



**Minutes of the Meeting of the  
Agri-Food and Biosciences Institute (AFBI) Board  
held at AFBI Stormont  
on Tuesday 29 October 2013 at 10.00am**

**Present – Board Members**

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

**In Attendance - AFBI Executive**

Prof S Kennedy, Chief Executive Officer  
Mrs L Hogg, Director of Finance and Corporate Affairs Division  
Dr S McDowell, Director of Veterinary 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 welcomed all present and said that the particular focus of the meeting would be on the Budget Monitor Report.

**2. Apologies**

Apologies were received on behalf of Mrs S Havlin and Mr K Millar, AFBI Board members.

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

Apart from a declaration from Mr Hinds in relation to an issue under Agenda item no 8, no conflicts of interest were declared and there were no changes to Board members' Register of Interests.

**4. Draft Minutes of the Previous AFBI Board Meeting held on 24 September 2013**

On a proposal from Mrs Stewart, seconded by Mr Hinds, the draft minutes from the previous AFBI Board meeting held on 24 September 2013 were approved subject to the following amendment:

Item 6.1 – Meeting with the DARD Minister – 16 September 2013 – first paragraph, delete the last two sentences.

**5. Action Sheet from Previous AFBI Board Meeting held on 24 September 2013** **ACTION**

Progress against actions was noted as per the Action Sheet.

**6. Chairman's Remarks**

The Chair advised that he had no major issues to report on.

**7. Executive Report**

The CEO presented the Executive Report which was taken as read and informed the Board that AFBI had not received any further information in respect of its bid to host the Agri-Food Competence Centre.

The CEO advised the Board that the Executive was under extreme pressure with the preparatory work for the PAC hearing, as well as having to develop and implement financial savings plans, and that it would have to reassess its Corporate Targets for the year and consider whether all could be delivered.

The Board noted the workload on the organisation and the ongoing preparatory work in respect of the PAC hearing.

*Dr McMurray entered the meeting*

The Board enquired whether a Post Project Evaluation (PPE) of the NIAO review would be carried out. The Executive explained that it was not aware of any such review.

**8. Divisional Presentation – Veterinary Sciences Division (VSD)**

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

*(Mr D Griffiths and Mr C Berry entered the meeting.)*

Mr Hinds declared a potential conflict of interest and retired from the meeting while the Board discussed. The Board agreed that Mr Hinds had a potential "conflict of interest" and that it was correct for him to have excluded himself from the discussion.

The Board discussed AFBI's ineligibility for Biotechnology and Biological Sciences Research Council (BBSRC) funding, and, in particular, the efforts being made to have this reviewed. The Board also discussed the need for strategic alliances with other institutes, whether AFBI could bid to DEFRA for funding, the University of Ulster's proposal for a new Veterinary School in Northern Ireland and AFBI's involvement in EU funding.

The Executive confirmed that it was in receipt of Defra R&D funding. It also stated that it was a member of Farming Futures (formerly known as the Centre of Excellence for UK Farming) strategic alliance and was a partner in

an expression of interest to the UK Agri-Tech Strategy for funding for an Agricultural Bioinformatics Centre.

**ACTION**

The Board congratulated Dr McDowell on an excellent presentation and stated that it had helped increase the Board's understanding of the breadth of work carried out in the Division. The Board expressed concern in relation to the difficulties in filling a number of key positions within the division.

*(Mr Hinds re-entered the room.)*

## **9. Finance**

### **9.1 AFBI Budget Monitor Report – Position at 30 September 2013**

The Executive apologised for the late circulation of the finance papers and explained that it was due to a recent communication from DARD in which AFBI had been instructed to commence implementation of its plan to address the 'upper planning scenario' deficit of up to £1.570m.

The Executive explained that the September Budget Monitor therefore had to be drafted to incorporate AFBI's plans to address the 'upper planning scenario' deficit along with an initial assessment of the impact on AFBI's ability to deliver the DARD work programme. The Executive indicated that the assessment of the impact on the DARD work programme would be completed shortly.

The Board noted a significant reduction in agency staff and how the work would be covered either by redeploying staff into the business-critical posts from other areas or allocating the work to existing staff. The Executive emphasised that this placed an additional burden on existing staff and that it would likely have a negative impact on staff morale. The Board also discussed the impact of the cost reduction plans on business targets.

The Board congratulated the Executive on the production of a very clear, concise, well thought through document which was exactly what the Board had asked for. It agreed that it would not be possible for AFBI to absorb in-year budget pressure of this magnitude without a significant impact on the DARD work programme. It was also concerned that some of the savings proposals would have a detrimental effect on AFBI's ability to deliver a change management process with a consequent long-term adverse impact on the organisation.

The CEO advised that he would respond to DARD and highlight the impact of the cost reduction plans on the DARD work programme. The Board agreed that, as customers, it was ultimately for DARD to decide on the areas of work to be reduced, postponed or deferred.

The Board supported AFBI's intention to commence implementation of the cost savings plans as per the instruction from DARD.

The Executive also advised the Board on the issue of staff travel claims for additional attendances to work overtime.

Attention was then drawn to the Strategic Cost Model (SCM) and how it would be critical in costing the DARD work programme for 2014/15. The Executive explained that there was still some work to be done on the half-year SCM reports for 2013/14 and that a report would be presented to the next Board meeting.

**ACTION  
Exec/  
Board**

The Board was content with the paper subject to the finalisation of the impact on the DARD work programme but stated that if members had any other comments they should forward them to the Executive. The Board also expressed concern that the reduction would have long term implications for AFBI's capacity to support industry, particularly in light of the targets in the report of the Agri-Food Strategy Board.

## **9.2** Finance Improvement Plan (Phase 2) – Progress Update

This report provided Board members with an update on progress in implementing the actions detailed in the Finance Improvement Plan (Phase 2).

