

**SUMMARY MINUTES OF THE NINETY NINTH MEETING OF THE
AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 24 SEPTEMBER 2024 AT 8.30 A.M.
IN THE BOARD ROOM, AHDB, SISKIN PARKWAY EAST, COVENTRY**

PRESENT:

Nicholas Saphir (NS) [Chair], Colin Bateman (CB), Stephen Briggs (SB), Lyndon Edwards (LE), Catherine MacKenzie (CM), Sarah Pumfrett (SP), Graeme Jack (GJ), Glen Nimmo (GN), Tom Clark (TC)

IN ATTENDANCE:

David Wilford (DW) [*Defra*], Anthony Taylor (AT) [*Board Apprentice*], Graham Wilkinson (GW), Katie Davies (KD), Tony Holmes (TH), Guy Attenborough (GA)

Paul Flanagan (PF), Angela Christison (AC), Sarah Woolford (SW) and Sam Charlton (SC) (agenda item 6 only), Will Jackson (WJ) (agenda item 7 only), Richard Hampton (RH) (agenda item 7.2 only), Chris Gooderham (CG) and Kim Matthews (KM) (agenda item 8.1 & 8.2 only), Mike Gooding (MG) (agenda item 8.2.1 and 8.4 only)

APOLOGIES FOR ABSENCE
No apologies received
DECLARATIONS OF INTEREST
LE declared an interest that he had been appointed as the new Chair of the Dairy Roadmap.
LE declared an interest that he had applied for his farm to be part of the environmental baselining project and being successful. CB also declared an interest that he had also applied for the baselining project, being successful but not yet accepted.
NS asked if the Board is comfortable with any board members or sector council members participating in the project and any risk to reputation.
GN noted he thought Board or Sector Council members applying showed we were bought into the project and aligned with levy payers also selected. SB felt that as CB and LE were both levy payers, it showed leadership, but we must be 100% transparent throughout. SP concurred with SB but asked if there was a risk around perception that CB and LE were selected due to their positions on the AHDB Board, she said transparency was key and asked if selection was “blind” to applicants at time of determination. CM noted she was very comfortable and thought it would look odd if we didn’t have any Board members applying.
TC confirmed that he had applied to be involved in the baselining project and his farm had been selected. He thought this may be problematic but when he found out that two other Board members had applied and been successful, he felt his participation in the project was too difficult. He further noted that members of his C&O Sector Council had also applied, some had been successful, others not. He noted that the selection process was robust and fair but his concern was around the optics.

NS noted that the Board had fully discussed the principle around the farm selection for the baselining project. Two board members had declared their interests. One board member had been selected but declined to take part. The Board were all supportive of CB and LE participating in the project as this shows commitment and leadership, but fully understood TC's reason for withdrawing his accepted application.

MINUTES OF THE BOARD MEETING HELD ON 23 JULY 2024

The minutes of the Board meeting held on 23 July 2024 were accepted as a true and accurate record.

MATTERS ARISING FROM THE BOARD MEETING HELD ON 23 JULY 2024

SP queried action item 6745 and she wasn't sure what it corresponded to in the draft minutes. KD confirmed this was an action rolled forward from the May board meeting and KB had just provided an update on progress.

GN wanted to add a bit more detail around action item 6794 and the MLC working group. He noted they were still waiting on the final valuation, that will then guide the working group on direction in the short term. A decision would then be made on pension risk appetite and a paper will come to the board for a decision.

SB queried action item 6805 and whether there should be a Board discussion around the SI changes before they come to December's Board meeting so NS and GW can discuss these with Minister Zeichner when they meet with him.

Action: GA will put together a short paper to send out to the Board on the SI changes.

TC noted that with regards to action 6788 on possible C&O Sector Council members joining ARAC, Ian Ascroft is yet to make contact. KD will follow up.

CEO & OPERATIONS

BUSINESS PLAN STATUS UPDATE

The Board noted the brief discussion of the previous evening supportive of progress regarding the 2025/26 business plan. The LT are meeting on 1 October 2024 to start developing the plan for next year so GW had asked the Board for their views on what they thought were major successes and biggest challenges in 2024 and what they would like to see as priorities for 2025. GW will then incorporate these into the 2025/26 business plan.

