



**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI Newforge
on Thursday 3 March 2016 at 10.00am**

Present – Board Members

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

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

Visitor

Dr John Gilliland OBE, Chair of Northern Ireland Agricultural Land Use
Strategy Expert Working Group

1. Welcome and Introduction

ACTION

The Chair opened the meeting and welcomed all in attendance.

2. Apologies

There were no apologies to record.

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. Northern Ireland Agricultural Land Use Strategy Expert Working Group Presentation

The Chair welcomed Dr John Gilliland OBE, Chair of the Northern Ireland Agricultural Land Use Strategy Expert Working Group to the meeting to present the draft findings of the group's work.

Dr Gilliland opened his presentation by explaining that the Expert Working Group (EWG) was set up in December 2014 by DARD in response to Recommendation 22 of the Agri-Food Strategy Board's "Going for Growth" report which states that "Government must develop a Strategic Land Management Policy, specific to Agriculture.....whilst enhancing Environmental

Sustainability". The EWG is made up of representatives from the farming, environment and government sectors and their aim is "to provide farmers, policy makers & regulators with a strategy for land management that delivers a future for Northern Ireland agriculture which is economically, environmentally & socially sustainable; while achieving the ambition laid out in the "Going for Growth" report."

Dr Gilliland said that it was important to establish a knowledge baseline by using intense water quality measuring, soil analyses and aerial surveys. His group recognises that the engagement of farmers is vital, along with investment in a central digital information database, succession planning for the future and longer-term land lease options.

Dr Gilliland highlighted the importance of AFBI's role in delivering scientific evidence and advancements in knowledge to improve land management within the grassland sector. He described AFBI's agro-forestry site at Loughgall as one of the best in the UK and very valued. Dr Gilliland also referred to the vital role for grass breeding, management and production, and agro-forestry in the sustainable management of agricultural land.

Dr Gilliland concluded by saying that he would be providing a draft report to the DARD Permanent Secretary by the end of March. He anticipated seeking European Union funding for implementation of a pilot scheme. He emphasised that this strategy warrants an approach to the European Commission to recognise Northern Ireland as an exemplar in water quality, climate smart farming and food production.

The Chair thanked Dr Gilliland for a very informative presentation, and expressed the Board's support for the strategy. He acknowledged the Board's appreciation of Dr Gilliland's recognition of the importance of AFBI's scientific work to the strategy.

5. Draft Minutes of the AFBI Board Meeting held on 4 February 2016

The draft minutes from the previous AFBI Board meeting held on 4 February 2016 were approved without amendment.

5.1 Action Sheet from AFBI Board Meeting held on 4 February 2016

Progress against actions was noted as per the action sheet.

6. Chair's Remarks

In providing his remarks, the Chair referred to his attendance at the Finance & Business Strategy Committee meeting, praising the Committee's efforts to identify and address financial matters which impact on business achievability. He also advised Board members of the importance of balancing matters classed as "urgent" with those classed as "important" and focused on the finalisation of the AFBI Business Plan 2016-17.

7. Executive Report

The CEO presented the Executive Report for February 2016 and the following

key points were noted -

ACTION

7.1 Estate Strategy

The HQ-Grassland and Plant Sciences Centre Outline Business Case has been paused by DARD pending finalisation of elements of AFBI's 2020 Strategy. Work on completion of the business case for the animal accommodation at VSD will recommence shortly and funding for CPD fees to take forward the project has been secured for 2016/17, pending business case approval by DARD and DFP.

The "Task and Finish Review" of the AFBI-CAFRE farmed estate has identified potential opportunities and principles for more integration of the farmed estate to meet the needs of the respective organisations. The detailed issues will be taken forward as part of a business case. An 'AFBI-CAFRE Farmed Estate Beef Facilities Working Group' has been set up to evaluate the AFBI and CAFRE's joint requirements for R&D, KTT and education on beef production.

Initial work has commenced on development of the specifications for the major AFBI-Hillsborough farm accommodation projects with initial draft specifications submitted to CPD in January and follow up discussions held between CPD and AFBI in early February.

