



**Minutes of the Meeting of the  
Agri-Food and Biosciences Institute (AFBI) Board  
held at AFBI Bushmills  
on Thursday 1 October 2015 at 10.00am**

**Present – Board Members**

Mr Colm McKenna, Chair  
Mr Ian Buchanan  
Mr Colin Coffey  
Mrs Sarah Havlin  
Mr David Lindsay  
Mr Bob McCann  
Mrs Hilary McCartan  
Mrs Maureen McKeague  
Dr Cecil McMurray  
Mr Ken Millar  
Prof Patrick Murphy

**In Attendance - AFBI Executive**

Prof Seamus Kennedy, Chief Executive Officer  
Mrs Lesley Hogg, Director of Finance and Corporate Affairs Division  
  
Mr Glenn Montgomery, Head of Governance and Performance (Secretary)  
Dr Alastair Carson, Chief Scientific Officer DARD (Item 18 & 19)  
Mr Pieter-Jan Schon, Acting Head of Fisheries & Aquatic Ecosystems Branch (Item 18 & 19)  
Dr Robert Rosell, Fisheries & Aquatic Ecosystems Branch (Item 19)  
Dr Richard Kennedy, Fisheries & Aquatic Ecosystems Branch (Item 19)

**1. Welcome and Introduction**

**ACTION**

The Chair opened the meeting and welcomed all in attendance including Mr Montgomery who was attending his first meeting of the Board.

**2. Apologies**

Apologies were received on behalf of the Deputy Chair, Prof Wm McKelvey, Dr Sinclair Mayne, Director of Sustainable Agri-Food Sciences Division, and Dr Stanley McDowell, Director of Veterinary Sciences Division

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

There were no new conflicts of interest declared, nor any changes to be made to Board members' Register of Interests.

**4. Draft Minutes of the AFBI Board Meeting held on 3 September 2015**

The draft minutes from the previous AFBI Board meeting held on 3 September 2015 were approved without amendment.

## **5. Action Sheet from AFBI Board Meeting held on 3 September 2015**

**ACTION**

Progress against actions was noted as per the Action Sheet.

## **6. Draft Minutes of AFBI Open Meeting held on 3 September 2015**

The draft minutes from the AFBI Open Meeting held on 3 September 2015 were approved without amendment.

## **7. Chairman's Remarks**

- The Chair stated that it had been a very busy period for him and the Executive and provided the Board Members with a summary of his recent engagements on behalf of AFBI which included attendance at the 2015 Ploughing Championships in Co. Laois, several meetings with Industry leaders and a meeting with the DARD Permanent Secretary to discuss planning for the retirement of the current CEO.
- The Chair referred to the DARD Minister's letter in relation to AFBI's Corporate & Business Plan for 2015/16 and indicated that he would be responding on a number of aspects. The Chair commended the work of the AFBI Executive in the extensive work completed to date in addressing the budgetary gap for 2015/16 of £7.5m down to £1.2m. He further stressed that he did not believe that any further reduction in AFBI's headcount beyond the current reduction of approximately 22% would be sustainable if AFBI were to play an effective role in the future of Agri-food in Northern Ireland and that this was a key message he had relayed to DARD.
- The Chair highlighted the importance of further developing relationships with Queens University Belfast (QUB) and stated that he had arranged to meet with the Registrar of QUB to consider further opportunities.

### **7.1 Summary Report on outcome of Board Members Appraisals**

The Chair presented a summary paper on the outcomes of the Board Member's Appraisals which was required under the Board Operating Framework. He confirmed that there were no significant development gaps identified and that he was content to take forward each of the members' individual development needs.

## **8. Executive Report**

The CEO presented the Executive report for September 2015 and highlighted the following items -

- 78 staff left AFBI under the Voluntary Exit Scheme (VES) on 30 September 2015 and a further 51 staff are due to exit at the end of November 2015. Following discussions with Civil Service Pensions Branch on processing capacity, further offers for VES were made to 13 staff. In response to a request from the Board, the Executive agreed to provide a report to the OD&HR Committee detailing the implications of the VES exercise on staffing.
- In relation to the Centre for Innovation Excellence in Livestock (CIEL),

**LH**

discussions are on-going with DARD to ensure that match-funding is made available and to obtain DARD and DFP consent to AFBI becoming a member of the Company limited by guarantee as required by The Agriculture (Northern Ireland) Order 2004. The CEO and DARD Director of Finance have co-signed a letter of comfort to the consortium regarding investment in the Hillsborough research platform.