GW noted that on the current plan, DGP is still showing as red. There is significant work happening around DGP to get this to amber, and eventually to green. GW further noted that a number of the activities are weighted to Q4, landing in January – March 2025 for completion. GW has a slight nervousness around this and will adapt next year's business plan to not be so back end weighted. Three quarters of the activities are currently on track.

GW noted that PDRs were amber, we have 80% completed but need to do a final hard push on these to get them over the line. GN asked if it was a lack of willingness from staff to complete these and where did GW think the breakdown on completion was. GW confirmed that there was a slight delay with the implementation of the new leadership team and change of reporting lines. Maternity and long-term sick is also a factor but ensuring staff understand the importance of PDRs for their own personal development is important. GW further noted that this is a key focus for the Leadership Team.

TH confirmed that the reporting line changes in Agresso had being a factor in completion rates. Managers had to pick up existing PDRs for new members of their team, and this had thrown up a few issues. TH further noted that by the next board meeting, PDRs should be substantially complete and 6 months reviews done.

SP suggested that people management/PDRs should be on our risk register and this area should be amber and not green.

VISION AND STRATEGY AND REBRAND NEXT STEPS

GW updated the Board that following on from our two day Board and Leadership Team session with Marcus Child, he met with Roseanne Thomas and Liam Byrne to discuss what we had come up with for our vision. They were now working on pulling together some images around the vision for when we roll it out to all staff at the December conference. Marcus Child has now been confirmed to join us at the conference to help facilitate the session with all staff.

Action: GW was keen that all Sector Councils have input into the final vision and strategy document, so it will come to all November Sector Council meetings for further discussion.

GW went on to discuss rebranding for AHDB now we no longer have Horticulture as a sector. He was aware there had been previous Board discussions last spring, and he was asking the Board if they were happy for him to continue with this rebrand work but in a low key way that delivers value for levy payers money. GW would then look to bring an update paper to the December board meeting (or if this was not possible, January). NS noted he didn't want a big debate on the topic now, but to allow GW to go away, do some work on this and then come back to the board at a later meeting.

TC noted that he would like to pause any work on rebrand and would like to get our new vision a track record and delivered externally before any work continues. He said there is an argument for doing some work now but doesn't want to cloud the work around the new vision. We should prove we're different and then rebrand. GN agreed and doesn't think this area of work is a priority. CB asked if with all the work going on around comms, would it be an in-house team doing the rebrand work and if so, do they have the right skills. CB further noted he wouldn't want this work to become a distraction from sorting out the comms function.

GJ noted he has seen reputational damage done when rebrands go wrong. He also understands CB's concerns as mentioned. Evolving the organisation is what the Comms task and finish group is focusing on right now and evolving the brand is key to this piece of work. AHDB has an equity as it stands with the current brand. GJ felt we should proceed with the rebrand work, but not lose sign of the current brand power we have, and the work should have minimal spend and be defensible to levy payers. GJ further noted that rebrands can be unsettling to organisations, so should not be discussed outside of the board and rebrand working group.

LE disagreed and said he felt we needed to break from the past and move on with rebranding now. SB felt it was not imperative to rebrand tomorrow, but that doesn't stop us doing some work around it and coming back to the Board with options, as long as cost is minimal. DW noted that we would need to be ready to explain to the SoS at the upcoming meeting with GW and NS, why horticulture is still in our name and key to the business.

Decision: NS asked the Board if they were all in agreement for GW to continue with low level work on rebrand in conjunction with the current work around comms, so this isn't interrupted. This might include low cost external support. The Board agreed for GW and the team to look at options for a name change although the board would still like to agree when this would be implemented.

Action: Add rebrand to December Board agenda for GW to update on progress.

SECTOR UPDATES

DAIRY

PF noted there was a milk forecasting forum last week, there are two meetings annually with processors, consultants, farming unions, etc participating. AHDB provides trends and forecasts on milk supply, retention rates, stocking rates and feed prices. Herd numbers continue to decline.

Deadweight cattle prices continue to climb. Expect to see further uplift in milk prices based on wholesale price movement. Milk to feed price ratio is increasing.

