

**SUMMARY MINUTES OF THE NINETY FIFTH MEETING OF THE
AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 23 JANUARY 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), Mike Sheldon (MS), Janet Swadling (JS), Tom Clark (TC)

IN ATTENDANCE:

Anthony Taylor (AT) [*Board Apprentice*], David Wilford (DW) [*Defra*], Ian Ascroft (IA), Ken Boyns (KB), Katie Davies (KD), Tony Holmes (TH), Will Jackson (WJ), Jackie Kay (JK), Guy Attenborough (GA) (agenda item 5.3 only), Chris Gooderham (CG) (agenda item 7.2 only), David Eudall (DE) and Jack Watts (JW) (agenda item 8 only), Dave Craig (DC) (agenda item 9 only).

NS opened the meeting by following up on the previous evening's discussion on a joint AHDB/NFU announcement on Red Tractor. NS asked the Board if there were any objections to the press release going out. The Board were all agreed this could go out.

NS further formally welcomed AT (our new Board apprentice) to his first board meeting. AT gave a brief introduction to his background.

AGENDA ITEM 1 – APOLOGIES FOR ABSENCE

No apologies received.

AGENDA ITEM 2 - DECLARATIONS OF INTEREST

TC declared that he sits on the NFU Sugar Board so is involved with NFU as an organisation.

AGENDA ITEM 3 – MINUTES OF THE BOARD MEETING HELD ON 21 NOVEMBER WITH ANNEX 1 FOR MINUTES OF EXTRAORDINARY MEETING HELD 13 DECEMBER 2023

Minor amendments to the Board minutes from 21 November 2023 were raised as well as an additional action. All amendments will be incorporated into the final minutes.

The minutes of the Board meeting held on 21 November 2023 were accepted as a true and accurate record subject to the amendments raised.

AGENDA ITEM 4 – MATTERS ARISING FROM THE MEETING HELD ON 21 NOVEMBER 2023

All actions are either completed or in progress. One action was missing with regards to AHDB's request to Minister Spencer for help with getting levy payer data from Defra. WJ noted that Guy Attenborough had picked this up with the Relationship Team, and they are working together to try and resolve this.

AGENDA ITEM 5 – OPERATIONS

5.1 CHAIR AND LEADERSHIP TEAM REPORT

Due to there being an interim period before the new CEO joins us, NS, JS and SB are joining the weekly Leadership Team meetings. Minutes from the 9 and 16 January meetings were taken as read. The Board agreed this seemed to be working well but would stop as soon as Graham starts on 4 March.

5.2 CEO CONFIRMED START DATE AND INDUCTION PLAN

A draft induction plan was included in the Board papers. This has key meetings that Graham will need to undertake once he starts. MS requested that the meeting with the National Pig Association be included in Graham's first three months. CB noted that once Graham is onboard, he will be contacted by numerous key stakeholders from all sectors, so meetings and contact with them will naturally fall into place over the first few months.

Action: KD to move all key stakeholder meetings and meetings with Devolved Authorities to one row, to all be completed in Graham's first five months.

5.3 HORTICULTURE AND POTATOES UPDATE

GA joined the meeting and requested it minuted that he had sent an email to all Board members prior to Christmas requesting approval to reduce the sale price of Sutton Bridge with two covenants still in place, to complete the sale quickly. Eight Board members had responded with agreement to the reduce price.

GA spoke to the purchasing MD yesterday and he was very keen to complete the sale. Hoping for completing later this week but GA will keep the Board updated on any progress. JS and NS were signatories on the sale documentation.

GA noted that following the sale of Sutton Bridge, we will have distributable potato levy reserves. GA asked the Board to consider our current policy around reserves as Ministers were not keen on us returning the money directly to levy payers, as it was not within the remit of the Statutory Instrument. SP stated she was very uncomfortable with us holding onto the reserves and could it not be returned to Defra to deal with. She further asked what the cost of holding the money would be, but TH said this would be minimal and would be taken out of the reserves. DW noted that Defra would have no involvement with the reserves, and it would be down to AHDB to decide what to do with the money.

NS noted that as we're not under any immediate time pressure and the sale of Sutton Bridge is yet to complete, we should look at options available, e.g. hold onto the money or pay out through grants. A further discussion would then be needed.

With the sale of Sutton Bridge nearing completion, MS wanted it noted that on behalf of the Board, he would like to thank GA for the way in which he has dealt with this issue and all the team's hard work getting it through.

