



**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI Hillsborough
on Wednesday 1 February 2017 at 10.00am**

Present – Board Members

Mr Colm McKenna, Chair
Mr Ian Buchanan
Mr Colin Coffey
Dr Michelle Costello-Smith
Ms Theresa Cullen

Mrs Fiona Hanna
Dr Richard Horton
Ms Joan Houston
Mr David Lindsay
Mr Ken Millar

Prof Patrick Murphy
Mrs Maureen McKeague
Dr Cecil McMurray
Mrs Sharon Smyth
Mr Richard Solomon

In Attendance - AFBI Executive

Dr Sinclair Mayne, Chief Executive Officer
Ms Lesley Johnston, (Acting) Director of Finance and Corporate Affairs Division
Dr Stanley McDowell, Director of Veterinary Sciences Division

Mrs Lynsey Cooper, AFBI Secretariat

- 1. Welcome and Introduction** **ACTION**
The Chair welcomed everyone to the meeting.
- 2. Apologies**
Apologies were received on behalf of Prof William McKelvey, Deputy Chair and Mrs Sarah Havlin, AFBI Board member.
- 3. Conflict of Interests/Register of Interests Declaration**
There were no conflicts of interest to be recorded.
- 4. Draft Minutes of the AFBI Board Meeting held on 5 January 2017**
The draft minutes from the AFBI Board meeting held on 5 January 2017 were approved without amendment.
- 4.1 Action Sheet from AFBI Board Meeting held on 5 January 2017**
The Board noted the progress against actions as per the action sheet, subject to the following:-.

4.1 4.1. Action Sheet from AFBI Board meeting held on 1 December 2016

The Chair confirmed he had written to Mr Tony O'Neill, Chair of the Agri-Food Strategy Board, to congratulate him on his OBE.

4.2 6. Executive Report

The Chair confirmed that he had written to the AFBI Head of Fisheries and Aquatic Ecosystems Branch to acknowledge AFBI's contribution to securing a positive outcome for Northern Ireland in the recent EU Commission fisheries negotiations.

In response to a query regarding the Corporate Laboratory Information Management System (LIMS), the Executive confirmed that it was considering all options in relation to the procurement of an appropriate system and was engaging with other public sector bodies that have recently undergone similar exercises.

5. Chair's Remarks

Following the recent DAERA announcement of the renewal of his appointment as AFBI Chair for a further year from 1 April 2017, the Chair remarked on the continued strength of the AFBI Board despite the upcoming retirement of a number of members, including the Deputy Chair. He stated his intention to hold a closed session of the AFBI Board at the end of the meeting to discuss a number of related matters.

The Board noted the current political situation within Northern Ireland and the Chair advised on the potential impact on AFBI and the 2017/18 budget.

The Chair advised the Board that the recruitment process was underway for the Director posts for both the Finance and Corporate Affairs Division and Sustainable Agri-Food Sciences Division.

6. Executive Report

The CEO presented his "Executive Report" for the period 1 - 31 January 2017 and highlighted the following key issues:-

- The CEO, Dr McDowell and Dr Maria Guelbenzu, Disease Surveillance and Investigation Branch (DSIB), met with senior representatives of the Association of Veterinary Surgeons Practicing in Northern Ireland (AVSPNI), the Northern Ireland Veterinary Association (NIVA) and the British Veterinary Association (BVA) on 11 January 2017, immediately prior to the Annual AVSPNI Clinical Club meeting in Omagh Lab. All three organisations highlighted the excellent service from VSD in relation to disease diagnostic testing and the critical role of the Omagh Laboratory in supporting the livestock industry in the West. Over 100 Veterinary Surgeons attended the Open Day;
- The CEO and AFBI Chair met with Queen's University Belfast (QUB) Vice-Chancellor Patrick Johnston, Registrar James O'Kane and Pro-Vice-Chancellor Professor Chris Elliott on 16 January 2017. This was a very positive discussion and a Working Group has been set up to identify the advantages to the NI Agri-food sector of closer collaborative working. The

Board requested that the Science Strategy Committee is kept apprised of the working group outcomes; **ACTION**

