

**SUMMARY MINUTES OF THE NINETY SEVENTH MEETING OF THE
AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 21 MAY 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], Graham Wilkinson (GW), Ken Boyns (KB), Katie Davies (KD), Tony Holmes (TH), Will Jackson (WJ), Ian Ascroft (IA), Chris Gooderham (CG) (agenda item 7 only)

NS opened the meeting by welcoming both Glen Nimmo (new Board member and Pork Sector Council Chair) and Graeme Jack (new independent Board member) to their first AHDB Board meeting.

AGENDA ITEM 1 – APOLOGIES FOR ABSENCE

Apologies received from Jackie Kay

AGENDA ITEM 2 - DECLARATIONS OF INTEREST

No new declarations of interest.

AGENDA ITEM 3 – MINUTES OF THE BOARD MEETING HELD ON 20 MARCH 2024

The minutes of the board meeting held on 20 March 2024 were accepted as a true and accurate record subject to a couple of minor amendments from SP.

Action: KD to continue to circulate the draft minutes prior to the next Board meeting once agreed by the Chair for any amendments from the Board.

AGENDA ITEM 4 – MATTERS ARISING FROM THE MEETING HELD ON 20 MARCH 2024

Matters arising paper was taken as read.

AGENDA ITEM 5 – CEO & OPERATIONS

GW noted he has been sending out weekly Board updates on a Friday and asked for any feedback on these. The Board all agreed these were really useful and should continue. NS asked if KD could include additional key engagements for GW.

5.1 BUSINESS PLAN STATUS UPDATE

The business plan, which has now been populated to the next level down on the key essentials, was included in the board papers. The main dashboard slide will also be shown at the monthly “Share the News” sessions with staff.

SB asked where the ownership sits on the individual KPIs as it looks like this is on relatively few people and will this change with the new Leadership structure. GW confirmed this will be revisited once the new structure is in place.

CB noted he really liked the slides and queried whether they be shown at the upcoming Sector Council meetings. GW confirmed he is attending all of the Sector Council meetings and that he will show the sector specific slides along with the other three key essential areas at them. This would start with B&L and roll out to the other three.

GN said he liked the fact there is now one version of the truth to work with. TC said that having this system in place and setting the KPIs annually, will underline the performance and culture within the organisation. SP noted these are a great starting point and can always be changed going forward. GJ said that we should also think about celebrating success when we achieve the targets set.

GW noted he is still not 100% confident on all the KPIs but is working on these with the SLT. If the Board have any feedback on the KPIs, they can give this to GW.

SP noted that Digital Transformation and Data is currently amber, but these are big risks if we're pushing ahead with these. She said they may need to change to red once decisions are made.

NS agreed that these slides are giving the Board confidence to let GW manage the organisation rather than having the non-execs getting involved in the day-to-day detail. This in turn will allow Board meetings to become much more strategic in nature.

Action: For the July 2024 Board meeting, GW agreed to deep dive into areas identified as red to give the Board confidence they were being prioritised. GW will also highlight key successes.

AGENDA ITEM 6 – SERVICES AND ENGAGEMENT

6.1 MANAGEMENT REPORTS

Management report taken as read.

NS asked KB to give the Board a short update on where we are with both genetics and DGP.

KB noted that genetic evaluation was historically done through a five-year tender process. It has been a transactional relationship that it is becoming more strategic. The work on future strategic delivery of genetics will come to the board for a decision. It was noted by CB that after the Shape the Future vote, it was clear from the B&L Sector that we either needed to do the work better or not at all.

CB noted he chairs a genetics forum and could do with a Defra representative to sit on this.

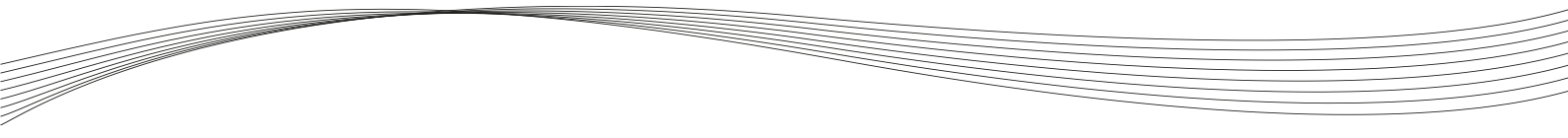
Action: DW will ask his team to see who is most suitable.