AGENDA ITEM 6 – ENGAGEMENT

6.1 LEVY INCREASE UPDATE

WJ gave a brief verbal update on the status of the levy increase submission. It is continuing through the Ministerial sign off process. Minister Spencer had approved the increase and it was now sat with SoS to sign off. DW said they were hoping to hear by the end of this week that SoS had approved this, David and his team (and Minister Spencer) are doing everything they can to push the submission through as quickly as possible.

WJ shared a slide which outlined what comms would take place once we have received approval from Defra.

Action: NS and the Sector Chairs will all need to agree in advance what they would like to go out to levy payers from them.

JS asked if we had a holding statement prepared in the case of the increase being refused. NS noted we must continue to operate on the basis it would be approved, and if it was refused, the Board would need to meet to make some fundamental decisions on the business.

NS thanked DW and his team at Defra for all the hard work they were doing behind the scenes to help get our levy increase recommendation approved and signed off at all levels.

6.2 MANAGEMENT REPORTS AND DASHBOARDS

The paper included an update for both services and engagement to highlight any key areas of work that the Board would find useful.

KB noted that there currently isn't anyone overseeing the dashboards since Darren Sharp left so there are some gaps in those produced for the Board. KB and WJ have limited time to focus on these so are aware they still need refining. The dashboards will be included in the February Sector Council papers, and KB/WJ will be seeking comments and feedback from those meetings. CB noted that these were the best version of the dashboards so far and were really useful.

6.3 SECTOR CHAIRS VERBAL UPDATES

Dairy:

LE noted he had recently attended the Semex conference. Milk price is looking as if it will slightly improve. The 'Let's Eat Balanced' campaign was going down well but some levy payers didn't know anything about it, and anything our comms team could do to improve on this would be welcomed.

C&O:

TC noted that DGP has now gone out for consultancy although this would still go through several iterations. A DGP meeting with several CEOs and key people occurs every Friday to try and maintain momentum, but TC noted they are still some way off getting to a resolution.

B&L:

CB noted that things are in a very good place within his sector. The engagement team have just launched a series of Roots to Resilience event. They have gone down incredibly well, and a large amount of levy payers have been involved with this knowledge exchange.

Pork:

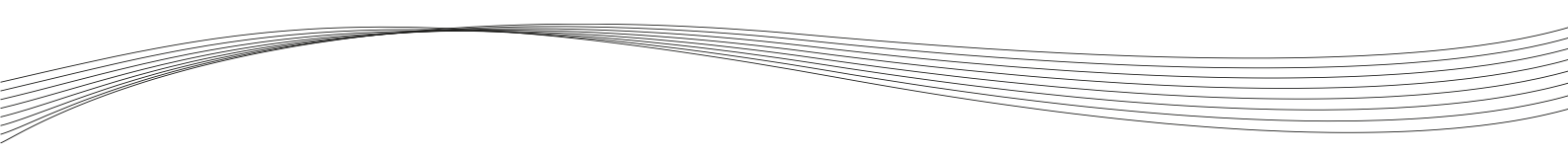
MS noted UK farmgate price is at a premium currently. Pig producers are making money, but this is only repairing their balance sheets from the recent losses. There is continued polarisation between independent producers and Integrators, and African Swine Fever is still the biggest fear within the Pork sector.

AGENDA ITEM 7 – SERVICES

7.1 EXPORT TRANSITION UPDATE

Update paper taken as read. KB confirmed they had done a first round of interviews for Phil Hadley's replacement. There were a couple of good candidates identified, including one internal applicant. KB asked if maybe a Board member or Graham Wilkinson might want to sit in on the second interviews.

KB noted that if we were unable to find a suitable replacement in this current set of applicants, Angela Christison was keen to manage the Exports team in the interim. KB noted that Angela currently only manages two direct reports. SP further noted that she wasn't sure that Angela stepping in, would relieve any of the pressure currently on KB.



7.2 ENVIRONMENT

CG joined the meeting. KB noted that CG was picking up the work from when John Gilliland had last presented to the Board in May 2023.

CG presented some slides on a baselining proposal. He noted that he was not asking the Board for agreement of this proposal, but for them to agree this proposal should now be taken forward to the Sector Councils. There are pockets of data in multiple areas and this proposal would help to join them all up.

