutes of the Previous AFBI Board Meeting held on 23 Oct 2012

On a proposal from Mr Hinds seconded by Mrs McCartan, the Board approved the draft minutes from the October AFBI Board subject to the following amendment –

Item 16.2 – Whistleblowing and Fraud – insert the following paragraph as a bullet point after “Theft of apples – a half” -

Sec

“Dr McMurray raised an issue of potential fraud. The Board agreed to hold a closed session which Dr McMurray attended for the initial stages. He then retired from the meeting while the Board discussed the matter in closed session.”

6. Matters Arising/Action Points from Previous AFBI Board Meeting held on 23 October 2012

6.1 Invitation to Visit Lough Neagh Eel Fishery

The Chair acknowledged the Board’s intention to accept an invitation to visit the Lough Neagh Eel Fishery and gave a commitment that it would do so sometime during 2013.

6.2 Proposed Presentation by the Institute of Grocery Distribution

The Chair informed the Board that he would pursue this matter outside the Board meeting and no further action was required.

6.2.1 AFBI Open Meeting

Following a query from a member of the Board the Chair made reference to recent correspondence and information that had been received regarding this

matter. In view of this information the Chair stated that he was satisfied that it was a matter for the Board to decide on the format and timing of this event. **ACTION**

Following a lengthy discussion during which reference was made to AFBI's stakeholders, AFBI staff and the need for AFBI to use such an occasion as an opportunity to showcase its work and successes, the Chair agreed that the CEO and he would reflect on the comments made and devise an appropriate schedule that would encompass all of the points that had been made.

**Chair /
CEO**

The Chair also accepted the Board's view that AFBI should organise an annual event to launch the Annual Report and Statement of Accounts and highlight AFBI's achievements made during the previous year.

Chair

6.3 Review of Board Members Register of Interests

The Chair informed the Board that the CEO and he had reviewed the Board members Register of Interests and both are satisfied that there is nothing of significance to note.

6.4 Letter for the Minister

The CEO reported that he was finalising the letter to the Minister and would circulate a copy to Board members in due course.

CEO

The CEO informed the Chair that the letter would be with the Minister in advance of the forthcoming meeting between the Minister, the Chair and Deputy Chair on Tuesday 4 December 2012.

6.5 Pensions

The Executive provided the Board with an explanatory note in respect of the rules governing the Principal Northern Ireland Civil Service Pension Scheme and particularly the section dealing with the impact on pensions due to commercial activities.

The Board and the Executive acknowledged that there was still some clarity required given that there are a number of interlocking issues and agreed to discuss the matter in more detail during the forthcoming Strategy Day on Thursday 6 December 2012.

**Board /
Exec**

6.6 Update on the Implementation of Recommendations Arising from the Organisational Review of AFBI

The Board agreed that a second opinion was required following DARD's evaluation of the proposed Grade 6 post for Business Development and Customer Relations Manager.

Exec

In the discussion that followed the Board acknowledged that there was an issue that needs to be resolved but if a satisfactory resolution could not be found then the matter will be considered in the context of the development of

a commercial arm.

ACTION

The Board also expressed a keen interest in finding out when AFBI would be in a position to carry out its own post grading evaluations independently of DARD.

Exec

6.7 Presentation on the Sponsorship Manual

The Executive are planning to make a presentation on the Sponsorship Manual to the AFBI Board at its meeting in December 2012 but it was noted that DARD will not be involved at this stage.

Exec

6.8 Rolling Database of Issues Raised at Previous Board Meetings

The Chair suggested that the future of the Rolling Database be included on the agenda for the Board meeting in January 2013.

Sec

7. Chair's Business

The Chair took the opportunity to thank Mrs Hilda Stewart for chairing the previous Board meeting at such short notice and congratulated her on the manner in which she had conducted the business.

The meeting with the DARD Minister, Mrs Michelle O'Neill, scheduled for 5 November 2012, had been cancelled at her request due to other diary commitments. However, this has now been rescheduled for Tuesday 4 December 2012.

A joint meeting of the DARD and AFBI Boards has now been confirmed for 6 February 2013 and will be held in DARD HQ, Dundonald House.

The Chair also informed members of his intention to hold a closed session of the AFBI Board following the conclusion of today's meeting.

8. CEO's Report

8.1 Northern Ireland Audit Office Review of 2011/12 AFBI Accounts

The Comptroller and Auditor General had signed the audit certificate and report to the Northern Ireland Assembly on AFBI's accounts for 2011/12 on 29 October 2012. The report was laid before the Northern Ireland Assembly on 12 November 2012. Preparatory work is now underway in advance of a 9-month closure of the 2012/13 accounts in early January 2013.