Positive investment in milk processing within the industry led by Arla and Muller. Challenges within the sector around weather, TB, environment, interest rates. Feed costs could increase if soya is replaced following EU deforestation regulations. PF noted that in Wales where approximately 2 billion litres of milk is produced, it is being proposed that farms who want to access Government money must have 10% tree cover, although this continues to be considered by the Cabinet Secretary's Round Table of which NS is a member.

LE noted there was a dairy inward mission export showcase this week in Hemel Hempstead. There were approximately 43 attendees from countries all over the world and we had been taking them on visits to different exporters and producers, 54 dairy exporting businesses from across the UK have been involved. The mission finished with a gala dinner and the showcase had been getting really positive feedback, showing the Dairy fund in action. SB asked which were the largest countries that attended this mission, LE confirmed it was Middle East, China and India.

The BUCS marketing campaign had landed well with farmers and the rugby cup tournaments for men and women were going to be held within the UK. The gold athletes' campaign was very visual and was hitting the right audience, which was 18-24 year olds heading off to college or university.

LE noted that in taking over as chair of Dairy Roadmap, we need to have more technical input at these meetings to raise the level of discussion and show leadership from AHDB.

GJ had joined the latest Dairy Insight session which was held in Scotland. A session was being held in Wales in October. Getting a lot of farmers hearing about these sessions and wanting to join one.

There are four new Dairy Sector Council members awaiting ratification. LE noted that Sector Council members are applying for roles on sub-committees so showing they want to be involved.

NS asked PF and LE what their biggest challenge within the sector is. They confirmed it was establishing who our levy payers are and how we are going to target them.

BEEF & LAMB

SC noted the B&L Sector Council meeting was the following day, 25 September 2024, her first as Sector Director. SC further noted she had just returned from a trip in USA hosted by Ranch Management Consultancy, which also included a week long training course.

Blue tongue restricted zones had been extended. AHDB has a live map on our website which is continually being updated. SC noted the change in outside temperature could help the situation. AHDB are hosting weekly webinars to provide up to date information on blue tongue and any farmers can drop into any of these sessions. We are continuing to communicate both internally and externally and working closely with Defra to drive leadership around dealing with blue tongue. The impact of this situation for 2025 is still unclear but SC/CB can provide more details on this as it comes through.

Forecasting work extending to 2030 on production figures has been undertaken. These results will be presented to the B&L sector council tomorrow. SC noted they are looking to go external with this information in October 2024. CB noted he has been talking about the declining production numbers for some time and farmer confidence is very low. The forecasting work should give us an evidence base which could feed into conversations with Defra.

SC noted the recent BBC "Brian May TB" documentary and AHDB challenging the facts that came out of this documentary showed great collaborative work amongst our teams. The video by our chief vet, Sarah Tomlinson, received the highest viewing figure of any video AHDB have published on our social media sites. SC confirmed that the BBC have acknowledged our complaint and are investigating.

SIAL conference is being held in Paris late October; this is a big event for B&L exports. SC noted she will share the outcomes from SIAL at December's board meeting.

SC noted the recent marketing work AHDB had done was very well received in the B&L sector, it had showed a good return on investment with beef 15-1 and lamb 3.8-1. SC further noted that we are going to collect less levy going forward and need to show the sector that we have more impact for their money.

CB noted that they had taken a different approach to the recent B&L Sector Council recruitment this time around due to the significant number of applicants. CB noted they did initial online pre-screen

interviews to narrow down the potential candidates for the second stage interviews and during this pre-screen, the candidates had to answer some very difficult questions. CB noted they had appointed four new Sector Council members who were awaiting ratification. These new members will bring a strategic approach which fits with how CB and SC want the council to be used going forward.

SC noted that a mentoring position had been offered to a young farmer from Northumberland. The B&L Sector Council had traditionally not had younger generations represented and this would give this farmer the opportunity to be mentored. This farmer was seen to be an ideal candidate for the mentorship.

PORK

AC noted that the pork sector was in a good place, not growing but ownership was shifting and levy payers quietly acknowledging that things were ok. AC further noted the sector was becoming ever more professional.

Pig prices are currently static; supply and demand are in balance. Breeding farms that have permits/planning permissions already in place that come up for sale and snapped up very quickly.

AC noted current hot topics within the sector are African Swine Fever (ASF), China (balance the carcass) and in country/government associated resources to match other countries. AC noted we are commissioning a report that will help make comparisons around this.