- The CEO represented AFBI at a Northern Ireland Agri Hub and Genetic Improvement Initiative meeting at Hillsborough on 20 January 2017. AFBI, Ulster University (UU) and QUB were invited to participate in the initiative and particularly to consider the opportunity of “co-hosting” the Agri Hub;
- The CEO and Professor McAdam, Grassland and Plant Science Branch, met with Minister McIlveen on 25 January 2017 at Crossnacreevy to announce that DAERA has agreed the business case to maintain the Crossnacreevy site in order to provide DUS testing for UK grass and clover varieties;
- A lease agreement has been agreed with a third party for laboratory and office space in the Food Chemistry building, Newforge Lane with effect from 1 March 2017. Following discussion around AFBI’s estate strategy, the Board requested the Executive provide a financial breakdown of rent and maintenance costs for all of AFBI’s sites and consider other opportunities for using the Newforge Lane site; **LJ**
- Professor Bob Hanna, DSIB, received a Doctor of Science from Queen’s University in December 2016 in recognition of his research on liver fluke (*Fasciola hepatica*).

The Board noted the significant constraints faced by AFBI as a consequence of a large backlog in estates maintenance handled by the Department of Finance’s Properties Division. The Board requested to be kept informed of any associated risks such as employee health & safety, business continuity issues and contingency-related expenditure.

7. Finance

7.1 AFBI Budget Monitor Report – Position at 31 December 2016

Ms Johnston reported that the forecasted year end outturn shows a net surplus position of £404k as of 31 December 2016. This is due to movements in costs and royalty income. The Executive assured the Board that the budget was being kept under close scrutiny in the approach to year end and is confident of current revenue projections; however, the adjustments in royalty income due to currency fluctuations are difficult to mitigate and DAERA are being kept informed.

In response to a query regarding staff costs, Ms Johnston agreed to provide further detail to the Finance and Business Strategy Committee meeting in February, along with a draft 2017/18 budget for consideration. The Board noted the difficulties in setting the draft budget for 2017/18 given delays in confirmation of the Assigned Work Programme with DAERA and the current political environment. **LJ**

7.2 Vaccine Royalties Update

The Board noted that the Executive was undertaking work to clearly identify any variation in royalty income outside of the currency fluctuations and would provide **LJ**

this to the Finance and Business Strategy Committee in due course.

ACTION

8. Draft minutes from Finance and Business Strategy Committee meeting held on 16 December 2016

The Board noted the draft minutes of the Finance and Business Strategy Committee meeting held on 16 December 2016.

9. Report from Science Strategy Committee Meeting held on 30 January 2017

Mr Lindsay gave a verbal account of the Science Strategy Committee meeting held on 30 January 2017, which included the following highlights:-

- Scrutiny of proposals for improving AFBI's genomics capability across the Institute and agreement that the Executive would take forward the development of a business plan to support implementation of this strategy from 2017/18 onwards;
- The mid-term review of the "*AFBI Science Strategy 2014-2020*" is nearly complete and will be brought to the AFBI Board in March 2017;
- Discussion on horizon scanning within AFBI;
- Update on implementation of recommendations from the "*2015/16 Peer Review of Plant Sciences and Food Science Programmes*" and assurance that the third scientific peer review will take place during 2017/18.

Exec

CEO

The Board voiced its support for investment in developing the area of genomics as per AFBI's 2020 Strategy, but noted the Executive would need to negotiate affordability with DAERA.

10. Report from Audit & Risk Assurance Committee Meeting held on 31 January 2017

Ms Houston reported on the Audit & Risk Assurance Committee meeting held on 31 January 2017, highlighting the following matters:-

- The "*AFBI Annual Report and Statement of Accounts 2015/16*" was laid before the NI Assembly on 25 January 2017;
- The previous DAERA observer, Mrs Lisa-Jane McIlveen, has taken up a new post within DAERA and Mr Patrick Griffin is now attending on behalf of AFBI Sponsor Branch;
- The tender process to secure a new Internal Auditor is about to commence as the current contract with ASM expires at the end of April 2017;
- Management responses have been submitted by the Executive on the DAERA Internal Audit review of the '*Implementation of NIAO and PAC Audit Recommendations by DAERA and AFBI*' and a further update is expected at the next Committee meeting.

The Board noted that the DAERA IA function has been consolidated into a central NICS IA function and encouraged the swift conclusion of matters relating to the NIAO/PAC review.

11. NIAO Report to Those Charged With Governance for Year Ended 31 March 2016

The Board noted the positive report and commended the work of the Executive and Audit and Risk Assurance Committee.