8.2 Recurrent Capital

DARD had indicated informally that bids for a slurry holding tank for AFBI Hillsborough and for security works at the refurbished isolation laboratory at AFBI Stormont, made during the recent Monitoring Round, had a very high likelihood of success. The procurement process has now commenced and

will be progressed as far as possible pending formal approval of the bids.

ACTION

8.3 Equal Pay Issue

A business case was forwarded to the Department of Finance and Personnel (DFP) by DARD on 25 October 2012 with a request that a response be provided by 30 November 2012. AFBI have updated Trade Union Side on progress.

8.4 Update on the Implementation of Recommendations Arising from the Organisational Review of AFBI

The post-interview stages of the recruitment competitions for the two Science Director posts and the G6 Head of Finance post are well underway and interviews for the G6 Head of Finance post have been scheduled.

Professor McKelvey has agreed to sit on a joint AFBI / DARD / Strategic Investment Board group set-up to take forward the KPMG recommendation on setting up of a commercial arm and to identify potential solutions to the problems associated with lack of budget flexibility at year end.

8.5 AFBI Estate

DARD are preparing a revised Strategic Outline Business case for submission to DFP and Central Procurement Division are currently developing feasibility costings for replacement and / or refurbishment of the Main Building at AFBI Stormont.

The CEO referred to an event he had attended at which possible options for the development of the Maze/Long Kesh site were discussed with the Chair and Chief Executive of the Maze/Long Kesh Development Corporation. The Board encouraged the CEO not to lose sight of this fantastic opportunity and to devote as much of his time as is necessary to this issue.

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

AFBI and DARD are still waiting on the second draft of the NIAO's draft report.

8.7 Business Development Executive (BDE) in the USA

The Board noted the progress being by the BDE Mr Ray Atkinson and were very encouraged by the report.

On a request from the Board the Executive agreed to let the Board have sight of the performance targets that have been set for Mr Atkinson.

Exec

8.8	<u>China Visit</u>	ACTION
	<p>The CEO reported on AFBI's recent visit to China.</p> <p>The DARD Minister, Michelle O'Neill MLA, had attended the signing of collaborative agreements between AFBI and the Chinese Academy of Agricultural Sciences (CAAS) and the Shanghai Academy of Agricultural Sciences (SAAS). The Board congratulated all those from AFBI who were involved in the visit.</p> <p>The Board also acknowledged that the link with China was a very important one and encouraged the Executive to strengthen it at every opportunity.</p>	
8.9	<u>Research Funding</u>	
	<p>Confirmation of 7 successful research project bids to the Department of Agriculture, Food and Marine, in partnership with institutes in the Republic of Ireland, has been received.</p> <p>The Board were delighted with the successful outcome of the bids and asked the Chair to write to congratulate the staff involved.</p>	Chair
8.10	<u>Award to Staff Member</u>	
	<p>Mention was also made of a recent award of "Farmer Champion" given to Mr David Johnston, AFBI Loughgall during the recent Farming Life / Danske Bank Lifetime Achievement Awards. The Board asked the Chair to forward a letter of congratulations to Mr Johnston on its behalf in recognition of his achievement.</p>	Chair
9.	Reports from Divisions	
9.1	<u>Report from Veterinary Sciences Division (VSD)</u>	
	<p>In the absence of Dr G Kennedy the CEO presented the divisional report on behalf of VSD.</p> <p>The Board queried the likely impact on AFBI following the substantial change in TSE legislation on the testing of healthy animals that is proposed to come into effect in early 2013. In reply the Executive advised that it would report the extent of reduction in samples to be submitted for testing to the next Board meeting.</p>	Exec
9.2	<u>Report from Applied Plant Science and Biometrics Division (APSBD)</u>	
	<p>In the absence of Dr Camlin the CEO presented the divisional report on behalf of APSBD.</p> <p>The report included an update on the ash dieback disease that is currently spreading throughout Great Britain. In the discussion that followed the CEO assured the Board that AFBI have the diagnostic capability and sufficient</p>	

resources to deal with the present situation but the future position would become clearer following a meeting with DARD due to take place later today (Tuesday 27 November 2012).

ACTION

Commenting on the status of the progress report on APSBD divisional key performance indicators (KPIs), the Board queried the status of one particular KPI as it did not marry with the net forecast position as stated in the main report. The Executive accepted that there was a discrepancy but advised that this could be a presentational issue and agreed to examine the details and provide an update for the next Board meeting.

Exec

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

Dr Walter Crozier presented the AFESD divisional report and made special mention of a number of items including the DAIRYMAN project and various successful and in-flight research project bids.