Current AHDB marketing campaigns achieved a return on retail sales of 10-1 – some three times the FMCG average. A new advert is being made.

AC noted we have a pig handling (online) training module which is obligatory under Red Tractor. Feedback around this has been positive.

Looking to shift ourselves on the engagement side to have more personal sessions with our pork sector levy payers. AC noted they can do this as the sector is much more consolidated than others. They are inviting levy payers to mix with Sector Council members and will look to hold every other Pork Sector Council meeting in a different part of the country.

GN noted there were one or two clouds on the horizon. The GBP to Euro exchange rate is creating a gap in pricing and need to be aware of this as it could be a potential problem. There was a concern expressed by an individual levy payer around our pig pricing data. GN/AC/GW and David Eudall have done a deep dive into the mechanics of pig pricing and the relative responsibilities of AHDB, Defra and RPA. So far this shows no issues around the voluntary element of identifying pigs to be included in the SPP. GN noted RPA are doing further investigations into reports to double check data, but the levy payer concerned is content that AHDB are playing their role correctly and RPA are making further investigations.

GN noted a recent mixed model analysis done by Kantar (which showed the 10:1 ROI) also gave our teams detailed insight into where the leverage is on all aspects of the spend. It also showed the importance of TV advertising.

CEREALS AND OILSEEDS

TC formally introduced SW to the Board as the new C&O Sector Director.

TC noted that C&O is different from the other sectors. Confidence in the sector is incredibly low following a terrible harvest although harvesting is still ongoing in Scotland and Northern Ireland. Prices have also softened. TC noted that the bad weather had meant a lot of disease in crops. UK imported the highest amount of milling wheat ever in July because of diseased crops. SP noted that from what she has been hearing, harvest in Scotland had gone well so far and that Ergot wasn't affecting Scottish crops; she raised the question of how funding research into the effects of Ergot, which had been mentioned, would be received by levy payers for whom it wasn't a problem and how balancing the needs of different levy payers was practically managed. TC confirmed he had good representation for Scotland on the C&O Sector Council.

TC noted that discussions were still ongoing around DGP and had been fraught in places. They had now come to a decision on a way forward as a sector council, which to date they couldn't agree on. TC did have concerns on AHDB's credibility within the sector and we must show levy payers value for money on the work around DGP. The final decision will be driven by end users, maltsters and millers, but the sector isn't willing to confirm this in public. SW noted the next stage of discussions around DGP will be to engage with Scotland and Northern Ireland. SW noted they will also engage with the DGP leadership group on what a mediation process would look like. A comms plan has been developed to control the narrative around DGP and this will get sign off from various supply chain stakeholders.

A visit to Northern Ireland to look at food contamination and safety is taking place in October. TC and SW are both going and discussions around DGP will form part of this trip.

SW noted that financial pressure has hit the forecast. This will flow into the next financial year so need to bear this in mind when doing the 2025 budgeting.

Evaluation is still a key focus in the C&O sector and where do levy payers see value. If other sectors agree, SW would like to look at doing something on evaluation around AgriLeader.

SW noted they were looking at how we can protect our intellectual property, not just in C&O sector, but across the business.

MARKET DEVELOPMENT, COMMUNICATIONS & EXPORTS

COMMUNICATIONS TASK & FINISH GROUP UPDATE

The Comms Task & Finish (T&F) group update paper was taken as read.

WJ noted that the group had developed a five-point plan around communications and how this would be delivered:

- Communications Strategy
- Audience Insight
- Sector Communications
- Benchmarking and Measurements
- Communications Delivery

WJ noted the audience insight work involved over 800 interviews across all four sectors. There had been a good spread across the sectors and the results of this work was going to be presented to the T&F group next week. WJ confirmed that Ben Briggs who did the insight work had spoken to Sector Council members. LE was concerned that no one from his Dairy Sector Council had been spoken to, WJ confirmed they had been.

GJ is joining the call to hear the results of the insight work, and confirmed the report will also be shared with the Board. This work will identify a clear direction for moving forward with comms.

Communications within each sector is a key focus for current discussions. Strategic comms will become much more laser focussed with a dedicated strategy comms staff member reporting directly into each Sector Director. This will allow them to focus solely on their sectors. There may be further restructuring within sector comms at a later date.

