

**SUMMARY MINUTES OF THE ONE HUNDRED AND THIRD MEETING OF THE
AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 20 MAY 2025 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), Sarah Pumfrett (SP), Graeme Jack (GJ), Glen Nimmo (GN), Tom Clarke (TC) Catherine MacKenzie (CM)

IN ATTENDANCE:

David Wilford (DW) [Defra], Graham Wilkinson (GW), Katie Davies (KD), Tony Holmes (TH), Rebecca Loveday (RL)

Ken Boyns (KB) (agenda items 7 and 13.1 only), Liam Byrne (agenda item 8 only), Ian Ascroft (IA) (agenda item 12.2 only)

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| APOLOGIES FOR ABSENCE |
| No apologies received. |
| DECLARATIONS OF INTEREST |
| TC noted he was now a trustee of the HGCA Pension Scheme. |
| GJ noted he had been appointed to the Scottish Food Commission Board. This will open good opportunities to collaborate with AHDB. |
| MINUTES OF THE BOARD MEETING HELD ON 25 MARCH 2025 |
| The minutes of the Board meeting held on 25 March 2025 were accepted as a true and accurate record. |
| MATTERS ARISING FROM THE BOARD MEETING HELD ON 25 MARCH 2025 |
| The paper was taken as read. |
| Action 7033 regarding appointing an additional Board member with DDaT expertise: This had been held up to wait for the appointment of the new Chair and reassessment of skills gap. It was agreed that now Emily Norton had been confirmed as the new AHDB Chair from 1 June 2025, she will be informed of the Board's view and asked to consider and expedite the appointment of a Board member with DDaT experience. |
| Action 7104 regarding mental health data going to an ARAC meeting: SP queried this action as there was some confusion around what data AHDB could obtain around mental health. |
| Action: SP to work with TH to pull together some wording to circulate to all staff to see if we can find a suitable way forward to obtain mental health data. |
| AGENDA ITEM 5 – CEO & OPERATIONS |
| 2025/26 BUSINESS PLAN STATUS UPDATE |
| The full business plan was included in the board pack. As the financial year had only just started, the majority of the KPIs and activities were green. Overall, 119/126 (94%) activities were on track. |
| GW noted the activity on future funding was red. This was due to restrictions at Defra and the need to make changes to our Statutory Instrument (SI). We were working with Defra to get ministerial approval to move ahead with the SI changes. |
| SP queried how we rate activities against the overall RAG status and was this something we needed to look at in more depth. |

GJ felt the indicators for the Dairy sector were very light touch. GW noted they could change the indicators now for this year's plan.

Action: GW will work with LE and Paul Flanagan to refine the Dairy Sector indicators and these will come back to July's board meeting.

FUND THE FUTURE PROGRAMME

A paper and the full Programme Initiation Document were included in the board pack. The paper outlined the work to date and how we would deliver 10% efficiency savings. RL asked for the endorsement of the Board. SP felt the paper was excellent.

CM asked how RL would keep the Board updated on the work. RL confirmed there would be regular updates on progress through business planning and as stand-alone items where required.

SECTOR UPDATES

Sector update paper was taken as read. LE noted that John Powell, Head of Agricultural Sectors team at Defra joined a recent Dairy Insight Day.

SP queried why the Defra data included in C&O update only included farms in England and Wales. TC confirmed he would investigate and report back.

GN asked for an update on the C&O admin levy charges. TC confirmed discussions with AIC were ongoing and had been delayed while AHDB got clarification from Defra on the information being provided. TC proposed to continue the discussions and revert to a future Board meeting. SP challenged this proposal on the grounds that the minuted decision taken by the Board in January was *"to support the reduction of the cereals levy collection administrative deduction from 5% to 3.28% with effect from 1 April 2025. In addition, the Board provisionally agreed the further phased reductions to 1.03% by 1 April 2027 unless AIC came forward with clear evidence to support an alternative rate, before the Board meets again in March 2025"*. As the deadline of the March Board had not been met, she felt strongly that the decision should stand and be communicated to relevant parties. She raised a concern that this could be the first step towards the Board reverting to its historic poor governance practice of continually revisiting/overturning previously minuted decisions without basis of evidence. She had no problem with a future paper being tabled if circumstances materially changed. She challenged the justification used of "consideration of the value of AIC members providing voluntary data for market intelligence reports" on the grounds that if data was provided voluntarily, it was out-with the remit of the decision that had been taken and if members wanted to be compensated for that data, AHDB management should consider the value of the data which should then be subject to separate commercial contract arrangements for transparency. She was concerned that as the "levy collection administrative deduction" related to a specific purpose, paying more than the cost of collection was not good value for levy payers, noting that no one is compensated for collection of VAT though all VAT registered businesses are required to do so. She requested that if the Board resolved to overturn the January decision and receive additional feedback to a future meeting, her objection to the decision be minuted.