- The Executive is to give evidence to the Agriculture and Research Development Committee on 6 October 2015.
- Following EU confirmation of Official Brucellosis Free status announced on 9 September 2015, AFBI's programme for the testing of cattle for DARD will be reduced in line with the level of threat.
- An update on the exercise with QUB to review AFBI's royalty income stream and the meeting scheduled for the following day.
- Dr Mayne is to lead an AFBI delegation to the Milan Expo on 1-2 October where AFBI has the lead role in organising a two-day session on meat quality. Dr Mayne is chairing a Session and AFBI staff are presenting 4 papers in total. Detailed discussions with a number of European partners on a potential H2020 proposal for the red meat sector have also been planned.

## **9. Finance**

### **9.1 AFBI Budget Monitor Report – Position at 31 August 2015**

Mrs Hogg presented the Budget Monitor for the month ending 31 August 2015 which projected a deficit outturn for 2015/16 of £3.6m. Primarily this deficit outturn was a result of exclusion of the potential paybill savings attributable to the Voluntary Exit Scheme, which were assumed to be unrealisable at the time due to uncertainty regarding funding for the scheme and because of a projected shortfall in Grant-in-Aid income.

Now that VES funding has been confirmed VES savings will reduce AFBI's forecasted deficit by £1.8m. If funding for the increase in employer pension costs is received from DARD as has been indicated this would reduce the deficit by a further £0.6m leaving a net deficit of £1.2m.

As already noted under the Executive's Report a further 13 staff have been made VES offers under an addendum to Tranche 2 because not all Tranche 2 offers were accepted AFBI is also discussing the possibility of a Tranche 3 for VES although even if this was possible it is unlikely to generate any in-year savings as staff would be unlikely to leave before the end of the financial year.

### **9.2 Quarterly Report on New Bids and Contracts**

Mrs Hogg presented a paper, which had previously been requested by the Board, detailing new bids AFBI had made for contracts with a breakdown of the success rate and the income receivable from these contracts. Mrs Hogg set out that of the 15 new bids submitted from 1 January 2015 to 31 March 2015, 8 were successful totalling £202,868, 2 were unsuccessful totalling £155,700 and 5 are not yet notified totalling £1,848,431. 74 new bids had been submitted from

1 April 2015 to 22 September 2015 totalling £7.6m and in this period 28 new contracts were signed totalling £666k. **ACTION**

Following discussion on whether the Board wished this to be a regular report, the Board agreed that it found the information very useful and requested that future updates be provided for information.

**10. Organisational Development and Human Resources Sub-Committee (OD&HR)**

**10.1 Draft Minutes from OD&HR Sub-Committee Meeting held on 1 July 2015**

The Board noted the draft minutes from the OD&HR Sub-Committee Meeting held on 1 July 2015.

**10.2 Draft Revised OD&HR Terms of Reference**

The Board approved the updated Terms of Reference for the OD&HR Sub-Committee.

**10.3 Draft Revised AFBI Research Misconduct Policy**

Mrs Hogg advised that the AFBI Research Misconduct Policy was being updated and would be presented at the next meeting.

**LH**

**11. Report and Draft Minutes from Audit and Risk Assurance Committee (ARAC) Self-Assessment Meeting held on 17 September 2015**

The Board were content to note the Report and Draft Minutes from the ARAC Self-Assessment Meeting held on 17 September 2015.

**11.1 Draft Revised ARAC Terms of Reference**

The Board approved the updated Terms of Reference for the ARAC.

**12. Governance Issues**

**12.1 Risk Management**

**12.1.1 *Reports of New or Emerging Risks***

Mrs Hogg advised that the Executive was not aware of any new or emerging risks to the organisation.

**12.1.2 *Corporate Risk No. 6***

Mrs Hogg outlined to the Board that in line with AFBI's Risk Management Strategy and to ensure effective oversight over AFBI's risk profile, the Board had agreed to examine individual risks from the Corporate Risk Register (CRR) on a cyclical basis. In this instance the Board was asked to consider Corporate Risk (CR) 6 "*Failure to maintain resilient, secure and scalable hardware and software solutions, including systems to support management decision-making, will adversely impact the delivery and efficiency of AFBI.*"

Mrs Hogg set out the rationale for the risk score which is currently evaluated as an 'Amber risk' with an overall risk score of 12. She advised that this took account of the current controls in place and the additional actions being taken to manage the risk.

The Board discussed CR6 and confirmed its agreement with the Executive's assessment of the risk.

## **12.2 Whistleblowing and Fraud**

The Board noted that there were no new or emerging cases of Whistleblowing or Fraud.

## **13. AFBI Corporate and Business Plan 2015-16**

### **13.1 Update on Progress Against KPIs**

Mrs Hogg provided the Board with an update on the Quarter 1 outturn performance against the Corporate KPI's for 2015/16. She outlined that 17 were on track for delivery and that 2 were not yet scheduled to commence. She identified that 4 were reported with a red status i.e. as not on track for achievement and the remaining KPI was reported with an Amber Status as broadly on track to be achieved.