The Pig Weaner Accommodation project is making good progress and capital funding has been secured for 2016/17.

7.2 TSB/InnovateUK/CIELivestock Ltd.

Following DARD approval for AFBI to join the limited company, the contract has now been signed. This is the first time AFBI has joined a limited company and Dr Elizabeth Magowan (SAFSD) has been appointed as an interim director to the Board of CIEL. The Chair offered formal congratulations on behalf of the Board for this significant development in AFBI's history.

7.3 EU Funding

Seven H2020 proposals were submitted by AFBI staff before the 17 February deadline.

7.4 Agriculture Branch

AFBI Hillsborough hosted a discussion seminar for the poultry industry. The seminar was attended by representatives from Moy Park Ltd, Devenish Nutrition, St David's Poultry Team, John Thompson and Sons Ltd and AgriSearch.

Dr Elizabeth Ball presented findings from recent research projects.

7.5 Agri-Food and Economics Branch

Professor Davis is editing a special issue of the journal EuroChoices on "Brexit: The Implications for UK Agri-Food of the UK Leaving the EU".

8. AFBI Business & Corporate Plans

8.1 AFBI Business Plan 2016-17

The Chair reported that following an extraordinary meeting of the Board held on 22 February 2016 to discuss the draft AFBI Business Plan 2016-17, the

document has yet to be finalised due to the need to discuss the implications of AFBI's budget with the Department. The Chair emphasised the need for AFBI to have support to enter the "grow" phase of its "shrink to grow" strategy and informed members that a number of meetings were expected with DARD officials during March to agree the final plan.

ACTION

8.2 AFBI Corporate Plan 2016- 2020

In reviewing the draft AFBI Corporate Plan 2016-2020, discussions from the Board members centred on the following suggestions:

- increased concentration on partnerships and collaborations
- greater focus on opportunities
- application of a visionary context
- removal of financial/budgetary information

The Chair requested that the Executive re-draft the Corporate Plan to include the proposals from members. The CEO informed members that he welcomed the comments and requested that any further observations to be sent to the Executive by correspondence. It is expected that the timeframe for submission of the Corporate Plan to DARD will be confirmed at a meeting with DARD officials later this week.

Exec/All

9. AFBI Organisational Structure

As requested at the January Board meeting, the CEO presented the AFBI organisational structure showing details of the recent strategic organisational changes, along with information on planned changes. Mrs Hogg tabled a paper which gave additional information on staff numbers for each branch to supplement the charts. The CEO pointed out that AFBI had been undergoing a large number of changes in recent times to achieve efficiencies. The Board members voiced their appreciation of the usefulness of this exercise.

10. Report from Finance & Business Strategy Committee Meeting held on 1 March 2016

The Chair of the Finance and Business Strategy Committee, Mrs McCartan tabled a report summarising the key points discussed at the meeting on 1 March 2016. She highlighted the following key points:

10.1 AFBI Costing & Charging

A paper was presented titled "*Implications of the Application of Full Economic Costing (FEC) & Associated Overhead Recovery Rates as Derived From The AFBI Strategic Cost Model*" which proposes a more competitive charging model compliant with public sector finance rules. The paper also explored the Scottish Government model which had developed the concept of "Underpinning Capacity". The Board noted that these concepts would help underpin AFBI's long-term sustainability and reduce the overall operating costs of AFBI to the public sector.

Mrs Hogg advised the Board of the next steps as set out in the paper. The Chair requested that the paper be circulated to all Board members for information and

Exec

that the Executive take forward a proposal to present to DARD.

ACTION

10.2 Communications and Stakeholder Engagement Strategy

The AFBI Communications Manager delivered a presentation to the Committee on the proposed Communications and Stakeholder Strategy for 2016/17 which the Committee noted as very informative and focused on celebrating the 10th anniversary of AFBI. The CEO confirmed that this strategy would be presented to the Board at the April meeting.

Exec

Mrs McCartan noted that this had been her last Committee meeting, expressing her appreciation for the support of the Executive, Secretariat and fellow Committee members since 2011. She stressed the significant improvements experienced by the Committee in financial management, reporting and governance under Mrs Hogg's leadership. The CEO thanked her for her major support to the Executive over the years.

