

**SUMMARY MINUTES OF THE EIGHTY SIXTH MEETING OF THE AGRICULTURE AND  
HORTICULTURE DEVELOPMENT BOARD  
HELD ON THURSDAY 16 JUNE 2022 AT STONELEIGH PARK**

**PRESENT:**

Colin Bateman (CB), Sarah Bell (SB), Stephen Briggs (SBr), Lyndon Edwards (LE), Catherine MacKenzie (CM), Sarah Pumfrett (SP), Nicholas Saphir (NS) (Chair), Mike Sheldon (MS), Janet Swadling (JS)

**IN ATTENDANCE:**

Ian Ascroft (IA), Ken Boyns (KB), Will Jackson (WJ), Peter Judge (PJ) (Item 6), Jackie Kay (JK), Tim Rycroft (TR), Roseanne Thomas (RT) (Item 8), Sue Walker (SW)

<b>AGENDA ITEM 1 – APOLOGIES FOR ABSENCE</b>
Apologies for absence were received from Naveen Gupta and Tim Mordan.
<b>AGENDA ITEM 2 - DECLARATIONS OF INTEREST</b>
The following declarations of interest were made:- <ul style="list-style-type: none"><li>• TR has become a member of the AFS board with NS now a member of the AFS Ownership Body</li><li>• JS is a Director of The Institute of Agriculture and Horticulture (TIAH)</li><li>• KB is a Director of LI Ltd.</li></ul>
<b>AGENDA ITEM 3 – MINUTES OF THE BOARD MEETING HELD ON 29 MARCH 2022</b>
The minutes of the board meeting held on 29 March 2022 were accepted as a correct record.
<b>AGENDA ITEM 4 – MATTERS ARISING FROM THE MEETING HELD ON 29 MARCH 2022</b>
The matters arising from the previous meeting were discussed.
It was agreed that IA will look at bringing forward a proposal for how minutes of the board meeting should be put on the website, currently the summary minutes are available.
It was agreed that NS and TR will consider having regional board meetings at the appropriate time.
WJ confirmed that the data relating to levy payer details gained during the Shape the Future vote can be retained and used for future voting purposes, there is no time limit for keeping the data.
<b>Action:</b> <ul style="list-style-type: none"><li>• IA will look at the format of the board minutes on the website</li><li>• NS/TR will look at having regional board meetings at the appropriate time</li></ul>

## **AGENDA ITEM 5 – CEO REPORT AND OPERATIONS**

### **5.1 – CEO Report**

TR asked for his report to be taken as read.

### **5.2 – Engagement/Shape the Future (WJ)**

Sector council meetings had taken place last week with the sector chairs providing detail on how their respective meetings had gone. WJ informed the board of timelines between now and the November open meeting which included the review of workstreams and drafting of sector plans. The sector plans will be launched at the open meeting which will take place on 9-10 November. JS commented that there should not be a gap in ongoing communication to levy payers about the deliberations going on between now and November which was strongly endorsed by the board.

### **5.3 – Sector updates**

The sector update report was taken as read.

### **5.4 – Services update**

KB asked for the services report to be taken as read.

A What Works Centre driven by AHDB had been mentioned in the Government's Food Strategy White Paper which was published on 13 June, its purpose is to provide farmers with the best evidence that supports the adoption and on-farm take up of new innovations. Discussions were taking place with the industry and will be shared with the board at the next meeting on 26 July.

SP raised the notification of a suspect PED (porcine epidemic diarrhoea) outbreak in the middle of May. PED is a notifiable disease in England, but unlike other notifiable diseases, it was set up for DEFRA to assist the industry to self-help, rather than lead on. AHDB hold the contingency plans for PED and is morally obligated to play a part in the industry self-help mechanism in the event of an outbreak. This is linked to the information AHDB manages in eAML2. A contingency plan was put into action and the eAML2 database was used to contact all relevant parties. Fortunately, the results finally came back negative, but it has highlighted AHDB's part in the contingency plan.

#### **5.4.1 – Update on Farm Business Review (resilience fund)**

The Farm Business Review update was noted

#### **5.4.2 – Data**

The Data update was noted.

#### **5.4.3 – Livestock Information Limited**

An update on LI Ltd. was provided. KB commented on the recruitment exercise for the new Managing Director of LI Ltd, an announcement to the industry is imminent.