In accepting the reasons for the current KPI's with a Red status, in relation to KPI 19 - *Achieve combined industrial and non-industrial absenteeism of 7.5 working days or less per Whole Time Equivalent (WTE)*, the Board asked for an assurance that the Executive was doing all possible to ensure that staff attendance was being effectively managed especially given AFBI's good performance and progress made over recent years. The Executive confirmed that while it is unlikely that this target will be met because of the VES and the significant change and uncertainty which AFBI is currently facing, AFBI was ensuring that attendance management procedures were being robustly adhered to within AFBI.

The Board noted the progress in relation to the Corporate KPI's.

## **14. NIAO/PAC Action Plan - Update**

Mrs Hogg provided the Board with an update on the outstanding recommendations from the NIAO/PAC Action plan which had also been provided to DARD's Audit Committee. She highlighted that of the previous 6 outstanding recommendations 4 had now been completed.

The 2 outstanding recommendations relate to unit costing and benchmarking. AFBI expects to complete the unit costing exercise by the end of September and will provide a report to DARD to DARD in October close out the benchmarking recommendation.

The Board noted the status of the remaining recommendations from the NIAO/PAC action plan.

**15. Review of AFBI's Assigned Work Programme for year end 31 March 2015 ACTION**

Mrs Hogg presented a paper on the results of the AFBI Sponsor Branch (ASB) end of year review of the delivery of the Assigned Work Programme for year end 31 March 2015. She advised that this was carried out by ASB on a bi-annual basis in line with the current Memorandum of Understanding (MoU) between AFBI and DARD. The results of this are reported to DARD's Top Management Group (TMG). She outlined that the exercise also facilitates the evaluation of AFBI's Key Performance Indicator (KPI 3) 'at least 85% of DARD customers satisfied with delivery of the Assigned Work Programme'. The results of the exercise indicated DARD's Policy Leads satisfaction level of 94% with AFBI's delivery of the AWP in 2014/15. She also highlighted to the Members that AFBI have raised a query with ASB in relation to the rationale for the one policy branch providing a Limited assurance, as the reasons provided were not relevant to the delivery of the programme.

The Board noted the continuing high levels of satisfaction with AFBI's delivery of the AWP in 2014/15.

**16. KPMG Implementation Plan – Update**

Following discussion around ensuring transparency over the recommendations, the Board were content that any remaining recommendations from the KPMG Implementation Plan be transferred to the 2020 Strategy Implementation plan which is currently being developed.

**17. Consultation on the TB Strategic Partnership Group Interim Report**

Dr Cecil McMurray declared an interest in the item.

The Board noted the AFBI response to the Consultation on the TB Strategic Partnership Group Interim Report.

**18. Presentation of DARD Strategy by Dr A Carson, Departmental Scientific Advisor**

Dr Carson thanked the Board for the opportunity to present to them and provided the Board with a presentation on the draft DARD Evidence & Innovation Strategy for 2015-17. While not a statutory requirement he set out the DARD Minister's continuing commitment to research and development as demonstrated on a number of occasions over the last 12 months.

Dr Carson set out how the Evidence & Innovation Strategy contributed to the achievement of DARD's overall strategic goals to 2020. He talked through the key principles of the R&D commissioning process which included seeking opportunities to co-ordinate with other research funders to leverage resource and expertise and also ensuring that the research agenda is embedded into the new Rural Development Programme where possible.

He outlined some of the contextual issues which also had an impact including the anticipated change of accounting treatment to the capitalisation of R&D expenditure. This offered an opportunity for longer term planning and would support a more programme based approach to the commissioning of projects.

He stressed the need to ensure greater measures of the impact of R&D work through 'outcome metrics' and went on to give an overview of the research themes within the strategy under the Programme Management Boards. Dr Carson then provided a summary of the results of the recent DARD commissioning stakeholder consultation exercise.

Dr Carson discussed some of the past issues which have led to delays in the commissioning of E&I projects and the extensive work carried out between DARD and the Executive to address these. Dr Carson reflected the significant improvements made by AFBI over recent months and that as a result DARD had now introduced quarterly reporting by exception for E&I projects.

Finally Dr Carson provided an update on other research commissioning and collaborations. He noted that DARD PhD studentships had increased from 8 up to 12 and that DARD was preparing to launch a further Research Challenge Fund call later in the year. Dr Carson also advised that a US Ireland fund call will be launched in November and that DARD would be participating in the Department of Agriculture Food and Marine Competitive Research call which would be launched the following week.

The Chairman thanked Dr Carson for his presentation and reiterated the need for a more strategic programme based approach to the commissioning of E&I work being in the interests of both DARD and AFBI.

## 19. Presentation on AFBI Bushmills and Tour

Dr Rosell provided the Board with a presentation setting out the science in support of freshwater fisheries management work currently being undertaken by AFBI staff at the Bushmills Salmon Testing station.