Attention was also drawn to a meeting that had taken place with AFBI's Scottish counterparts relating to the future of research vessels. This meeting had reinforced the need for AFBI to keep in mind future developments within this area and consideration of the need for a replacement vessel sometime in the near future. Both the Executive and the Board accepted that this would necessitate a major strategic decision and it was also noted that such issues would also be very much in the vision of the Science Strategy Committee.

9.4 Report from Corporate Services Division (CSD)

Mr Joel Ferguson presented the CSD divisional report and highlighted a number of issues for the benefit of Board members.

Following presentation of the report, the Board focused on the resourcing within AFBI Innovations and the unsuccessful attempts to fill the Contracts and IP Manager post. As this is the second occasion that an external recruitment competition has failed to appoint the Executive are actively pursuing candidate feedback and a lessons learned exercise will take place before any further recruitment exercises are undertaken.

The report also highlighted the work being carried out on the development of corporate KPIs that will be introduced in 2013/14 and the need to link these to divisional, branch and individual performances thereby establishing a formal performance management and accountability framework.

The Board thanked the Executive for each of the reports and with all the work that is currently taking place within AFBI, also accepted a suggestion that commencing in the New Year, Heads of Division should be given the opportunity to make more formal presentations and be afforded the time to discuss the work within the divisions in more detail.

(Dr Farmer entered the meeting)

10. Presentation – AFBI Strategic Cost Model (SCM)

ACTION

A presentation on the development of an AFBI Strategic Cost Model and how to define the cost of AFBI's core capability (or platform) was given by Dr Linda Farmer.

The Board were very pleased to note the progress that has been made in relation to this project and congratulated the project team on their efforts.

The Board also noted the proposed timeframe and encouraged the Executive and the project team to continue with the good work as it will prove crucial in determining the cost of the DARD assigned work programme and the overall future sustainability of AFBI.

(Dr Farmer left the meeting)

11. Finance

11.1 AFBI Budget Monitor Report

This is the first report using the new format as agreed at the October AFBI Board meeting and previously by DARD.

Overall AFBI are still forecasting a surplus at yearend but this is subject to obtaining a figure for the rateable revaluation of the AFBI Hillsborough site. A meeting with Land and Property Services is due to be held tomorrow (Wednesday 28 November 2012) and the Executive would hope to learn of the outcome of the revaluation exercise in advance of the next AFBI Board meeting.

The Executive also highlighted an improvement in the current position of AFBI's debtors and the high level of invoices being paid promptly as confirmed in the prompt payment statistics. This was noted and welcomed by the members of the AFBI Board.

In terms of the actual Budget Monitor, the Board suggested a number of further improvements such as the introduction of an easy-to-read table showing the current financial position of each Division and a redefining of the use of brackets to highlight the difference between plus and minus figures. The Executive agreed to consider these points and following agreement with DARD, put any changes into effect from 1 April 2013.

Exec

11.2 Finance Improvement Plan

The Board were provided with an update on the progress being made in respect of the implementation of the Finance Improvement Plan.

The Executive highlighted a number of key issues including a plan to readjust the current configuration of the financial management system to further improve its functionality.

Having considered the update the Board expressed surprise that a Financial Scheme of Delegation will not be available until the final quarter of the current financial year. The Executive explained that it would be bringing a comprehensive scheme to the Board in Q1 2013. However, as an interim measure to provide reassurance to the Board it agreed to provide the Board with a short paper on delegated limits at the December Board meeting.

11.3. Corporation Tax

The Executive informed the Board that Her Majesty's Revenue and Customs (HRMC) require AFBI to register for Corporation Tax and provide retrospective returns dating back to 2006.

In order to meet HRMC requirements AFBI have estimated that approximately twenty days of external support will be necessary and confirmation has been received that the DARD Minister has approved a business case in this respect. AFBI will now initiate a tendering process to appoint someone with the necessary skills to undertake the work.

The Board thanked the Executive for the paper and signified its support for the action being taken.

12. AFBI Board Finance Sub-Committee

The Board were advised that there was nothing further to add to the report given at the previous AFBI Board meeting and that the draft minutes were being presented only for noting. The next meeting of the Finance Sub-Committee will be held in January 2013.

The Board accepted the draft minutes as a written record of the Finance Sub-Committee meeting held on 18 October 2012 and were content to note.

13. AFBI Business Plan 2012/13 – 2nd Quarter Outturns

A paper detailing the outturns against business plan targets for the period ending 30 September 2012 was presented for noting and consideration.