## **AGENDA ITEM 7 – FUTURE OF AHDB SERVICES TO HORTICULTURE**

Peter Judge joined the meeting for this item.

Options for EAMUs and Other Projects in Horticulture were discussed. KB was seeking the board's appetite for each of the options and to give a decision in principle.

KB informed the board that a letter had been sent to Defra setting out that work for 2023/2024 needs to commence in July/August and that we need a decision by Defra and the industry on the future by the end of June or as close as possible. There is an industry meeting with the Minister on 27 June with the aim of making a final decision, AHDB representatives will attend the meeting in an observer capacity.

Following a debate about the future of the EAMU/EA service, the board agreed:

- The resolution of this issue is principally a matter between Defra and the industry.
- The board would support a managed transition of the service to another partner if that was the decision of industry/Defra
- Only if there was a clear direction from Defra on the basis of strong public support from industry would we be prepared to continue to provide a EAMU/EA service on a statutory funded basis
- AHDB would not support collecting a statutory levy and then giving it to a third party for undertaking EAMU/EA work
- If there was a request for AHDB to continue to provide the service on a voluntary levy/commercial basis then the board would consider it, but would want a very clear commercial case, with medium term rolling contracts.

A deadline for a clear decision on EAMU/EA by the next board meeting – 26<sup>th</sup> July should be given to government or the board will be forced to start planning and implementing the wind down of the service on 31/3/2023.

AHDB Finance anticipates that there will be a surplus in both the Potato and Horticulture budgets following the wind-up process. The surplus is expected to be more than that required to be held back to cover any potential residual liabilities. Therefore, the Leadership Team is seeking the Board's agreement to:

1. the principle of releasing an initial amount of surplus levy during Financial Year 2022/23
2. the board's preferred surplus release options for delivering the benefit back to levy payers.

In considering the options the board agreed that the surplus in both sectors should be returned to levy payers but this would only be communicated once any outstanding levy has been received and a decision about the EAMU/EA service had been made (which would take first call on any reserves in horticulture). Defra's agreement would be needed for this action.

The board was informed that some horticulture projects would go on beyond 31/3/23, The board agreed to retaining these projects within AHDB, particularly if Defra and the industry request that we continue with the EAMU service. Costs will be mostly offset by avoiding any costs associated with contract transfers. The work would be funded from the reserves set aside. This was approved.

Robin Squance, a levy payer and chair of British Protected Ornamentals Association, volunteered from the panel members to join the horticulture sector board. He attended the last horticulture board as an observer and full membership is now recommended. The board was asked to formally approve his appointment to the Horticulture Sector Board and this was agreed.

## **AGENDA ITEM 7 - FINANCIAL AND PERFORMANCE UPDATE**

### **7.1 – Management accounts and other Finance related matters**

The management accounts were taken as read.

The board was informed that the new Finance Director will start on 18 July. The board asked for their thanks to be conveyed to Naveen Gupta for all that he has done for the organisation over the past three years and it was agreed that a card would be sent to Naveen from the board. SBr commented that it was pleasing to see that progress on cost savings was being made.

**Action: A thank you card will be sent to Naveen Gupta from the board**

## **Pensions**

MS declared that he is a member of the MLC Pension Scheme Trustee and JS declared that she is chair of the HGCA Pension Scheme Trustee.

TR provided the board with an update on the latest request from the MLC Pension Scheme Trustee for deficit reduction contributions from AHDB to be set at a figure that was outside the negotiating envelope the board had granted to the CEO. The board agreed a revised negotiating position, but noted that the Crown Guarantee will still be pursued.

**Action: TR to continue negotiations with the MLC Pension Scheme Trustee**

## **Proposal for the sale and disposal of Sutton Bridge (AHDB 1311)**

6216. The board received an update on the sale of Sutton Bridge. The board supported the back-to-back agreement process whereby AHDB would purchase the release of the Restrictive Covenant from party A which would then facilitate a sale of the site to party B. This would allow a quick completion and curtail maintenance costs and provide good value for money for levy payers. In addition, the board agreed that SP and MS will have the authority to sign any paperwork, and in conjunction with the CEO agree any final amendments to the proposed sale arrangements on behalf of the board.

## **AGENDA ITEM 8 – STRATEGY AND POLICY**

### **8.1 – Update on AHDB vision and strategy**

NS informed the executive of the discussion on vision/strategy which he had with the board the previous evening. It was agreed that an awayday for the board and TR will be arranged in 3-4 weeks' time to enable further discussion to take place.