SB asked if the work being done around strategic comms provides more confidence in what is going out to levy payers externally that hasn't landed so well in the past. WJ confirmed that with a dedicated strategic comms person working closely with each Sector Director, they will hopefully not have any issues with external communications. WJ noted that all four sectors must still remain aligned with each other. SP was concerned that by moving some of the comms team out to under individual sectors, they might feel disconnected to the rest of the comms team. WJ confirmed there will be dotted lines from each sector comms person into the rest of the comms team and clear ways of working.

GJ noted that it is key thing for each sector to have a dedicated comms plan, hold responsibility for their own sector comms plan and be accountable. This is an important step we are taking as an organisation to prove ourselves.

CB asked what the role of the comms team is at getting our successes communicated to our levy payers. Will it be down to the dedicated sector comms person to be responsible for showing value to levy payers within each sector.

EXPORT DEVELOPMENT UPDATE

Richard Hampton joined the meeting. He introduced himself and noted he had been in his role for three months. He then gave a short high-level update on exports.

Following on from taking over from Phil Hadley, RH noted there is nothing within the export team that needs urgent attention. They are a competent team although some minor gaps or imbalance in resourcing will need looking at further. There are three staff in our French office being managed by Gareth Renowden and agents acting on our behalf in other countries across the EU and rest of the world. There is a strong emphasis on marketing in Europe, more consumer than trade. RH noted there is too much Access resource and not enough in integrated project management. He further noted that there needs to be more alignment between the EU/Agents/Rest of the world.

RH noted that now the new leadership team structure is in place, he will work with each of the Sector Directors to ensure a much more integrated and structured approach to the comms around exports.

GN noted that his sector funds a pork ECP group and how could this be really effective for the pork sector. RH noted that the ECP group is a highly technical group and performs a specific task.

SB asked if with the new Government's emphasis on growth, did RH see Government relationships changing. RH noted that the climate is changing. The withdrawal of pork export licences during Covid is still a political hot topic. He noted it was too early to say on specific export policy areas.

LE asked what the implications into Europe are for beef with EUDR in its current format. RH noted that the regulation required implementation at a national level, and if it didn't, then it could stop all exports of beef into Europe.

NS noted that the technical ability within the exports team is very good to date. Building up the trade side within the UK as well as Europe is important as it supports fairness to the supply chain by developing meaningful alternative markets.

SP asked how the work we do on exports affects not just the individual sectors, but the industry as a whole from a risk perspective and do we need to capture any of these risks on the corporate register.

Action: SP asked if RH could attend an upcoming ARAC meeting to discuss risk around exports.

Action: The Board asked if RH could present to a Board meeting at a time to be agreed for a deep dive into exports strategy, delivery and KPIs for the future.

CENTRE OF EXCELLENCE

DATA CUSTODIAN

Chris Gooderham and Kim Matthews joined the meeting. KM presented some update slides.

Principal report demonstrates how the farming sector can come together to solve an issue, sets out the principles to protect farmers interests and opens dialogue with the government. Engaged with over 20 stakeholder organisations so far including UKFM, AIC, MAGB, Dunbia, ABP, QMS and CLA. Overall, there has been strong support for the project. They all need help capturing high level farm data. Next joint working group meeting is 3 October 2024 at NFU offices in London with a full business case being produced by December 2024 to secure Defra sign off by March 2025.

NS asked if we were at risk of losing the entire project due to the delay in timings. KM confirmed the delays were due to the general election and conversations needed with Defra.

ENVIRONMENT AND BASELINING

CG noted that Defra were putting funding into the baselining project. There were some conditions attached to the funding with Defra wanting a casting vote, CG confirmed this will need further discussions. This funding will bring us back on track for the full five years' worth of funding, subject to the level of capping we use for the farms during the optimisation process. The challenge is how much we can get done in year one and what needs to be rolled over.

CB asked if the Defra funding would mean the cap on farms for the pilot would be removed, CG confirmed it wouldn't and the cap of 300 acres would remain. All farms that registered to be part of the pilot were all put through a thorough optimisation process.

SB asked if there were any gaps in the soil or eco system types. CG said he didn't think there were, as the optimisation process had such specific selection criteria. He also noted that after the first selections were made, these were all followed up with phone calls with some further questions.

