



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

Present – Board Members

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

Mrs Fiona Hanna
Mrs Sarah Havlin
Prof Patrick Murphy
Mrs Maureen McKeague
Mrs Sharon Smyth
Mr Richard Solomon

In Attendance - AFBI Executive

Prof Elaine Watson, Chief Executive Officer
Mrs Mary Jackson, Interim Director of Finance and Corporate Affairs Division
Dr Stanley McDowell, Director of Veterinary Sciences Division

Mr James Adams, AFBI Secretariat

Visitors

Dr Eileen Stewart, Head of Emergency Planning Safety and Estates Branch (Item 13.1)
Prof John Davis, Head of Agricultural & Food Economics Branch (Item 16)

1. Welcome and Introduction

ACTION

The Chair welcomed everyone to the meeting.

2. Apologies

Apologies were received on behalf of AFBI Board Members Dr Richard Horton, Ms Joan Houston, Mr David Lindsay, Mr Ken Millar and Dr Cecil McMurray. An apology was also received from Dr Sinclair Mayne, Director of Sustainable Agri-Food 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 June 2016

ACTION

The draft minutes from the previous AFBI Board meeting held on 3 June 2016 were approved without amendment.

4.1 Action Sheet from AFBI Board Meeting held on 3 June 2016

Progress against actions was noted as per the action sheet, subject to the following:

4.1.1 Quarterly Reports on new bids and contracts – (Item 7.2)

An initial scoping exercise on the integration of AFBI's information management systems is being undertaken by the Department of Finance's Business Consultancy Services (BCS). A wide range of staff interviews will take place with the Head of Finance being the key point of contact. Commissioning of additional work on a wider exercise will be considered by the Executive following the conclusion of the initial scoping exercise.

4.1.2 Mid-Year Review of AFBI's Delivery of the 2015/16 Assigned Work Programme (AWP)

For logistical reasons the Chair informed the Board that senior representatives from AFBI Sponsor Branch will be invited to attend the December 2016 meeting of the AFBI Board.

Chair

5. Chair's Remarks

The Chair informed the Board that he had been pleased to note the Department of Agriculture, Environment and Rural Affairs (DAERA) Minister's recent visit to two AFBI sites and that positive feedback had been received from the AFBI staff involved in arranging and accommodating the Minister's visit.

The DAERA Permanent Secretary wrote to the Chair in relation to audits on the implementation of NIAO and PAC recommendations to be undertaken by DAERA Internal Audit. The Chair informed the Board that he and the DAERA Permanent Secretary had discussed the NIAO and PAC reports and subsequent recommendations on a number of occasions and that it was important to clearly articulate how any outstanding recommendations can be considered fully implemented by all parties.

Prof Watson, and Prof McKelvey on behalf of the Chair, attended the DAERA Board meeting on 15 June 2016 with Prof McKelvey describing the discussions as positive with a focus on strategic issues. The AFBI Business Plan 2016/17 was accepted by the DAERA Board. The AFBI Corporate Plan 2016/17 – 2019/20 was paused at the request of Prof Watson so that she has the opportunity to develop a corporate plan akin to her vision for the Institute. This was accepted by the DAERA Board and a corporate plan will now be developed for the period 2017/18 – 2020/21. It was also noted that the DAERA Permanent Secretary had established an expert panel to investigate the implications of Brexit. AFBI has proposed a member for the panel and this is currently under consideration.

In relation to two recent high profile cases of discrimination involving AFBI, the Chair and the Board fully supported the Executive's unreserved apology to both women and reaffirmed their commitment to the principle of equality of opportunity in employment. A commitment by AFBI to meet with the Equality Commission was also welcomed by the Board.

ACTION

6. Executive Report

Prof Watson presented the Executive Report for June 2016 which provided the Board with a high level overview of the CEO's activities.

Prof Watson highlighted her attendance at a number of consultation meetings with staff across the seven sites of AFBI. Prof Watson said that staff had been grateful for the opportunity to meet with her and express their views on working in AFBI. The meetings gave the CEO an overview of staff feelings including a number of areas for improvement. Following the series of meetings, a staff memo and accompanying action sheet had been circulated to all staff outlining what AFBI will do to address a number of the points raised.

Prof Watson informed the Board of a number of preliminary discussions with DAERA senior officials and industry stakeholders in relation to the future strategy for AFBI. In the discussions that followed, the Board acknowledged that conversations and proposals are at the early stages of development and that the Board will be kept regularly informed of any updates prior to its next meeting on 8 September 2016.

7. Finance

7.1 AFBI Budget Monitor Report – Position at 31 May 2016

In presenting the budget monitor for the period ending 31 May 2016, Mrs Jackson reported that the 2016/17 forecast outturn showed an income deficit of £1.3m. AFBI will continue to do its utmost to increase revenue and reduce costs in order to bridge the gap in funding. Mrs Jackson also advised the Board that current year to date variances, in respect of royalties and DAERA funding, had been purely due to timing issues.

Mrs Jackson informed the Board that AFBI had provided its input into DAERA Ministerial briefing on the potential impact of 'Brexit' on existing EU revenue streams that AFBI was projecting to continue to receive over the 4 year period 2016-2020. It was agreed that a copy of the projections would be made available to Board members once cleared with DAERA.