SP suggestion that CG could get in touch with Aberdeen Minerals who carried out some data capture work last year. They may have some data which could be of use to us.

The Board noted they were very impressed with how the project had progressed so far and the work CG and his team had done.

Decision: The Board agreed that this proposal should now be taken to the February Sector Council meetings.

KB presented some slides on data hub and owner of this, to seek approval from the Board on recruitment and prioritisation of this work. KB noted we need someone at director level to own and develop the data hub concept which would run alongside the baselining pilot work. NS is happy with the direction of travel, but MS advised to progress with caution. SB said this is one area we need to show leadership in.

Decision: The Board agreed to proceed with recruitment for this work, but the successful candidate must be of the right calibre for the role.

NS noted that the longer-term view is to have someone in place to head up the Environment work. If there was no suitable internal candidate, we would have to look externally. This would be something that Graham would need to decide on once he's in post.

AGENDA ITEM 8 – ASSURANCE

JW and DE joined the meeting. A paper had been included in the Board pack with an update on the ongoing discussions around Red Tractor and assurance. WJ confirmed that the joint AHDB/NFU press release agreed at the start of this meeting had gone out externally at 11am.

JW noted that he was working closely with the NFU on the strategic review of farm assurance and co-managing the collaboration. The current Red Tractor Governance Review commissioned by NFU is expected to provide starting information for the strategic review. The two sector-based insight projects in C&O and B&L are also expected to provide prerequisite evidence.

In B&L, the focus is around comparing domestic and international standards to support defensive interests in the domestic market and competitiveness in exports. In C&O the insight project is aimed at highlighting market needs and how domestic and imported schemes deliver against these needs.

DE noted he's lost some succession planning within his team with recent changes so hiring additional resource to cover assurance is something we would need to look at.

WJ noted we are still working on what the specification for the work to be carried out would look like and wider conversations are taking place. He confirmed he would have a clearer view on this work in about 2-3 weeks' time.

NS noted that there must not be any official announcement on assurance at the upcoming NFU conference unless it was mutually agreed by NFU and us. We would have to be standing on the platform next to them for any announcement.

SP asked for it to be noted that she cannot agree to the current proposal at all and the paper in front of us is not clear on the different things going on in this area. NS said he would have a discussion offline with SP.

Action: WJ was asked to take all the comments from the Board during this discussion onboard and keep them regularly updated with any developments on Red Tractor and Assurance.

AGENDA ITEM 9 – WEBSITE STRATEGY AND DEVELOPMENT

DC joined the meeting. He noted there were two parts to this discussion, the first being practical steps for short term fixes with the website starting now, the second being the wider strategy business case.

DC shared some slides on the programme of work which has eight separate projects. He outlined what AHDB would achieve through completing this work. DC asked the Board what they would like to achieve; only essential updates, upgrade the system to industry standard, or to make it a centre of excellence. The third option would take around two-three years to complete.

The Board were mindful to go with the third option, centre of excellence, but would need to have a full business case presented before making a firm decision. It was agreed to bring this discussion back to the Board in March once further work has been done on the business case. TH noted he was concerned about timelines for this work with budgets about to be signed off so he would need a steer from DC on an approximate amount to add to the Digital budget.

TC commented that DC's previous work within a government department was totally different to dealing with farmers and technology. It could take some five minutes to get up to speed with a new system, others it could take 25 years.

DC asked the Board if they thought he should join the February Sector Council meetings to discuss the proposal with them.

Action: NS requested that DC/WJ/KB work together to get to a point that they have something they can bring back to the March Board. It could then be taken onto the Sector Council meetings after that.

Action: DC was asked to have individual calls with each of the Sector Chairs to get their views on this upgrade. This would feed into the business case coming back to the Board.

Action: IA to add Website Strategy Business Case to the March Board agenda and give the item enough allocated time for discussion.

AGENDA ITEM 10 – DEFRA UPDATE

DW gave a brief verbal update on Defra. They are deep into pre-election mode. SoS is hungry for ideas of promoting food within the UK and he will be attending the NFU conference in February. Staff are being asked to return to the office 60% of the week and there is a recruitment freeze in place with headcount reduction starting. DW has been heavily involved with sugar beet pricing.

DW confirmed they are pushing ahead with the recruitment for the independent Board member and Pork Sector Chair. He noted the Framework Agreement is finally ready for sharing, so this will come to the Board. There has been a delay in getting this finished due to other priorities.