The Board all congratulated CG and the team on the work to date on this project.

WATER QUALITY

Mike Gooding joined the meeting. The board commented on the really good paper on water that had been included in the Board papers and that they didn't realise how much AHDB were already involved in with regards to water quality at technical and operational committee level. MG noted the big question for the Board was how we should/could engage at a more strategic level.

MG noted that during the RB209 review Defra implied the potential use of the guidance in the enforcement or prosecution of water quality compliance. The Board determined that AHDB tools designed and written for guidance purposes should not be used for regulatory compliance. It noted that ensuring greater clarity to the RB209 agreement between AHDB and DEFRA was important, with particular reference to reputational damage from levy funded activity being used to enforce on-farm compliance.

BFU DISCUSSIONS

GA noted that the British Farmers Union have a great interest in how we evaluate work programmes. They also wanted to know if Sector Councils are holding AHDB staff to account on evaluation. SB asked if all members of the BFU are levy payers and GA confirmed they were.

GA further noted they wanted us to be more transparent as an organisation and show value for levy payers. The paper included in the Board pack had two questions for the Board:

Should a Sector Chair join the next meeting scheduled with BFU. A Sector Chair who is a levy payer has the ability to say things that staff are unable too. The BFU is mainly B&L and C&O sector focused. CB was not in favour and TC also had reservations.

GA made a suggestion that the team could do the November meeting without a Sector Chair or Board member present and report back to the Board.

GA noted the paper also asked the Board to address the BFU's questions around the advisory panel.

NS noted that with the present level of governance and transparency individuals or groups shouldn't become an added level of 'reporting' for the organisation. The Board felt we need to continue to positively engage with this group.

GW noted he was meeting with John Strak next Friday 11 October 2024. GW will discuss our business plan and the governance and evaluation processes that are in place.

Decision: The Board were all in agreement that we continue positive engagement with the BFU, but that we also have the correct governance and evaluation processes in place so it would not be necessary or acceptable for a separate evaluation advisory group to be established.

GENETICS EVALUATION

The genetics paper was taken as read.

MG noted a lot of information was flowing between organisations without any real structure to it. There was only a gentleman's agreement in place to let the data flow between parties and this needed to be tightened up and formalised.

MG noted that the genetics offering was underpinned by huge volumes of data provided by supply chain and breeding companies. These arrangements needed to be formalised to ensure ongoing service.

NS asked the BOard if they were happy with the general direction of travel around genetics, and if they had any concerns about entering into an alliance with SRUC. MG noted we would look to have something in place ready for approval by January 2025.

SP was concerned we were entering into an agreement blindly. LE noted that genetics is an area of concern, and we now have the potential to drive the work forward. He further noted he has a member of his Dairy Sector Council who would be the ideal person to help with this area of work.

CB noted there is a serious amount of work going on behind the scenes that the board aren't aware of. He said it's very ad hoc but thinks the board will definitely need a paper to update them on the other work that is happening.

Action: NS requested that MG, GA and any relevant members of the Board to meet along with a Defra representative that DW will identify, to look at the various structures that are engaged in the area, what it would mean for AHDB and what the board should be considering.

ASSURANCE REVIEWS AND INVESTIGATIONS

Update paper was taken as read.

NS noted that the commissioners have now met with all the relevant AHDB parties following our submission. NFU will be publishing their submission externally and we need to consider how and when we publish ours.

CB noted the B&L Sector Council were very impressed by the work James Taylor had done on our submission.

SB suggested we should publish at the same time as NFU. GJ noted we were in control of our submission, and can decide on when we publish it.

Decision: NS asked if the Board all agreed that we publish our submission around the same time as NFU. The Board were all unanimous in agreement to this.

DEFRA

DW noted the SoS is talking about a new deal he's planning with farmers. A submission has gone into Treasury for the spending review and this includes a proposal for a farming budget.

Defra are in the process of trying to get the Aujeszky's funds back into AHDB.

DW will contact the SoS's private office to help arrange a date for the meeting requested by the SoS with NS and GW.

CB asked if Defra would be prepared to look at funding for innovation grants. DW said it would be something they'd consider.