SP noted if we go down a joint venture route, we must have the correct governance in place for this.

Action: KB was asked to prepare and update to come back to the September 2024 Board meeting with a proposal.

KB gave a brief update on the status of Digital Passport. This has been discussed for over 10 years and we did not really have enough resource or strategic thinking around it until early 2023. This is when the industry leadership group was formed following a discussion with the C&O Sector Council who wanted more industry involvement and leadership. On that basis, key stakeholders from within the industry formed the Leadership Group chaired by SB, and they meet almost weekly. All members of this forum group, bar one, are levy payers/representing levy payers. AHDB are bringing the industry together and facilitating the leadership group to explore the pros and cons and it needs combined industry and AHDB effort and leadership to undertake the work.

NS noted that we have shifted from being facilitators on DGP to showing leadership. SB agreed and said we had to move to an industry lead group facilitation, led by AHDB.



6.2 SECTOR CHAIRS VERBAL UPDATES

Dairy:

LE noted he had recently held two Dairy Insight days with a group of key stakeholders (farmers, journalists and processors). During the day, they were shown six different presentations. Genetics presentation was really good and showed how much improvement has been made around this work. Another area that was particularly good for AHDB was Marketing and we are now sponsoring a rugby team trophy called "The Milk Cup". LE further noted there were a couple of areas that the groups wanted to hear more about, communications came out on top. The group felt some of what they heard on the day, they should have already known about. Lessons have been learnt from the days, and as a team, we will look at adapting these insight days and rolling them out across the other three sectors. These days have created a demand for more information and created advocates within the industry who are out there talking about AHDB.

There is a low level of friction within dairy. LE has received a few calls about the levy increase now dairy farmers are noticing, but not as many as expected.

The strategic farms network has added around 10 new farms this year, there has been some criticism around the choice of farms, location, and the balance of farming systems chosen, but there is 1 potential issue which I feel the board needs to be made aware of, a very high level Johne's disease on 2 of the spring block calving farms, ranking them in the bottom 10% of herds nationally. However, it may be possible to sensitively use this issue to raise other farmers awareness of the disease on their own farms.

C&O:

TC noted that things within C&O are going ok. There is a lot of catching up to do for the sector but not going to be as bad as first expected. Now the levy increase has been implemented, AHDB need to be seen to be going above and beyond with the limited resources we have.

DGP brings both risks and opportunities for AHDB. With SB chairing the forum group, it gives the Sector Council some distance from DGP.

Work within the engagement team is ramping up coming into show season. We are adding to our monitor farms so the locations of these are more spread out across the country.

TC noted that although all the livestock sectors are enthusiastic about the environmental work, this is yet to be reflected within the C&O Sector.

B&L:

CB noted that the appalling weather recently has caused massive issues to sheep farmers with loss of stock. Disease has also badly affected them. Confidence is now growing with the improvement in the weather.

AHDB's work in Halal welfare and slaughter is really good and doing a lot within the industry. Qurbani is coming up mid-June and this is driving up the price and helping with exports. AHDB is showing foresight in this area.

Pressure from Irish beef and price pressure also coming from Australia. There is a lack of confidence around this within the sector.

B&L Sector are buying into the environment work, they are now desperate to see results.

Pork:

GN noted that fears over African Swine Fever are front and centre for the industry at the minute. The view is that border controls for imported meat have not been fully enforced and frustration is growing towards Government inaction in controlling illegal meat imports.

Initial feedback from the Pork levy payers is good, GN is getting a sense of positiveness from within the sector for what AHDB can do for them. GN noted there are concerns within the sector around efficiency of operations, rather than effectiveness. He feels that when we can answer questions factually with numbers, this will either lead to changes internally, or leave us in a position to definitively resolve their concerns.