11. Draft Minutes from Audit and Risk Assurance Committee Meeting held on 2 February 2016

After a short break for lunch, the Board noted the draft minutes from the Audit and Risk Assurance Committee Meeting held on 2 February 2016.

12. Report from Organisational Development & Human Resources Committee Meeting held on 2 March 2016

In providing a verbal update of the Organisational Development & Human Resources Committee meeting held on 2 March 2016, Prof McKelvey focused on the review of the NICS Terms & Conditions for staff. He stated that there was a two-stage approach to the review, with the first considering the various elements of Terms & Conditions and the implications of potentially amending these. Prof McKelvey advised that the Executive anticipated presenting a report to the April Board summarising the findings of Stage 1. The second stage will be a longer-term project to develop a set of staff Terms & Conditions appropriate to AFBI.

Exec

13. Governance Issues

13.1 Risk Management

13.1.1 *Reports of New or Emerging Risks*

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

13.1.2 *Whistleblowing and Fraud*

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

13.2 AFBI Counter-Fraud Policy & Fraud Response Plan (v 5.0)

In presenting version 5.0 of the "*AFBI Counter-Fraud and Fraud Response*

Plan”, Mrs Hogg informed the Board of the recent NIAO guidance “*Managing Fraud Risk in a Changing Environment*” which prompted the review of the current policy to ensure AFBI’s compliance with best practice. **ACTION**

She summarised the main changes reflected in the policy as outlined below:

1. A statement regarding sanctions has been included in the Fraud Response Plan.
2. Operational management of the risk of fraud has been delegated to the Head of Governance and Performance (who is a trained counter-fraud specialist), with the Accounting Officer retaining overall accountability.
3. The Fraud Reporting Pro-Forma (Appendix 6) has been revised to mirror the reporting form that AFBI is required to provide to AFBI Sponsor Branch in the event of an incident.
4. Fraud Investigation Services have been centralised within DFP and a new Memorandum of Understanding has been agreed by DARD which includes AFBI.

The Board were satisfied with the detailed improvements and approved version 5.0 of the “*AFBI Counter-Fraud Policy and Fraud Response Plan*” without amendment.

13.3 AFBI Board Code of Conduct

Mrs Hogg explained to the Board that a review of the “*Code of Practice for Board Members*” had been carried out in light of the revised Board Operating Framework and that a new “*Code of Conduct for AFBI Board Members*” was being proposed. She advised that the new Code of Conduct was in line with guidance and a template provided by DFP and would replace the existing Code of Practice. Mrs Hogg informed the Board that the new Code was still based upon the seven ‘Nolan’ Principles of Public Life.

Following discussions surrounding two paragraphs of the Code of Conduct which Board members felt were inappropriate and restrictive, the Chair requested that Mrs Hogg consider these further and report back to the April Board meeting. **LH**

13.4 Board Self-Assessment

In tabling this paper, Mrs Hogg reminded the Board that, as part of AFBI’s Board governance arrangements and in line with the Board Operating Framework, all members must carry out an annual self-assessment exercise to assess the performance of the Board against identified key principles. She confirmed that the analysis of completed forms will be summarised, comments anonymised and an action plan developed, if required, to address any arising issues. Responses are requested by 24 March 2016 in order that results can be provided to the Board for consideration at the April meeting. **All**

13.5 Board member appraisals

ACTION

For the benefit of new members for the year 2015-16, Mrs Hogg described the appraisal method, highlighting the main steps of the system which include the completion of the appraisal form as a self-assessment exercise by each member prior to a face-to-face meeting with the Chair. She advised that Board members are also required to undertake an assessment of the Chair's performance as part of a 360° appraisal system and the AFBI Secretariat will circulate all necessary forms with guidance in due course. Mrs Hogg drew the members' attention to feedback previously received from DARD which aims to improve the 2015-16 process to maximise the benefits for all parties. The Chair reiterated that members should adhere to the proposed timetable as outlined in the paper, but indicated his intention to try to streamline the approach in the future.