AHDB/DEFRA MEMORANDUM OF AGREEMENT

GA noted that they had got quite far with progressing a MoA with Defra. The legal bits were broadly sorted and there were some areas of work that both parties would be interested in such as baselining and MI. GA further noted we needed a pre-agreement from Defra that some budget has been allocated for a particular piece of work.

GA noted that we wanted to prevent the need for having to go through a full Defra approval for any work we wanted to carry out, but instead be treated as a preferred supplier.

SP asked if there was a way to look 3-5 years ahead to see what the government policies would look like.

FINANCE AND PERFORMANCE

MANAGEMENT ACCOUNTS

Report was taken as read. TH noted the full year forecast carried out in July has resulted in the deficit increasing.

The budget was approved with an FTE count of 374.7 and associated total cost, the latest forecast has FTE's increasing to 396.7 and staff costs increasing also. Although headcount is forecasted to increase, delays in recruitment during 24/25 has meant that the cost has remained neutral and as such the forecast increase is a result of the potential annual pay review which was budgeted at 2% but has been increased to 5% to align with the Chancellor's announcement.

At a sector level Cereals & Oilseeds deficit has increased due to increased workstream expenditure, the delayed implementation of a reduction in levy collection costs and a reduction in levy income. Dairy reports a deficit more than budget mainly due to an increase in workstream expenditure partially offset by additional levy income from 2023/24. Pork's deficit has reduced driven by a reduction in workstream expenditure and levy income. B&L reports a deficit more than budgeted mainly due to a reduction in levy income.

Total workstream costs have increased. In total there are 9 workstreams that report full year underspends. There are 12 workstreams reporting an increase in expenditure.

TH noted that in order to improve returns on reserves AHDB has opened two further notice accounts with Barclays, a 95-day account which returns 0.15% above the bank of England base rate, and a 65-day Green account which returns BoE base rate and invests in a variety of thematic projects including energy efficiency, renewable energy, green transport, sustainable food, agriculture and forestry, waste management and greenhouse gas emission reduction.

AGRESSO UPGRADE UPDATE

A paper with an update had been included in the Board pack. TH and his team have been doing a lot of work around this. Looking to separate out HR, payroll and recruitment. TH noted that moving to a completely new system was substantially more costly and risky than remaining with Agresso and moving to the cloud-based version.

TH noted his recommendation to the Board was to approve signing a three-year contract with Unit4 in order to take advantage of the GCloud13 discounted pricing they were offering, which was lower than what we had originally being offered. TH noted we would also need to take out a contract with Arribatec for consultancy services to support the migration project from the current Agresso to the cloud-based version.

SP asked with regards to long term sustainability, is this the best option for AHDB or is this just an interim solution. TH confirmed this would only be an interim solution for a three-year period and he would still be very keen to go down a managed outsourced route for payroll.

Decision: The Board agreed with TH's recommendation to sign a three-year contract with Unit4.

PEOPLE

11.1 REMUNERATION AND NOMINATIONS COMMITTEE

CM noted that there has not been a RemNom meeting since the last Board meeting. An in person RemNom is scheduled for Monday 7 October and there will be a detailed discussion at this meeting around Sector Chair hours and remuneration.

HR UPDATE

HR paper was taken as read. TH noted there were some concerns around long term sickness due to stress, although the majority of these cases were not down to work related stress. TH noted they were looking at how best to support these members of staff.

LE asked if there was an option to select non-binary, rather than just male or female when identifying yourself. GJ said HR are there to provide best practice for terminology. TH noted he would ask the team to look at the options available.

GW noted that since taking over responsibility for the HR team, TH had been doing a really great job in sorting out a few of the ongoing issues and wanted to thank him. GW further noted that the recent EDI support calls had received really positive feedback at this difficult time for various minorities and

that AHDB had been congratulated for its public condemnation of the riots. NS agreed and said he was pleased to see how many staff members joined the EDI calls and offered to provide support to all members of staff.

The Board noted the current absence of Awal Fuseini on sick leave and wished him a speedy recovery.

STONELEIGH STORES

TH noted that a paper had been included in the Board pack. Since the last Board meeting, TH had gone away and looked at the various options including alternative sites and containerised storage. TH confirmed that after looking at all these options, his recommendation is to agree to the offer from the Stoneleigh Stores landlord to sign a new three-year contract which would then bring the lease in line with the main head office lease.