NS asked if the Board wished to resolve that they have read the update on the admin levy within the C&O sector update paper and do they want a final confirmation paper coming to July's Board meeting on what has been decided.

Decision: The Board agreed for TC to bring a paper to July Board meeting with the final outcome of discussions with AIC on the admin levy charges. SP declined the request to withdraw her minuted objection to the decision and restated her request for her opposition to be minuted.

CENTRE OF EXCELLENCE

FARM ASSURANCE REVIEW UPDATE

Ken Boyns joined the meeting and presented slides on the FAR work. He noted AHDB are key to moving things forward. There was a meeting on 29 May 2025 that NS was attending. NS noted there were big differences between the various assurance schemes and need to get it to a point that we had dealt with the recommendations. The Board would have to decide how much or little involvement they wanted in this area of work.

RED TRACTOR

NS gave a confidential update on the appointment of the new RT Chair. The new chair would be given some actions from the ownership body which they would need to undertake. Announcement of the new chair would go out w/c 26 May 2025. This was delayed due to the timing of the announcement of the new Chair of AHDB.

CB asked if as a Board, they could look at an interim solution for an AHDB representative on the ownership body who is well versed in the history and current issues that needed addressing.

Action: RL and KB to look at a possible exit strategy from Red Tractor from a governance perspective. Paper to be presented at July's Board meeting.

UNLOCKING THE SUCCESS OF BRITISH AGRICULTURE - CORE FRAMEWORK AND KPIs

Liam Byrne joined the meeting and presented slides on the progress of the work on the CORE Framework. There were five core values, three were business drivers and two were business enablers.

GJ noted the work needed to be robust enough to withstand any challenges. LB was confident that there would be the rigour behind the numbers, as exemplified by working with Kantar demonstrates the value of marketing campaigns. SP noted we didn't need to use an external provider to validate our numbers, our internal auditors could do this work for us. GJ felt that by going external, it strengthened the validity of our data and didn't look like we were marking our own homework.

RL presented a slide on the work behind our business planning cycle. Additional work would be done on this at the full day leadership team meeting on 21 May 2025. TC asked how this work would transform our budget setting and business planning. CM asked if there was pressure on our resource to do this piece of work. RL confirmed that work around stakeholder management is being done in parallel to this piece of work.

ANNEX A - FORCES OF CHANGE

A paper created by a sub-group of the Agriculture Insight Forum was included as an annex to the CORE paper. This was for information only, but GW felt it would be beneficial for the board to allow some time at September's board meeting for the authors of this paper to join them to share their thoughts.

Action: Item on Forces of Change to be included on September's agenda and the authors of the paper to be invited to join the meeting for this item.

GOVERNMENT UPDATE

DEFRA UPDATE

DW noted we were nearing the end of a very long process to appoint our new AHDB Chair. The announcement of Emily Norton as new Chair would be issued on 21 May 2025, with a three-year term starting on 1 June 2025.

The Board were asked to agree the extension of the ad-hoc arrangement of SB as Deputy Chair for an additional six months to help underpin continuity and stability for Emily as she steps into the role of Chair.

Decision: The board agreed to a six-month extension from 1 June 2025 of SB as Deputy Chair.

UPDATE FOLLOWING MEETING WITH MINISTER ZEICHNER

NS confirmed that Minister Zeichner had apparently positively discussed the contents of NS's follow up email to him. NS confirmed that it is timely to press for a more formal and positive relationship with Defra to optimise both of our resources.

WELSH GOVERNMENT ROUNDTABLE

NS noted he sat on the Welsh Government Roundtable as AHDB was responsible for sectors within Wales. Welsh Government had a different approach to the English Government in terms of co-design of their proposed SFS well supported by very knowledgeable officials. NS confirmed the roundtable

were aware that he was stepping down at the end of May, and KD has been tasked with discussing with Emily Norton her taking up the engagement with the roundtable as NS's replacement.