GN and GW are meeting with the Head of Agriculture Operations from Pilgrims following this board meeting. It will be essential to redevelop a strong relationship again with Pilgrims following recent personnel departures.

SP noted that there have been some false information circulating on smallholder social media sites. One such post came from the NZ based Lifestyle Vet's Facebook page saying there is a necessity to cook pig swill at 110 degrees for a minimum of an hour. This is not legal in the UK but not all smallholders will have knowledge of the legislation around this and could be led astray. It ties in with ASF concerns here too.

6.3 COMMUNICATIONS TASK & FINISH GROUP UPDATE

GJ noted he had been asked to Chair a working group set up to look at our communications. He has spoken to all of the board and also started speaking to levy payers on the subject. During these conversations, GJ said he had picked up some consistent themes around issues and challenges. He has had a very useful working session with WJ and Roseanne Thomas, and it's apparent that we all want to help improve communication within the organisation.

GJ noted the five key areas identified where work is needed:

- Communications Strategy (vision and purpose for both internal and external)
- Audience Insight
- Sector Comms
- Benchmarking and Measurements
- Communications Delivery

GJ noted that they are also working with Ben Briggs (ex-Editor of Farmers Guardian) who has extensive knowledge across all sectors. A brief is also being put together for some QA work to be done.

The work needing to be done is a function for the Executive and not for the board to get involved in. GJ urged the board not to add layer upon layer to the work required and to allow the working group to do what they needed to get the comms within the organisation right. NS agreed and said the board must allow the Exec. to do their job.

GJ said that there isn't a lot of focus currently on efficiency but that this comes up a lot with stakeholders. The number of headcount within the comms team vs the output seen needs some clarity. The first task and finish group meeting is on 3 June 2024.

TC said he thinks the plan is great but has concerns that the ToR aren't quite joined up but has fed back his comments on these.

NS noted that in the ToR, under scope it has three key areas. One is strengthening communications with a) the board, b) Sector Councils, c) levy payers. He felt that levy payers must be first and the board third as the levy payers need to be our top priority.

WJ noted that levy payers need more educating on the different components of the comms team, which spreads from PR and communications to events management . CB said you have very little time to tell a levy payer that our comms function is efficient and there is currently a struggle to understand this. SP agreed but said if our comms is efficient, we would be less likely to have to explain this to levy payers. She further noted that as we move to zero based budgeting and are better able to effectively attribute costs to projects, we won't be doing work that isn't needed.

GW thanked GJ for stepping in to chair this working group. He also noted that he thought we could look at where technology & AI could play a part in helping with our comms. GJ agreed technology could help us, but we should consider the phasing of this in the future.

DW said we should look at using media to our advantage as we are currently getting a lot of great coverage across all media channels.

AGENDA ITEM 7 – ENVIRONMENT

An update paper on environment had been included in the board pack. CG highlighted some key points:

- We have gone live with our recruitment of farms for the baselining pilot. As of now, we've had 110 submissions.
- We are expecting some of the more challenging farms from within the Farming Forum to apply.
- The two LiDar tenders have now gone live.
- QMS is on board for discussions with the Scottish Government. A proposal has also been shared with HCC for Wales.

NS said we need to ensure we keep the financial institutions and banks involved in what we are doing.

SP said it might be useful for CG to find out who else has done LiDAR scanning outside of agriculture. She noted that she was aware that Aberdeen Minerals had carried out some data capture work last year. They may have some data which could be of use to us.

6TC asked if he would be able to apply to have his farm considered for the pilot or if this would be a conflict of interest. CB confirmed he had already applied. IA confirmed that this would just need to be documented under Declarations of Interest at the next Board meeting if either of them were successful. This would also apply to any council members applying.

FDTP have confirmed that eco-labelling has been parked for now. They currently have no plans to make this mandatory.

