



**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI Newforge
on Thursday 7 January 2016 at 10.00am**

Present – Board Members

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

In Attendance - AFBI Executive

Prof Seamus Kennedy, Chief Executive Officer
Mrs Lesley Hogg, Director of Finance and Corporate Affairs Division
Dr Sinclair Mayne, Director of Sustainable Agri-Food Sciences Division
Dr Stanley McDowell, Director of Veterinary Sciences Division
Mrs Lynsey Cooper, AFBI Secretariat

1. Welcome and Introduction

ACTION

The Chair opened the meeting and welcomed all in attendance.

2. Apologies

Apologies were received on behalf of Deputy Chairman Prof William McKelvey and AFBI Board Members Mrs Sarah Havlin and Mr David Lindsay.

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 2 December 2015

The draft minutes from the previous AFBI Board meeting held on 2 December 2015 were approved without amendment.

4.1 Action Sheet from AFBI Board Meeting held on 2 December 2015

Progress against actions was noted as per the action sheet. The following item is outstanding:

4.1.1 Item 7.1 – AFBI Budget Monitor Report – Position at 31 October 2015 - Setting up of commercial arm of AFBI – Chair to discuss with Permanent Secretary.

Chair

5. Chairman's Remarks

ACTION

The Chair reported that a successful recruitment campaign for 3 new Non-Executive Board Members had been completed in December with final selection of members to be made by the DARD Minister within the expected timeframe. The Chair informed the Board that applicants had been of a high calibre.

In response to a query regarding the establishment of a reserve list, the Chair confirmed that successful applicants from this campaign could not be retained to fill future vacancies expected in April 2017.

The Chair reported that the AFBI Chief Executive Officer post would be advertised on Friday 8 January 2016 with interviews planned during the week beginning 15 February 2016. It was noted that there are a number of live executive level recruitment campaigns in the sector in the UK.

5.1 Meeting with Minister on 17 December 2015

The Chair reported that he and the Deputy Chair had a challenging meeting with the DARD Minister on 17 December 2015 which was compounded by the fact that they had not been provided with an agenda for the meeting. The Chair reported that he had agreed to provide her with the information she had requested by 15 January 2016. He highlighted the need for an ambitious yet achievable budget to be agreed for 2016/17.

5.2 AFBI's 2015/16 Budget – letter to Minister

The Chair wrote to the Minister on 22 December 2015 detailing the current financial forecast and AFBI's plan for balancing its 2015/16 budget.

6. 2016/17 Public Sector Transformation Fund – Proposed allocations

The Executive advised the Board that while AFBI had not submitted a bid to the 2016/17 Public Sector Transformation Fund, it had been informed that as the fund was undersubscribed its scope was being widened. A second tranche for bids would be launched in April with a closing date of 25 May 2016. The Executive indicated that this may provide flexibility for AFBI to further review staffing levels if required because of budgetary pressures. The Chair stated that he would not be keen to reduce staffing levels any further.

7. Pros and Cons of Relocating Veterinary Sciences Division

Dr McDowell presented a paper outlining the pros and cons of moving the functions currently based at the Stormont and Omagh sites to a more central mid-Ulster site. Discussions centred on biosecurity issues and potential commercialisation opportunities. The Chair stated that he would like all positive aspects to be considered in the DARD feasibility study and indicated that the study should be completed quickly.

8. Executive Report

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

- 8.1** AFBI Annual Report **ACTION**
The Annual Report and Statement of Accounts for 2014/15 was laid before the Northern Ireland Assembly on 21 December 2015 and is available on AFBI's website.
- 8.2** Voluntary Exit Scheme update
101 applications have been received for the 3rd tranche of VES which closed on 8 December 2015. 76 of these are from staff who had not applied previously. A March 2016 exit date for a small number of staff is subject to capacity within Civil Service Pensions (NI) to process applications.
- The Board requested that an update of the AFBI organisational structure be presented at the March meeting showing how the post-VES structure will match with the 2020 strategy. **Exec**
- 8.3** Scientific Quality
The CEO acknowledged the superb scientific quality produced by AFBI. He highlighted the following:
- (i) Agriculture Branch where two published scientific papers were ranked in the first two positions for citations in the prestigious international scientific journal, '*Journal of Dairy Science*'.
 - (ii) Agri-Environment Branch where a new important paper on nitrogen emissions from grazed grassland soils had been published in '*Nature Scientific Reports*'.
- The Board and Executive agreed that it was important for these significant research findings to be communicated to stakeholders.
- 8.4** EU Fisheries Council of Ministers
This meeting was held in Brussels in December 2015 where fishing quotas were set for 2016. AFBI provided scientific support to the DARD Minister and fishery policy officials during the negotiations and the outcome was very favourable for Northern Ireland.
- 8.5** UK-ROI Bovine TB Genetics Summit
AFBI, along with the Roslin Institute, has made a valued contribution to the area of implementing genetic selection to reduce bovine TB susceptibility in cattle. AFBI participated in this recent summit in Cardiff and following this, the industry plans to publish estimated breeding values (EBVs) for enhanced TB resistance in dairy sires later this month.
- 8.6** BVD Eradication Programme
The BVD Eradication programme for Northern Ireland will start a compulsory phase on 1 March 2016. AFBI is providing the database to underpin the scheme. VSD runs a designated laboratory which has performed 70-90% of programme testing during the voluntary period since 2013. AFBI currently has relationships with 5 cattle ear tag suppliers presenting an opportunity for increased commercial income during the compulsory stage.
- 8.7** Update on Funding Bids
The Horizon 2020 EUROBEEF bid submitted in June 2015, although not