12. Governance Issues

12.1 Risk Management

12.1.1 *Reports of New or Emerging Risks*

The Board noted that the Executive was not aware of any new or emerging risks to the organisation.

12.1.2 *Draft Risk Management Strategy (January 2017)*

The Board was content to approve the draft “*Risk Management Strategy and Operational Procedures*”, subject to minor amendments proposed by the Audit and Risk Assurance Committee. The Executive noted the Board’s suggestions of additional factors for inclusion in a future iteration.

12.1.3 *Draft AFBI Corporate Risk Register (January 2017)*

Ms Johnston presented the key changes to the draft “AFBI Corporate Risk Register”, which had been proposed by AFBI’s Risk Management and Business Planning Group on 11 January 2017 and scrutinised by the Audit and Risk Assurance Committee on 31 January 2017:-

- A reduction in the residual risk score from 12 to 4 for CR3 ‘*If AFBI fails to secure sufficient income to cover the costs of delivery of the planned programme of work for 2016/17, this could lead to an inability to deliver on customer requirements and reputational damage*’;
- Given the additional information now available on the future of royalty income, a minor change in risk definition for CR4 to become ‘*The potential loss of future EU research and development funding, **coupled with uncertainties around royalty income**, could create an uncontrollable pressure on AFBI’s funding position, thus posing a risk to its medium to long term financial sustainability*’.

The Board approved these changes.

12.2 Whistleblowing and Fraud

12.2.1 *Reports of New or Ongoing Cases*

The Board was advised that there were no new or emerging cases of

Whistleblowing or Fraud to be reported.

ACTION

12.3 Health & Safety

12.3.1 *Reports of New or Emerging Issues*

The Board noted that there were no reports of new or emerging health and safety issues.

13. AFBI Business Plan 2016/17 – Update on progress Against Key Performance Indicators (KPI) Quarter 3

Ms Johnston presented the KPI report as of 31 December 2016, notifying the Board of the following:-

- 12 are reported as Green (achieved / on track for delivery)
- 4 are reported as Red (commitments not achieved / not expected to be achieved)
- 5 are reported as Amber (rate of progress is less than planned)
- 2 are yet to commence
- 2 are on hold (with approval of AFBI Board)

Robust discussion focused on the four KPIs reported as 'red' with the Board challenging the Executive to consider the use of this status in relation to KPIs 2 and 24.

The Board acknowledged that KPI 9 '*Generate total non-GiA revenue of £18.8m*' was not expected to be met and the Executive provided assurance that it was considering options for setting a realistic but challenging target for 2017/18.

Following a query related to KPI 25 '*Achieve combined industrial and non-industrial absenteeism of 7.5 working days or less per Whole Time Equivalent (WTE)*', Ms Johnston agreed to provide assurance regarding the figures used by the Northern Ireland Statistics & Research Agency (NISRA) to generate the forecasted level of 8.85 days. The Board was pleased to note that the majority of AFBI staff had not had any absence episode in the last twelve months and was encouraged that senior AFBI Human Resources staff are working closely with the Executive and Organisational Development and Human Resources Committee to enhance staff skills around the absence management process.

LJ

14. Draft AFBI Business Plan 2017/18 Update

Ms Johnston informed the Board of a recent Business Planning workshop held by the Executive with Heads of Branch and Business Managers to review AFBI's current vision, mission and corporate objectives to better align with DAERA's draft strategic outcomes. The Board commended the collaborative approach used to design a revised vision, mission, objectives and business plan targets/KPIs which would provide the foundations for a new Corporate Plan and annual Business Plan.

The Board considered the outputs of this workshop in depth and the Executive agreed to reflect on all comments before presenting a draft of the "*AFBI Business Plan 2017/18*" for approval at the March AFBI Board meeting.

Exec

15. Any Other Business

ACTION

15.1 Boardroom Apprentice Scheme

The Chair referred to previously circulated correspondence related to a 'Boardroom Apprentice' initiative being piloted by Strictly Boardroom and delivered through the UU Business School. The Board expressed their support for this programme and the Chair indicated he will respond positively to the Department of Finance request to become involved in the pilot scheme.

Chair

16. Review of Board Meeting Effectiveness

The Board considered that it had held an effective meeting.

17. Date of Next AFBI Board Meeting – 2 March 2017

The next AFBI Board meeting will be held on Thursday 2 March 2017 at AFBI Newforge.

The Board held a closed session following the meeting.

Signed: _____
(Chairperson)

Date: _____