FINANCE AND PERFORMANCE

YEAR END MANAGEMENT ACCOUNTS

Account pack taken as read. TH noted version 1 of the ARA had now been circulated to all board members. NAO had not raised any concerns during their audit, although there had been a delay in NAO sending their sample testing information. TH requested any feedback or comments by 27 May 2025.

LE noted he thought the dairy engagement figures didn't look right and requested they be checked.

PEOPLE

HR UPDATE

HR paper was taken as read. TH noted an external company were carrying out a review of all our HR policies from a legal perspective. Any major changes to any policy would need to be taken to RemNom for approval.

GW noted that he had tasked each functional LT director with a reduction target to meet in Q3/Q4.

GJ reiterated a point he made at the March Board meeting that we seem specifically to lose staff after 3-5 years. He asked if it possible to benchmark against other organisations. GW noted he was working with Janine Hayter, Head of Culture, on a blueprint roadmap to roll out to key staff to develop this talent pool.

Action: NS asked TH to include any key senior staff resignations in the HR report.

The RSM Target Operating Model outcome paper was included as an annex to the HR report. SP queried why this had come to the Board when all other audit reports only come to ARAC. TC noted he had requested sight of the report as it fed into the efficiency target work and the fund the future work. It was also an action at a previous Board meeting to circulate.

GJ noted he felt some of RSM's recommendations were a step backwards for us as an organisation. SP noted the report felt rushed and key recommendations were missed. NS confirmed that as the recommendations were from an external consultancy, we didn't have to action them if we felt it wasn't right. GW noted an action plan had been created following the publication of the report, and these actions have all been assigned to LT owners.

EDI STATISTICS REPORT

7Paper taken as read. TH confirmed the new Head of HR will look at the reporting around diversity in more depth.

GENDER PAY GAP ANALYSIS

Paper taken as read. The board asked for it to be minuted that they felt the reduction we have achieved in the gender pay gap was excellent.

BOARD AND GOVERNANCE MATTERS

AUDIT AND RISK ASSURANCE COMMITTEE

Summary paper and draft minutes taken as read. TC asked if there was any reason why the Board could not have sight of any reports that go through ARAC. SP confirmed she was happy to share any reports with Board members going forward.

SP noted an ARAC Task & Finish group had been set up to focus purely on risk management. Ian Ascroft was working with this group, and the first meeting was taking place in June.

ARAC ANNUAL REPORT

Paper and draft report taken as read.

CORPORATE RISK MANAGEMENT

Ian Ascroft joined the meeting. Paper taken as read. IA noted during a recent HR audit by RSM, they highlighted that some causes and effects linking to overarching risks had not been recorded correctly. IA is pushing all staff to ensure they are now including causes and effects.

FOI REPORT

Paper taken as read. RL noted that FOIs are going to get more complex and demanding going forward.

FEEDBACK LOG

Paper taken as read.

ROLE AND RESPONSIBILITIES OF AHDB BOARD, COUNCILS AND EXEC

Paper taken as read. This paper also went to the recent C&O sector council meeting and was well received. RL would roll out to the other three sector councils for information.

ANY OTHER BUSINESS

GROWING NON LEVY INCOME

Ken Boyns joined the meeting. Both papers included in the Board pack were taken as read.

CB had been part of the non-exec working group and was surprised at how much agreement there was to allow the Exec to progress with the mandate provided and deliver. KB noted it must be value for levy payers.

TC noted the need to be careful with anything we do as an organisation to protect ourselves reputationally. SAOS report was a good example of where work we were involved with could have caused AHDB some damage.

SP asked whether the creation of a separate organisation by TH to deliver any additional work outside of AHDB would have implications for AHDB's VAT status. TH confirmed we already reclaimed VAT on anything that's vatable and this was reviewed regularly.

GW asked the Board to confirm next steps. There is clearly alignment between the two papers, so were the Board sub-group happy to now allow the Exec team to move forward or would a member of the non-exec sub-group like to join?

Decision: The Board all agreed for the Exec working group to proceed and once any funding has been secured, they will need to come back to the Board for a decision.

DATE OF NEXT MEETING

Date of next meeting is Tuesday 22 July 2025 at AHDB offices in Coventry.