*(Mr D Griffiths and Mr C Berry left the meeting.)*

## **10. DARD R&D Projects**

The Executive presented a paper on the background to the current procedures for the management and reporting of DARD funded R&D and highlighted that the financials in paragraph 6 were being finalised. The Executive confirmed that the figures were on a full economic cost basis.

## **11. Governance Issues**

### **11.1** Risk Management

#### **11.1.1** *Reports of New or Emerging Risks*

The Board advised that the Executive should reflect the increased financial risk in Corporate Risk No. 4 – *“If AFBI fails to identify and plan to mitigate financial risks and pressures this will pose a risk to its sustainability and impact negatively on its reputation”* following the implementation of plans to address the ‘upper planning scenario’ deficit.

**Exec**

#### **11.1.2** *Focus on Corporate Risk No. 1*

The Executive took the Board through Corporate Risk No.1 *“If AFBI fails to deliver key priority areas of DARD’s Assigned Work Programme (AWP) it may negatively impact its reputational standing with DARD”* and highlighted a number of key points in Sections B and C. The Board noted that the inherent score for likelihood should be increased from 4 to 5 following the implementation of plans to address the ‘upper planning scenario’ deficit.

**Exec**

The Board asked that the Summary Page “key” to risk ratings be included for reference purposes when individual risks are presented to the Board.

**Exec**

- 11.2**      Whistleblowing and Fraud **ACTION**
- The Executive asked the Board to note the status of the current whistleblowing and fraud cases.
- 11.3**      Performance and Efficiency Delivery Unit (PEDU)
- The Executive provided a short report on the background of the Department of Finance and Personnel's Performance and Efficiency Delivery Unit (PEDU) which is due to be replaced by the creation of the "*Public Sector Reform Division*" (PSRD). The Board was asked to note the purpose and background to PSRD.
- It requested the Executive to ask DARD to ensure that AFBI was involved in developing the Terms of Reference for any potential PEDU/PSRD review of AFBI to help address the medium-term financial pressures. **Exec**
- 11.4**      Rewards to Inventors Policy
- The Rewards to Inventors Policy had been reviewed by the Organisational Development and Human Resources (OD&HR) Sub-Committee at its meeting on 23 September 2013. The OD&HR Sub-Committee endorsed the policy without amendment and recommended that it be endorsed by the Board. The Board was content to approve.
- 11.5**      Circulation and Approval of Minutes
- A paper outlining the protocol/processes currently in place for the circulation and approval of minutes from the AFBI Board and Sub-Committee Meetings was presented to the Board. The Board confirmed that it was content with the existing protocol.
- 12.**      **Report and Draft Minutes from AFBI Audit Committee Meeting held on 1 October 2013**
- Mr McCann, Chair of the Audit Committee, reported on the meeting of the Audit Committee held on 1 October 2013 and the Board noted the draft minutes.
- 13.**      **Report from Finance Sub-Committee Meeting held on 24 October 2013**
- Mrs McCartan, Chair of the Finance Sub-Committee advised the Board that the AFBI Accounts for 2012/13 were nearing completion and the Report to Those Charged With Governance should soon be with AFBI.
- 14.**      **Draft Minutes from Organisational Development and Human Resources Sub-Committee Meeting held on 23 September 2013**
- The Board noted the draft minutes from the Organisational Development and Human Resources Sub-Committee meeting held on 23 September 2013. The Chair of the Sub-Committee highlighted those parts of the organisation with higher levels of absenteeism and informed the Board that the Executive was seeking information from other organisations on absence management

particularly in areas of repetitive work.

**ACTION**

The Board expressed concerns about the impact of implementation of the cost savings plans on staff morale and welcomed the Executive's intention to develop a reward and recognition policy. The Board confirmed that the Executive should progress with the review of HR Connect.

The Executive agreed to circulate the absenteeism figures to the Board.

**Exec**

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

The Board was content to note the status 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 Dates of AFBI Board Meetings 2014 to March 2015**

The Board noted the schedule of dates of AFBI Board Meetings 2014 to March 2015 and agreed to have its meeting day moved to the first Thursday of each month from 1 April 2014.

### **16.2 NIPSA Request to Meet with the AFBI Board**

The CEO informed the Board that he had received a letter from Mr Noel Griffin, Assistant Secretary, NIPSA requesting a meeting with the Board in relation to the Stress in the Workplace and Morale and Motivation surveys. The Board agreed to invite Mr Griffin to the January Board Meeting.

**CEO**

### **16.3 Agricultural Awards Event**

Mr Hinds informed the Board that he had attended a recent Agricultural Awards Event which had also been attended by the respective Ministers of Finance & Personnel, Agriculture and Rural Development and Enterprise, Trade & Investment. Mr Hinds had met the President of the Young Farmers' Clubs (YFC) of Ulster at the event and suggested that the Executive invite the YFC to visit AFBI.

**CEO**

### **16.4 Divisional Presentations**

The Board asked the CEO to pass on its congratulations to the Directors of SAFSD and VSD on their very informative presentations at the September and October meetings, respectively.

**CEO**

### **16.5 Agri-Food Strategy Board**

The Board asked the Executive to produce a short briefing paper in preparation of the forthcoming visit from the Chair of the Agri-Food Strategy Board.

**CEO**

## **17. Review of Board Effectiveness**

The Board signified that this had been a very effective meeting, particularly in relation to the discussion on AFBI budget. **ACTION**

**18. Date of Next AFBI Board Meeting**

The next AFBI Board meeting will be held in AFBI Newforge on Wednesday 27 November 2013 commencing at 10.00am.

**Signed:** \_\_\_\_\_  
**(Chairperson)**

**Date:** \_\_\_\_\_