7.1 DATA CUSTODIAN

KB presented some slides on the Data Custodian work. This is linked to the baselining and environment but is a separate piece of work. A cross organisation away day with key people from within the industry took place on 18 April 2024 in London. A follow up call with all attendees had gone into the diary for 23 May 2024 to maintain momentum. KB noted that the Comms team are now heavily involved, and the next steps have been outlined. There are some minor resource implications that have been identified but KB is working with HR and the team to resolve these.

KB asked the board if they are comfortable with AHDB taking the leadership role within the industry that promotes data principles.

TC said this is one of the organisation's top priorities but there is a danger it may overshadow the rest of AHDB's work. TC further noted we would have some levy payers who would be quite against this piece of work. LE also raised concerns around the wording "highest priority" as we still have our day-to-day work.

SB queried if this is currently a pilot, have we looked into the required resources accurately. KB noted this is no longer a pilot, we are now building the work and will need to liaise closely with FDTP. DW noted that FDTP are really going to need our help and partnership on this work. He further noted that Defra are about to come into another spending review so patience will be required.

GN asked for clarification on what KB is asking from the sectors in regard to budgets as this isn't an area of work that is currently a priority within the Pork Sector. Exports are seen as more important. KB noted that there was some budget allocation for this work under Education within the Pork budget and was happy to pick this up further with GN and Angela Christison offline.

CB noted he was happy to support this work but has concerns around how it will affect the rest of the organisation with strain on resource and time and a significant wedge of funding required. GW noted that the ask is to take this work from a pilot to a proposal and it needs to be done in a way that won't impact AHDB's brand in a negative way.

SP agreed that we should be putting together a business case, but need to have risk and governance incorporated into it and levy payers should not be funding this work in the long term. GJ noted the business case needs to be aligned.

CM raised concern that we would be left with a half-completed project if we aren't working with all the other devolved nations. She noted we need to be aware of what the difficulties might be outside England.

NS asked the board if they were happy to proceed until the end of this year with the current proposal.

Decision: The Board agreed to proceed with the work as proposed until the end of 2024 on the proviso we would not be taking funding away from other high priority areas of the business, the strain on resource was considered and reputational risk was assessed.

AGENDA ITEM 8 – ASSURANCE

WJ noted that there were several additional papers included in the Board pack, these were all for information only.

WJ updated the Board on a couple of key things, David Lewellyn joined the working group call yesterday to give them all an update on the work they are currently doing. WJ confirmed there are still cross organisation weekly calls, so everyone still has oversight on the commissioned work. The commissioners are operating as outlined in the ToR for this work.

WJ confirmed the intention is to have an initial report out in October, and the final report will come out in November.

SP confirmed she is much happier with what she is seeing now on the assurance work. She queried whether the Board are happy with the timeline for the report coming out after the AHDB September Board meeting. WJ noted an interim call with the Board can be scheduled if required.

WJ noted that the successful candidate for the Assurance role recruited sits on the B&L Sector Council. CB confirmed that he has been asked to step down from the Council and will be replaced in the current recruitment drive.

Red Tractor are considering carrying out international comparison analysis across all sectors similar to the work being completed in Beef & Lamb by AHDB.

AGENDA ITEM 9 – DEFRA

DW noted that the recent Farm to Fork summit had been really successful. GW had attended both the day summit and evening reception. The recent wet weather and how the government were going to support farmers was high on the agenda.

Action: GW asked if any of the notes that had been taken during the day would be circulated out to attendees. DW was going to make enquiries on this.

The recent interviews for the Supply Chain Adjudicator role has been carried out and the successful candidate had been offered the role and accepted.

DW said they were looking to do more work around Export promotion.

A consolidated briefing pack on Sustainable Farming Incentive (SFI) will be coming out in the next day or so and DW will circulate this to the board for information.

Minister Spencer has asked for monthly updates from the team and included in these is the Sugarbeet pricing.

DW noted that Defra are currently in a recruitment freeze and they have been asked to reduce headcount in all teams by 15% by end of March 2025. Management of headcount is also being looked at within ALBs but DW will get in touch with us if he is asked for any detailed information on this.