Sec

All

14. Finance

14.1 AFBI Budget Monitor Report – Position at 31 January 2016

In presenting the budget monitor report for the period ended 31 January 2016, Mrs Hogg stated that while AFBI was still on target to deliver a balanced budget by the end of the financial year, some movement in forecast income and expenditure had occurred during the last month across a number of Branches. In response to concerns raised by members, the Executive assured the Board that income and expenditure was being monitored very closely by Heads of Division and Branch, Project Leads and Finance.

Mrs Hogg advised that expenditure on the capital programme for 2015/16 is being monitored on a daily basis by the Finance Team with weekly updates circulated to the Executive. The full allocation of £1.266m is expected to be utilised.

In relation to the 2016/17 budget, Mrs Hogg informed the Board that the NI Executive will contribute £0.6m in respect of pension pressures imposed in 2015/16, in addition to a running costs budget of £24.4m (excluding lease) and dialogue is continuing with DARD to build a business plan that can be accommodated within that financial envelope.

14.2 Quarterly report on new bids and contracts

Mrs Hogg presented a paper which provided an update on the status of bids for contracts submitted by AFBI since the last update in October. She provided an update on the status of the 74 bids that had been submitted from 1 April 2015 to 22 September 2015 and on the 43 new bids that had been submitted from 25 September 2015 to 12 February 2016.

The Chair requested that for future updates, the paper should include a breakdown of income by financial year.

Exec

The difficulty in forecasting the success of a submitted bid was acknowledged by the Board and it requested that the Executive inform DARD how it assesses the probability of success for income projections.

Exec

14.3 Delegated Authorities within AFBI

ACTION

Mrs Hogg stated that the “*Delegated Authorities within AFBI*” paper was originally presented at the Board meeting in January and outlined the comments subsequently provided by members.

After deliberating the operational efficiency of the existing arrangements and the strict procurement procedures already in place, the Board agreed that the existing levels of delegated authorities operating within AFBI remained appropriate and that no revision was necessary.

15. Any Other Business

15.1 Open Meeting 2016 & September Board meeting date

Following the Open Meeting in September 2015, it was agreed it would be preferable not to hold a Board meeting on the same day as the Open Meeting. Mrs Hogg obtained confirmation that the Board still held that view and it was agreed that the two meetings should run on consecutive days this year. Mrs Hogg drew the Board’s attention to the fact that the 67th Annual Meeting of the European Association for Animal Production (EAAP) conference and the Fall Forum would both be held in early September and suggested that it may be beneficial to hold the Open Meeting earlier in the year to maximise attendance by stakeholders. It was also agreed that the September Board meeting scheduled for the 1 September would be rearranged for the same reason. Potential dates for all meetings will be circulated for consideration in due course.

Sec

15.3 Completion of Terms of Office – Mrs Hilary McCartan and Mr Bob McCann

The Board and Executive took the opportunity to acknowledge the contributions made by Mrs Hilary McCartan and Mr Bob McCann who were attending their last monthly Board meeting having completed their terms of office. In presenting both of the retiring members with a memento to mark the occasion, the Chair and CEO sincerely thanked the members for their tremendous contributions to the increased financial governance within the Institute and professionalism over the years. In response, both members thanked the Board and Executive for their support and wished AFBI every success in the future.

15.3 Retirement of Chief Executive Officer - Prof Seamus Kennedy

In view of the impending retirement of Prof Kennedy as CEO, the Chair presented him with a small token of the Board’s appreciation. The Chair acknowledged the significant advances made by AFBI during Prof Kennedy’s 6 years as CEO, as well as acknowledging his contribution to AFBI and the DARD Science Service prior to then. The CEO thanked members for their support and their commitment to AFBI during that time.

16. Review of Board Meeting Effectiveness

The Board was satisfied with the effectiveness of the meeting.

17. Date of Next AFBI Board Meeting – 11 April 2016

The next AFBI Board meeting will be held on Monday 11 April 2016 at AFBI Newforge.

Signed: _____
(Chairperson)

Date: _____