TC asked what was kept at Stoneleigh Stores. TH noted there was a lot of everything including events kit and finance paperwork. TH further noted that there has been an extensive clearing out exercise done to remove as much as possible.

GW noted that he would like the opportunity to undertake a project to look at what AHDB's office and storage space should look like going forward and come back to the board with options once we get nearer the end of the main office lease.

Decision: The Board agreed to go ahead with a new three-year lease on Stoneleigh Stores.

H&S

H&S report and dashboard taken as read. TH noted there have been no accidents or near misses since the last Board meeting and that a reminder had gone out to all staff to record any near misses on Halo.

BOARD AND GOVERNANCE MATTERS

AUDIT AND RISK ASSURANCE COMMITTEE

SP noted there is nothing to report as there has been no ARAC meeting since the last Board meeting.

12.2 CORPORATE RISK MANAGEMENT

SP noted she was not entirely happy with the current risk report and she would pick this up further at the next ARAC meeting. NS noted he felt there was too much detail included in the paper that goes to the Board.

FREEDOM OF INFORMATION REQUESTS

FOI report taken as read. SP noted she would like assurance that DDaT are involved in any FOIs that come into AHDB relating to technology/equipment utilised etc knowledge of which could facilitate successful hacking of our systems.

FEEDBACK LOG

Feedback log taken as read.

AHDB FRAMEWORK DOCUMENT

GA noted that the framework document with track changes had been included in the Board pack. GA noted the key points he wanted included within the agreement had been achieved and were detailed in a separate paper included in the Board pack.

GA asked the Board to agree to give authority to the Chief Executive Officer & Accounting Officer to sign the final version, provided there have been no material changes made by HM Treasury. Any material changes are to be agreed by the Board, prior to signing.

Decision: The Board agreed to GA's recommendation.

ANY OTHER BUSINESS

HORTICULTURE & POTATOES WIND UP UPDATE

The update paper was taken as read.

RASE FOOD AND FARMING FESTIVAL 2025

GW wanted to bring the Board's attention to the RASE Food and Farming Festival which is a planned weeklong festival to take place in 2025. SB declared an interest as he is part of the Leadership Team at RASE and CB declared an interest as his wife had been asked to participate in the festival. Both SB and CB left the room. LE and NS noted they were both Fellowes of RASE but there was no conflict of interest.

GW noted that the festival will highlight the importance of British food and farming and will be held on Clapham Common in London from 11 August to 29 September 2025. GW noted he would like to see if we could second any of our staff to help with the event but confirmed that no discussion about funding had taken place. GW further noted that he had discussed the opportunity with our Marketing Director, Liam Byrne, and he thinks there is an opportunity for AHDB from a farming perspective.

GN noted that he felt this should not be a decision for the Board to make, but a discussion between the Leadership Team on how best to use levy payer money and for the Leadership Team to make the final decision.

Decision: The Board agreed that participation at this festival should be a management decision. If participation requires any investment outside of the CEO's remit, then it will need to come back to the Board for further discussion/decision. The Board also noted that the exec must ensure we have enough resource to participate in the event, and still keep the day-to-day work maintained.

DATE OF NEXT MEETING

Date of next meeting is Wednesday 4 December 2024 at AHDB offices in Coventry.

Annex 1

Summary of AHDB Board discussion Tuesday 8 October 2024 via Microsoft Teams

The Board met to discuss and formally approve the 2024 Pay Review.

NS presented the details of the 2024 Pay Review recommendation raised at the RemNom meeting on 7 October 2024. The recommendation, as supported by RemNom, the Executive and Defra, is that a salary increase of 5% be applied for all eligible employees, backdated to 1 April 2024.

GW noted that he felt an increase of 4.5% which was slightly over the 4.2% Defra had paid would take into account the hardships that farmers have faced this year but also recognise the hard work all members of the organisation had done.

AHDB employees who began their employment post 1 April 2024 will not be eligible as this increase has been accounted for in their employment offer and starting salary.

It was noted that this would be a good opportunity to look at a new performance driven pay structure across the organisation.

Decision: The Board agreed by majority to approve the recommended increase to AHDB employee salaries by 4.5% and for this to be backdated to 1 April 2024