successful, scored highly and will be resubmitted in February 2016. A number of bids for DAFM funding were submitted in December 2015 and Dr Mayne reported that the outcomes are expected in January 2016. If successful, projects would expect to start during the 2016/2017 financial year.

ACTION

9. Finance

9.1 AFBI Budget Monitor Report

In presenting the Budget Monitor Report for the month ended 30 November 2015, Mrs Hogg gave background on the identified budget deficit of £807k. In response to this, a mitigation plan has been developed and Mrs Hogg outlined the measures to ensure a balanced budget at year-end. The Board congratulated the Executive team for their effort in developing the plan under such challenging financial pressures. In response to a query on the Executive's confidence around royalty income figures, Mrs Hogg reminded the members that there is always an element of risk around the projection due to the significant lag in receipt of royalty payments but that the forecast is based on historical receipts and trends.

10. Report and Draft Minutes from the Finance and Business Strategy Committee Meeting held on 7 December 2015

Mrs McCartan presented the minutes of the Finance & Business Strategy Committee meeting held on 7 December 2015 and these were noted. Mrs McCartan thanked Mr Colin Coffey for organising the informative presentation from Mr Stephen Wray, Commercial Director, Institute of Electronics, Communications and Information Technology.

11. Governance Issues

11.1 Risk Management

11.1.1 *Reports of New or Emerging Risks*

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

11.1.2 *Corporate Risk No.7 - "If there is a failure to have a fit for purpose and efficient AFBI Estate this will adversely impact on the Institute's ability to deliver to its customers, sustain and increase external income, and negatively affect its reputation."*

Mrs Hogg talked through the risk associated with the AFBI Estate, noting that a number of control measures were underway at multiple sites. The Board was satisfied with the risks as recorded and the mitigation measures being implemented to reduce the impact of the risk.

11.2 Whistleblowing and Fraud

Mrs Hogg informed the Board that there were no new or emerging cases of Whistleblowing or Fraud.

11.3	<u>Draft revised AFBI Research Misconduct Policy</u>	ACTION
	Mrs Hogg presented the revised changes to the policy and this was approved by the Board.	
11.4	<u>Delegated authorities within AFBI</u>	Sec/All
	The Board requested that this paper be reconsidered at February's meeting in order to give time for deliberation. Comments on the paper are to be sent to Mrs Hogg for inclusion.	
12.	NIAO/PAC Action Plan - Update	
	In talking through the paper, Mrs Hogg highlighted the following points:	
	AFBI had benchmarked its corporate costs against 3 external organisations and no significant issues had been identified.	
	AFBI had taken considerable steps to reduce its corporate costs over the last 3 years and VES staffing reductions will generate substantial paybill savings.	
	In light of the lack of availability of benchmarking information for unit costs, AFBI carried out a longitudinal study based on forecasted costs for 2015/16. This study indicated that the majority of unit costs are expected to reduce in 2015/16 and that forecasted costs will be compared to outturns after the end of the year.	
	The Executive is satisfied that all NIAO/PAC targets have now been met. The Board congratulated Mrs Hogg on an excellent paper and was content to approve. The paper will be forwarded to DARD for consideration. The Chair emphasised the importance of getting agreement with DARD on what else would be required to fulfil the PAC recommendations.	Exec
13.	ALB Sponsorship Risk Assessment	
	Mrs Hogg reported that although there was overall improvement since 2012, the Executive was disappointed with some of the comments from the Assessment Team and the high number of improvement actions required of AFBI. The CEO has provided an initial response, but a more detailed paper will be returned.	Exec
	The Chair commended the Executive Team and Audit and Risk Assurance Committee for their commitment and effort resulting in a significant improvement over the last 3 years.	
14.	Any Other Business	
14.1	<u>Withdrawal of restricted access capability on AFBI website</u>	
	Mrs Hogg explained that the migration to a new AFBI website platform, expected in February 2016, will result in the removal of the restricted access section for Board Members because it cannot be accommodated on the new platform. AFBI Biometrics and Information Systems Branch are working on an alternative solution.	

15. Review of Board Effectiveness

ACTION

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

16. Date of Next AFBI Board Meeting – 4 February 2016

The next AFBI Board meeting will be held on Thursday 4 February 2016 at AFBI Newforge.

Signed: _____
(Chairperson)

Date: _____