DW confirmed that the Welsh government have now signed off the potato reserves proposal (the last of the devolved governments to do so) so that can now be implemented.

AGENDA ITEM 10 – FINANCE AND PERFORMANCE

10.1 MANAGEMENT ACCOUNTS

For 23/24 across all sectors net levy income finished over the original budget at. Total workstream costs for continuing sectors finished the year with an underspend compared to the original budget.

SP noted that actual underspend against forecast for Q3 was significant and were there any lessons to be learnt from this? TH confirmed that his team do speak to every budget holder to get their best

estimates. The underspend could be related to late invoicing, but TH is aware that Finance need to start interrogating the teams more when it comes to budgeting.

WJ noted that for the first time, Exports had identified their underspend in advance and had taken a much more sensible approach to using this rather than just making a rash decision to pay for more advertising.

CB queried the Export team headcount. TH confirmed this was just down to reporting line changes.

10.2 AGRESSO UPGRADE PROPOSAL

TH noted he had included a proposal paper in the board pack outlining the decision to be made on whether we move from an on-premises version of Agresso to a Cloud version or look for an alternative supplier. TH said we have been asked to spend a considerable amount of extra money with Unit4 for very little back in return.

TH and SP confirmed that this paper had also been discussed at the recent ARAC meeting and that it would leave us potentially exposed to some issues with the system if we weren't to migrate.

SP asked if Agresso as it currently works is business critical across all three areas within the organisation (Finance, HR and Payroll). TH confirmed payroll would be the most critical, but we could look to outsource this area quite easily.

SB asked how confident TH was on the support we could get from a third party. TH confirmed he had identified a supplier that were already recognised by Unit4.

TH noted that some of the recent issues we had had with Agresso had been caused by patches rolled out directly by them. If we hadn't received these patches, we wouldn't have had these issues. He further noted that Agresso were offering discounted pricing, on the basis we would sign the contract with them next week. There was a risk that if we delayed signing, the pricing could increase, but is this a risk we should consider taking? LE noted he feels very uncomfortable continuing with Agresso if we are being held to ransom.

CM noted she would be in favour of doing a slightly modified version of waiting. GN also noted that if we delayed signing, this may result in Agresso sharpening their pencil for risk of losing us and give us a better price.

TH noted that if the board were happy to take the risk on pricing and us delaying signing with Agresso, he could look at alternatives and come back to the board in September 2024 with an option paper.

Decision: The Board discussed the various costs vs risk and agreed to delay a decision, and TH will prepare a paper for discussion at September's Board meeting.

10.3 MLC PENSIONS – CAPITA DATA BREACH UPDATE

TH noted a paper had been included in the Board pack just by way of an update. More people had now been identified as being affected by this data breach, although there is no liability against AHDB, so the paper was for information only.

10.4 DRAFT ARA 2023/24

A draft version of the Annual Report and Accounts had been included in the Board pack. Any Board member wishing to propose any amendments or comments, needs to do so by 31 May 2024. TH will be collating any comments. TH confirmed that all the numbers and figures in the report are now confirmed, NAO are still continuing with their audit but no concerns have been raised.

DW confirmed the date to lay the report in parliament is 16 July 2024 so the team should work backwards for this date.

AGENDA ITEM 11 – PEOPLE

11.1 REMUNERATION AND NOMINATIONS COMMITTEE

CM noted that the Committee had not met again since the March 2024 Board meeting. She confirmed that the Committee were looking to hold much more strategic discussions at the meetings and she was putting together a work plan to include in the May Board papers.

11.2 HR UPDATE

HR report was taken as read.

SP raised a concern around the Depression/Stress figures to ensure there was no pattern in which departments these were in. SB also queried the point in the HR report that nine offers had been made, how many of these had been accepted.

Action: GW to check both of these questions with Zoe Hodgkinson in JK's absence and will report back to the Board.

CB noted that a few Board meetings ago, he had mentioned a proposal to run a pilot scheme for an apprentice to sit on his B&L Sector Council which he could mentor. He asked the Board if they agreed that he could push ahead with this and confirmed that like our board apprentice, there were no costs to the business. Any minor travel expenses would already be covered in the current budget.