**Action: An awayday for the board and TR will be arranged in 3-4 weeks' time**

## **AGENDA ITEM 9 - PEOPLE**

### **9.1 – HR Update**

JK commented that the presentation on equality, diversity and inclusion (EDI) which was due to come to this meeting had been deferred to the July board meeting due to illness from the lead consultant at The Clear Company. The board noted the gender imbalance among the Leadership and Senior Team, JK said in current circumstances that appointable candidates were at a premium and the availability of candidates is probably going to get worse.

JK provided an update on the recent whistleblowing case which related to historic events. The Whistleblowing Policy is being updated in time for the next Audit and Risk Assurance Committee (ARAC) meeting in September, the Grievance Policy had been updated last year.

The board was provided with an update on the proposed move from the current HQ to a smaller and more cost-effective option.

### **9.2 – Report from the Remuneration and Nominations Committee**

CM informed the board that a meeting of the Remuneration and Nominations Committee had taken place on 14 June 2022. Following a question from JS relating to the board having sight of Remuneration and Nominations Committee minutes, it was agreed that board members should be able to see them.

**Action: Minutes of the Remuneration and Nominations Committee will be shared with all members of the board**

### **9.3 – Health and Safety**

JK asked for the report to be taken as read. The board was informed that the landlord of the York regional office had asked if the AHDB staff could move to a smaller facility on the Askham Bryan site which had been agreed.

## **AGENDA ITEM 10 – BOARD AND GOVERNANCE MATTERS**

### **10.1 – AHDB/Defra framework document proposed changes**

The board noted the progress being made towards an updated Framework Document, any recommendations or comments should be passed to Ian Ascroft (IA).

### **10.2 – Round 2 list of proposed AHDB Statutory Instrument changes**

Defra and AHDB have started work on the next round of changes to the AHDB Order. Defra has booked Parliamentary time in order to put through any further potential changes to the AHDB Order 2008. The timetable Defra is currently working to is for amendments to go to Parliament in February 2023. This means the business cases and any mini consultations with parts of the industry need to be completed by the end of August 2022. Defra and AHDB will work in partnership on this process.

### **10.3 – Terms of Reference for Sector Council and committees**

IA commented that the paper contained in the pack related to the Terms of Reference for the ARAC and these were approved by the board. It is proposed that the review of terms of reference for the Remuneration and Nominations Committee and Sector Councils is deferred to the September meetings due to other workload demands on them. An initial review has been completed by the Governance Manager and amendments will be proposed at the September reviews. These are mainly around consistency and style rather than substantive changes to the scope and responsibilities, etc. of the two.

### **10.4 – Freedom of Information requests since last meeting**

The board was updated on Freedom of Information requests received by AHDB since the last meeting in March and informed that there are no requests to cause concern. A request had been made for the freedom of information requests to come to the board by exception, but it was agreed that this should remain a standing item which should come to each board meeting.

### **10.5 – Risk Register update including any new risks arising from today's meeting**

IA informed the board that the risk register was presented to the board for information. The Corporate Risk Register has undergone significant change since it was last scrutinised by ARAC at its March 2022 meeting. The VAT risk was removed immediately following the March 2022 meeting, given the risk crystalized and the impact incorporated into 2022/23 sector budgets. Three risks around the vote have been removed.

**10.6 – Report from the Audit and Risk Assurance Committee (ARAC) meeting held on 7 June 2022**

The ARAC had met on 7 June. SP reported that it had been a standard meeting with some time having been spent on the Annual Report and Accounts and LI Ltd.

**10.7 – Feedback log**

SBr commented on a complaint which had been highlighted in the feedback report from a levy payer who had wanted to provide feedback to the organisation but could not find a vehicle in which to do this. WJ agreed to look at a suggestion box concept making it easier for levy payers to contact us.

**Action: WJ to propose methods to make it easier for levy payers to provide feedback**

**AGENDA ITEM 11 – ANY OTHER BUSINESS**

LE and WJ/KB will meet to discuss dairy sector reserves. SP questioned whether this should be placed on the risk register.

TR sought the board's consent to focus the July board meeting on sector plans, vision and strategy and EDI without the normal update papers – as it was only a few weeks following the June meeting. This was approved.

**AGENDA ITEM 13 – DATE OF NEXT MEETING**

The next meeting will take place on Tuesday 26 July 2022 at Stoneleigh Park.