NS suggest to DW that if the SoS would like to join any of our Board meetings, with or without Minister Spencer, we would happily welcome him and brief him on what AHDB can do.

Action: DW to follow up on this offer and report back to the Board in March.

AGENDA ITEM 11 – FINANCE AND PERFORMANCE

11.1 MANAGEMENT ACCOUNTS

Finance report taken as read. NS noted his congratulations to TH and his team for the really good work on debt collection.

SP questioned why time isn't getting booked where it was planned for IS/Procurement. TH confirmed this was down to last minute changes to the planned work.

11.2 BUDGET PROGRESS

TH gave a brief verbal update on the budgets. An SLT budget planning day is in the diary for 5 February to run through what will hopefully be the final version of the budgets. These will be broken down by sector. Following the meeting, the budgets will then go to the various Sector Council meetings for comments. The councils will then report back to Finance, and TH will come back to the Board with any issues identified by them.

TC said he's almost certain that the C&O Council will choose to cut education from their services. He said if this is the case, it may require a Board roundtable to discuss further.

11.3 HGCA INVESTMENT STRATEGY

TH declared a conflict of interest as he is a trustee on this pension scheme and JS declared an interest in the HGCA pension scheme. A paper with the details the HGCA proposal to change the investment strategy of the HGCA Pension Scheme was presented to the board. TH advised the Board that it could not block this proposal but recommended that he write to the Trustees to request some assurances as noted in the paper.

Action: The Board agreed with TH's recommendation and TH will advise the Board of the Trustees response.

11.4 & 11.5 MLC and HGCA PENSION CONTRIBUTIONS REQUESTs

MS and JS both declared a conflict of interest as they sit on the boards of the respective schemes. Neither participated in the discussion. TH noted that both MLC and HGCA scheme rules mean they have a capped inflationary increase of 5% for HGCA and a mix of 2.5% and 5.0% for MLC. AHDB has received a request from both schemes asking for us to consider an increase in pension payments above the capped amounts to reflect the September 2023 CPI figure (6.7%).

TC asked if there would be any comeback on us if we were to refuse this request. TH confirmed there would not be.

Decision: The Board were all in agreement to refuse the requests from MLC and HGCA for an increase to pension payments.

AGENDA ITEM 12 – PEOPLE

12.1 REMUNERATION AND NOMINATIONS COMMITTEE

Minutes from November's RemNom meeting were included in the Board papers. CM noted that January's meeting had included a training session on employment law by an external provider, which most of the Board members joined. The view is that this was extremely beneficial, so we would look to do one of these training sessions a year.

SP queried one of the minutes regarding not taking up references prior to commencement of employment. From an ARAC perspective, this would raise concerns. JK confirmed that we do obtain references prior to start date, but only after a formal offer has been made and accepted.

12.1.1 TERMS OF REFERENCE

IA noted this is V8 of the ToR which covers a lot of the work that IA/MS/CM have undertaken. RemNom are now recommending these for approval, so IA was just looking for Board approval for adoption.

Decision: The Board all agreed to the adoption of the latest version of the ToR.

12.1.2 EDI POLICY

JK noted that the EDI policy that was included in the Board papers had been approved by the RemNom Committee. A lot of work by the focus group had gone into this policy. JS asked if we had a plan that was monitored to show what difference within the business had been made.

LE had asked for EDI training for his Dairy Sector Council members, this has not happened to date.

Action: JK confirmed EDI training will run up until March and she will ensure that the Dairy Sector Council members are included.

JK noted that Amy Jackson is working with Nuffield on EDI in the farming industry. She has been asked to put a proposal into AHDB for an interactive training programme for staff. JK will keep the Board updated on this once the proposal comes in.

Decision: The Board all agreed the EDI Policy.

12.2 HR UPDATE

HR report taken as read. JK updated the Board on the incident involving a B&L Sector Council member who was mistakenly issued with a P45. This was an error due to them being made a leaver early and included in the final leaver list which had been sent to Payroll. JK had written to the Council Member to apologise. CB noted the member concerned felt a phone call would have been more appropriate, JK said she had left a message with their PA. JK confirmed that this incident has sparked a review within Payroll for starters and leavers.

TH noted that all Sector Council members do remain on payroll for a few months after their term ends. This is to mop up any final expense claims from them. CB asked for there to be a formal exit process put in place for Council Members ending their term.