During the presentation the Board were asked to approve two of the targets being placed on hold namely the production of an "AFBI Estate Strategy VSD Stormont Outline Business Case" and the implementation of a balanced scorecard at corporate level.

In the discussion that followed the Board expressed concern that the implementation of a balanced scorecard was being put on hold. However, the Executive assured the Board that it would be implemented during 2013/14 but the main focus at this point has to be the introduction of a performance management framework with an emphasis on KPIs and strong accountability at every level of the organisation. This would be the core of a balanced scorecard.

The Executive were also asked to note that the target relating to an implementation plan for AFBI's Science Strategy would not be achieved by the stated deadline as there was still a considerable amount of work to be carried out and that the Board had previously requested that the new Science Directors be involved in the process before it was completed.

14. AFBI Board Strategy Day – Thursday 6 December 2012

The Board were content to note the plans for the forthcoming Strategy Day which had been circulated electronically to Board members in advance of today's meeting.

15. AFBI Science Strategy Committee (SSC)

Board members received confirmation that the SSC had met on Thursday 22 November 2012. The Executive have now been tasked with providing a paper focusing on key strategic themes in time for the next meeting of the SSC in February 2013.

The SSC had also reviewed and revised the Committee's Terms of Reference (ToR) a copy of which had been circulated electronically to Board members in advance of today's meeting. The Board accepted the changes made to the ToR.

16. AFBI Appointments & Remuneration Sub Committee

Prof McKelvey, Chair of the Appointments and Remuneration Committee, confirmed that the A&R Committee had met on Monday 26 November 2012 and had considered a number of items including:-

Draft AFBI HR Strategy – this was considered as a follow-up to the presentation made to the AFBI Board meeting in August 2012. The A&R Committee have made a number of suggestions and the Executive have agreed to redraft the HR Strategy and represent it at the AFBI Board meeting in December 2012.

Exec

HR Connect – the A&R Committee are recommending that AFBI Internal Audit initiate an internal review of HR Connect and Prof McKelvey will address this issue during a forthcoming meeting with the Head of Internal Audit.

AFBI HR Annual Report – the A&R Committee have asked the Executive to produce an AFBI HR Annual Report and the Executive have agreed to let the A&R Committee have sight of a first draft in time for the next A&R Committee meeting in 2013.

17. Governance Issues **ACTION**

17.1 AFBI Risk Management

There are no new or emerging risks to report.

The Executive agreed that, as part of its risk management strategy, it will present another risk for scrutiny at next month's Board meeting and will continue to do so on a bi-monthly basis.

The Executive informed the Board that DARD have reviewed the AFBI Corporate Risk Register and have commented positively on its content. One suggestion that the Executive will consider is the creation of a separate risk in respect of the AFBI estate.

17.2 Whistle blowing and Fraud

The Executive provided the Board with an update on ongoing cases –

Misuse of AFBI vehicles – a report is with AFBI for the consideration of the decision officer.

Misuse of Fuel – the investigation is still ongoing with nothing further to report at this time.

Reference was made to a third matter under this agenda item. As the CEO and Dr McMurray had potential conflicts of interest, the Board agreed to discuss the matter during a closed session at the end of the meeting.

17.3 Health and Safety

The Board were made aware of an incident in which the RV Corystes had come unacceptably close to another vessel while entering Belfast Harbour. The ship's management company had received confirmation that the Belfast Harbour Authority is content with the action that it has put in place to prevent a recurrence.

As a matter of course the matter has also been reported to the Marine Accident Investigation Board (MAIB) of the Department of Transport but it is thought unlikely that MAIB will take any further action.

18. Stress In the Workplace

At the request of the Board, the Executive agreed to hold this matter until next month's Board meeting in order to allow time for a more in-depth discussion to take place.

**Exec /
Sec**

19. Any Other Business

ACTION

19.1 Rolling Database of Issues Raised at Previous AFBI Board Meetings

Members were content to note the updates made to the Rolling Database.

19.2 Ministerial Appointment

The CEO made reference to the recent announcement by the DARD Minister that DARD would be appointing a facilitator whose main aim would be to assist industry and research organisations, including AFBI, in the drawdown of EU funding. The successful appointee will be based in AFBI.

20. Date of Next Meeting

The next meeting of the AFBI Board will be held in the AFBI Boardroom, AFBI (HQ), Newforge on Tuesday 18 December 2012 commencing at 10am.

21. Closed Session

At the request of the Chair, Board members and Mr Ferguson remained for a closed session. Due to a potential conflict of interest, Dr McMurray attended this session for a short time only.

Signed: _____
(Chairperson)

Date: _____