Decision: The Board agreed CB could recruit a B&L Sector Council apprentice.

11.3 H&S

H&S report was taken as read.

A question around the incident by month triangle figures not correlating with the incidents by location boxes was raised at the Board meeting. This may be down to year end reset.

Action: GW to check this discrepancy before the next board meeting.

AGENDA ITEM 12 – BOARD AND GOVERNANCE MATTERS

12.1 AUDIT AND RISK ASSURANCE COMMITTEE

SP noted the ARAC Committee met on 2 May 2024 and draft minutes from this meeting were included in the Board pack.

6981. SP further noted that whilst pulling together the ARAC annual report, it became apparent that two of the meetings in 2023 weren't quorate. Minutes from these two meetings had therefore also been included in the board pack.

Extension requests had been made for a couple of actions following deep dive internal audits by RSM. SP was not happy with the repeated extension requests and therefore asked the Board to consider these in that context before approving the requested extension as a final deadline. SP had asked the auditors to push back on timelines that aren't realistic for future audits.

Decision: The Board confirmed that final extensions could be provided to the internal audit actions listed.

12.2 CORPORATE RISK MANAGEMENT

IA confirmed that the Board had completed a half day risk management training session yesterday with RSM. The trainer was going to circulate the slides from the session to the board, and he was also going to reopen the survey link for the Board members who still had to complete it.

IA noted that a lot of work had recently gone into populating and consolidating the risk register. There were five risks that had been identified for possible escalation to corporate level and these would be discussed at the Formal LT meeting on 22 May 2024.

SP noted she is recognising the work that is being done in this area. She feels we are still not where we need to be and it will take continued effort for us to get the business to the right level but appreciates the effort so far.

12.2.1 RISK AND CONTINGENCY PLANNING IN RELATION TO REDUCED LEVY INCOME

A paper had been included in the Board pack. IA confirmed this risk in now on the main register, owned by TH. There were child risks that the appropriate person was managing, but these all came under the main risk. Sector leads are currently looking at any additional child risks that may need adding.

12.3 STATUTORY COMMITTEE MEMBERSHIP

IA had included a paper with his proposal for statutory committee membership in the Board pack. With Mike Sheldon and Janet Swadling's departure, this left a space on RemNom and ARAC respectively. IA recommended that Graeme Jack replaces Mike Sheldon on the RemNom Committee and Glen Nimmo replaces Janet Swadling on the ARAC Committee. IA further noted that NS could step down from attending the RemNom meetings as there was enough Board representation on that Committee already.

SP noted that she would like a representative from both the C&O and B&L Sector Councils to join the ARAC Committee so that all sectors were represented. These would not need to be Board members.

Action: IA and SP to look at potential candidates from the C&O and B&L Sector Councils who could join the ARAC Committee.

12.4 FREEDOM OF INFORMATION REQUESTS

FOI report taken as read.

12.5 FEEDBACK LOG

Feedback log taken as read.

AGENDA ITEM 13 – ANY OTHER BUSINESS

13.1 MLC PENSION TRUSTEE MEETING WITH THE BOARD

TH noted that Mick Sloyan from the MLC Pension Scheme has made a request to join the July Board meeting to present an update on the scheme. He said we may also get a request from the HGCA Pension Scheme as well.

SP question whether Mick Sloyan should present to ARAC or RemNom first, then the board.

Decision: The Board agreed that MLC could join July's Board meeting to present and update on the scheme.

13.2 HORTICULTURE & POTATOES UPDATE ON ACTIONS FROM MARCH BOARD MEETING

The update paper was taken as read. As mentioned by DW in his update, approval had now been received by the Welsh government so we can now proceed with the proposal.

6SB noted the exceptional work done by TH and his team recovering the outstanding debt.

AGENDA ITEM 14 – DATE OF NEXT MEETING

Date of next meeting is Tuesday 23 July 2024 at AHDB offices in Coventry.