Action: NS requested that JK draft a formal exit process for Council Members leaving.

Action: SP asked for more details on the leavers process to be discussed at the next ARAC meeting.

12.3 RECRUITMENT STRATEGY AND PROCESS

The Board wanted to understand how recruitment at AHDB works and the processes that are currently in place. JK had included a report in the Board papers which outlined the process we currently followed within HR.

JS asked what involvement the comms team have in our advertising for roles, as we need the adverts to be as advantageous as possible. JK confirmed we do editorials, but only for very senior roles.

MS noted there was no recruitment strategy included in JK's paper. He said we should be able to lay our hands on a strategy at any time. JK confirmed she had a proposed HR strategy ready, but wanted to go through this with Graham when he starts.

NS noted that the Board's discomfort was not with the recruitment process, but much more around the integrated relationship between HR and the management of the organisation. MS felt difficult periods are made easier in a business when there is a clear strategy, which is why the Board had requested one.

JK shared some slides on succession within the business and how AHDB could look at this in a new way. This new succession proposal would be included in JK's recruitment strategy paper to go through with Graham.

NS noted that the Board have a view on what the new structure within AHDB should look like and NS will share these with Graham when he starts. NS noted these are only the Board's view, and Graham will need to form his own view on the structure.

12.4 DRAGONFISH CULTURE CHANGE PROGRAMME

NS confirmed that the culture change programme led by Dragonfish is still on hold and will remain so until Graham is in post. It will be down to Graham to decide whether we will pursue Phase 3 of the programme.

12.5 HEALTH & SAFETY

H&S report was taken as read.

AGENDA ITEM 13 – BOARD AND GOVERNANCE MATTERS

13.1 AUDIT AND RISK ASSURANCE COMMITTEE

IA picked up this item on behalf of SP who was struggling with Covid affecting her throat/voice. He confirmed they have not held an ARAC meeting since the Board last met in November 2023. TH noted a draft audit plan had been discussed recently with RSM and the management team, and TH will come back to the ARAC Committee in February with this plan for discussion/approval.

SP said she was happy to pick up any questions or queries regarding ARAC offline.

13.2 CORPORATE RISK MANAGEMENT

IA noted SP had several comments on the risk register in terms of ownership, recording, clarity, duplication and inclusion. Also, the completeness and validity of links between risks and controls as recorded. Due to SP being unable to fully participate in discussions due to illness, these will be covered by ARAC at their next meeting. SP noted there was still an outstanding action for her to get back to the Board on concerns following the technology failure at the last ARAC meeting. She will endeavour to do that by the end of this week, well in advance of next ARAC.

IA noted there had been two in person training sessions with RSM the previous week which were well attended by staff. Feedback on these sessions had been positive so far, and areas of concern previously raised by ARAC, such as recording issues opposed to risks, had been well covered. One final virtual session is taking place later this week, after which, IA will mop up any staff that still require training.

IA advised that initial discussions with RSM have taken place around risk management training for Board members. RSM have advised that including risk appetite within the session is often beneficial.

Action: IA to look at potential dates for a half day risk management training, to include risk appetite, for the Board run by RSM.

13.3 FREEDOM OF INFORMATION REQUESTS

Fourteen requests have come in since the last Board meeting, and all except one have been dealt with in the correct time frame.

KB noted that the FOI paper that had been included in the Board pack, had since been discussed at the formal LT meeting and updated. Due to the timings of the Board pack being published, and the formal LT, there were a couple of discrepancies regarding sign-off of FOI requests. Emmanuel Ogungbe will be taking over the FOI requests from Guy Attenborough, with Guy supporting him on these for the foreseeable. It was agreed that the FOI requests would not be going through Dave Craig for sign-off.

13.4 FEEDBACK LOG

Feedback log taken as read.

AGENDA ITEM 14 – ANY OTHER BUSINESS

14.1 WEBEXPENSES PROPOSAL

TH had included a proposal paper in the Board pack on a new web-based expense system. Board and Sector Council expense claims were very time consuming for his finance team, and the cost of the system proposed is minimal. TH requested Board approval to go ahead with the implementation of this new system.

Decision: The Board approved TH to progress with this new system, as it's a good solution.

AGENDA ITEM 15 – DATE OF NEXT MEETING

Date of next meeting is Wednesday 20 March 2024 at AHDB offices in Coventry.