The Chairman thanked Dr Rosell on behalf of the Board for his presentation

The Board members were provided with a brief tour of the salmon testing facilities accompanied by the AFBI staff and Executive.

### Replacement of the R.V. *Corystes*

The Chairman welcomed Mr Schon to the meeting on behalf of the Board.

Mr Schon outlined the work within FAEB to investigate options for replacement of the R.V. *Corystes* which is scheduled for around 2018-19.

He outlined that AFBI had met with senior Marine Institute staff in Ireland to discuss potential for closer research vessel collaboration at an all-island scale as well as engaging with research and government bodies in the UK. Further meetings were planned for October 2105.

Mr Schon highlighted that AFBI was exploring the potential to secure funding European Regional Development Fund (ERDF) as had been done previously by similar organisations within Ireland.

Mr Schon advised that the above work will inform the development of a business case to identify the recommended option, as recently formally requested by the DARD Minister in her feedback to the 2020 Strategy.

## 20. Chair's Response to Minister's Letter on AFBI's 2020 Strategy and Corporate and Business Plan for 2015/16

The Board discussed the contents of a draft letter to the DARD Minister on AFBI's 2020 Strategy and Corporate and Business Plan for 2015/16 and agreed a number of amendments.

The Chair thanked the Board Members for their input and confirmed he would respond to the Minister along the lines agreed.

Chair

## 21. Implications of Ministerial Feedback on AFBI's 2020 Strategy

### 21.1 Estate

The CEO outlined progress in relation to the major estate issues linked to the future of AFBI as set out within the 2020 Strategy. Senior DARD and DFP officials had a very positive meeting with the Executive on site at AFBI Hillsborough and VSD. Following the Minister's feedback on AFBI's Strategy to 2020, the Outline Business Cases for both sites need to be updated to reflect the scientific areas AFBI intend to concentrate on in future.

### 21.2 Status of discussions with Teagasc on mushrooms, top fruit and other potential areas of co-operation

The CEO provided an update on the discussions with Teagasc on mushrooms, top fruit and other potential areas of co-operation. He outlined that the working group has provided an interim report and that Teagasc has indicated that it would be willing to fund 2 PhD research fellowships within AFBI. However, further work was required to outline how this would be taken forward at a strategic level. This is being informed by engagement with Industry in both the UK and Ireland.

### 21.3 Business development opportunities and commercialisation

The Chairman set out his desire that the role of the current Finance Committee would increasingly focus on Business Development and Commercialisation within AFBI and confirmed that he would attend the next meeting of the Committee on 23 October 2015 to discuss this further.

The Board discussed the need for AFBI to learn from the university sector and Northern Ireland Science Park (NISP) and noted the intention to set up meetings with NISP and the Institute of Electronics, Communications and Information Technology (ECIT) in the coming weeks.

The Board discussed the need to overcome a range of barriers to increase AFBI's business development and commercialisation opportunities and the difficulty of trying to compete with other research institutes while adhering to public sector finance and governance requirements.

The CEO highlighted the Minister's request that AFBI review staff Terms and Conditions which should determine whether these are still fit for purpose.



The CEO agreed to provide the Finance Committee with papers previously considered by the KPMG Operational Issues Working Group to provide background and context for the business development and commercialisation issues previously discussed prior to the Finance Committee meeting on 23 October 2015.

**ACTION**

**CEO**

#### **21.4 Stakeholder engagement**

The Chairman outlined the extensive stakeholder engagement that he and the Executive have been involved in over the last 2 years which has given the role and value of AFBI much greater visibility amongst its stakeholders. He noted that this had also clarified the separate roles of DARD and AFBI for stakeholders.

The CEO also set out AFBI's planned participation in the upcoming 'Big Debate' being hosted by the Royal Ulster Agricultural Society to discuss the main issues with the industry and the engagement planned with the Agri-food Strategy Board on genetics.

The Board discussed stakeholder engagement and suggested that this be considered by the reconstituted Finance Committee and reported back to the Board.

#### **22. Any Other Business**

Mr Coffey raised a query regarding the liability position of Non-Executive Directors. The CEO clarified that AFBI along with the Public Sector in Northern Ireland are self insured. Mrs Havlin also confirmed that Non-Executive Directors are covered under indemnity.

#### **23. Review of Board Effectiveness**

The Board was satisfied that it had held an effective meeting.

The Board discussed the format of the previous meeting which was held in advance of the AFBI open day at Hillsborough. It was agreed it would be preferable not to hold a Board meeting on the same day as the Open Day to allow the Board sufficient time to maximise the effectiveness of the meeting.

#### **24. Recruitment of New CEO**

The Board held a "*closed session*" for this item.

#### **25. Date of Next AFBI Board Meeting – 5 November 2015**

The next AFBI Board meeting will be held on Thursday 5 November 2015 at AFBI Newforge.

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

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