MJ

The Board also noted that the 2017/21 Comprehensive Spending Review relating to revenue bids has been officially commissioned and AFBI Finance Branch is in the process of compiling its submission to DAERA.

7.2 Vaccine Royalties Update

Mrs Jackson reported that there was no further update on AFBI's position with regards to future royalty income received from pig circovirus and salmonid alphavirus global vaccine sales. The AFBI Solicitor has been holding discussions with the independently contracted specialist auditor and parties

concerned.

ACTION

In relation to current royalty income received by AFBI, Mrs Jackson agreed to provide the Board with an update on the lifetime of the patents via correspondence.

MJ

8. Report from Finance and Business Strategy Committee Meeting held on 21 June 2016

Mr Coffey provided a verbal update on the Finance and Business Strategy Committee meeting held on 21 June 2016.

Good discussion had been had on a number of areas and the Committee offered a number of ideas on how it can support the Executive in conjunction with the CEO's review of the business strategy and structure of the Institute.

9. Report from Audit and Risk Assurance Committee Meeting held on 4 July 2016

Mrs Havlin provided a verbal update on the Audit and Risk Assurance Committee meeting held on 4 July 2016.

No significant issues were raised and the main focus of the meeting had been around the 2015-16 draft Annual Report and Statement of Accounts and the Committee was content with the papers presented at this stage. A further quality assurance of the figures, and the content of the annual report, will be undertaken by the executive prior to their submission to the Northern Ireland Audit Office by the 29 July 2016.

The Committee had also been made aware of DAERA's request that their Internal Audit conduct reviews on DAERA's and AFBI's implementation of NIAO and PAC recommendations during 2016/17. The initial review will independently assess the overall status of the recommendations and associated targets with a further review planned later in the year to look at specific areas in more detail.

10. Governance Issues

10.1 Risk Management

10.1.1 *Reports of New or Emerging Risks*

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

10.1.2 *Draft AFBI Corporate Risk Register – June 2016*

The Board noted the draft AFBI Corporate Risk Register and that the significant change had been in relation to the definition of the long term financial risk (CR4) which now brings into focus the potential loss of European Union (EU) funding.

The Executive also advised that there may be a slight revision to the definition of CR1 following discussion at the Audit & Risk Assurance Committee meeting on 4 July 2016. The Board indicated that it was content.

Exec

10.2 Whistleblowing and Fraud

10.2.1 *Reports of New or Ongoing Cases*

The Board was advised that that there were no new or emerging cases of Whistleblowing or Fraud to be reported.

11. **Annual Review of the Management Statement and Financial Memorandum**

The Board noted the Management Statement and Financial Memorandum (MSFM) and that it is subject to review. The Executive agreed that it will review the document and work closely with DAERA on the full review of the MSFM.

MJ

12. **Report from Science Strategy Committee Meeting held on 27 June 2016**

Dr Costello-Smith provided a verbal update on the Science Strategy Committee Meeting held on 27 June 2016 and highlighted the following points:

- The DAERA Chief Veterinary Officer is to undertake a review of the Department's scientific requirements and AFBI is keen to contribute to this review;
- AFBI has a preference for a programme-based approach to the commissioning process for DAERA-funded Evidence and Innovation (E&I) research bids;
- Clarity on AFBI's charging mechanism to secure future commercial opportunities and external grants is vital;
- Enhanced collaborations and relationships with CAFRE and local Universities were required to facilitate knowledge transfer and ensure future growth;
- Production of globally relevant peer-reviewed publications is essential for AFBI's future.

Dr Costello-Smith also highlighted that the timeframe for the review of AFBI's Science Strategy had been extended to December 2016 given the significant period of change within AFBI. The Committee had also discussed the effects of the UK decision to leave the EU, the importance of maintaining EU connections and planning for access to funding streams from a non-EU membership position.

13. **Any Other Business**

13.1 AFBI Estate Strategy Proposals

Dr Stewart presented a paper outlining the strategic proposals for the future development of the AFBI Estate. AFBI is working closely with DAERA on plans to develop the estate so that the Institute has a modern, efficient and fit for purpose accommodation platform.

Dr Stewart provided an overview of the current position of the Outline Business Case (OBC) for the VSD Main Building. Dr Stewart also advised of the need to revisit the AFBI Headquarters and Plant Science Centre OBC in order to provide assurance that accommodation requirements will support AFBI's strategy and reflect the right size and structure for the delivery of work programmes. The

Board noted that any revisions to the OBC would be subject to quality assurance by DAERA's Resource Economics Branch. **ACTION**

13.2 Closed Session

At this point in the proceedings, the Executive retired from the Boardroom and the Board members, along with the CEO, remained to discuss a number of issues in closed session.

Mr Buchanan left the meeting

14. Review of Board Meeting Effectiveness

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

15. Date of Next AFBI Board Meeting – 8 September 2016

The next AFBI Board meeting will be held on Thursday 8 September 2016 at the Silverbirch Hotel, Omagh.

16. Sustainable Agri-Food Sciences Division Presentations – “Divisional Overview” and “Overview of Agricultural & Food Economics Branch (AFEB)”

Prior to lunch and a tour of the facilities at Newforge Lane, Prof Davis gave a presentation on behalf of Dr Mayne on the Sustainable Agri-Food Sciences Division (SAFSD) followed by his own presentation on Agricultural & Food Economics Branch (AFEB).

Signed: _____
(Chairperson)

Date: _____