

**SUMMARY MINUTES OF THE NINETY SECOND MEETING OF THE
AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 6 JUNE 2023 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), Tim Rycroft (TR) [*ex officio*], Mike Sheldon (MS), Janet Swadling (JS).

IN ATTENDANCE:

Fred Sworder (FS) [*board Apprentice*], Ros Finney (RF) [*Defra*], David Wilford (DW) [*Defra*], Ian Ascroft (IA), Ken Boyns (KB), Katie Davies (KD), Tony Holmes (TH), Will Jackson (WJ), Jackie Kay (JK).

UPDATE FROM BOARD DINNER
NS gave a brief overview of the board briefing session on environment/sustainability that took place 5 June 2023. This topic will be picked up again under the Services section of the agenda.
NS also followed up on the board dinner where Minette Batters from NFU was a guest. It was agreed that a joint meeting between the AHDB board and the NFU Policy Committee would be arranged for a later date.
AGENDA ITEM 1 – APOLOGIES FOR ABSENCE
No apologies received.
AGENDA ITEM 2 - DECLARATIONS OF INTEREST
SP declared she has a new role with the Scottish Fiscal Commission sitting on their ARAC committee. There is no conflict with AHDB.
CB declared that when he hosted the recent Japanese Inward visit, Jonathan Eckley (on his own initiative) purchased several copies of CB's wife's book to give to the visitors as a keepsake.
AGENDA ITEM 3 – MINUTES OF THE BOARD MEETING HELD ON 28 MARCH 2023 AND THE BOARD CALL HELD ON 11 MAY 2023 (APPENDIX 1)
The minutes of the board meeting held on 28 March and 11 May 2023 were accepted as a correct record.
SP asked the Executive that investment spreading be on the July ARAC agenda.
AGENDA ITEM 4 – MATTERS ARISING FROM THE MEETING HELD ON 28 MARCH 2023 AND THE BOARD CALL HELD ON 11 MAY 2023 (APPENDIX 1)
All items had either been actioned or were on the agenda for discussion.
CB queried RemNom Terms of Reference. The item has been marked as completed but nothing has been circulated. CM confirmed this status is incorrect and it's not in fact completed. She said she is awaiting the TOR from IA, which will then go for a further round of drafting and after this, the TOR can then go to the Committee.
Action: KD to revise the Matters Arising accordingly.
AGENDA ITEM 5 – OPERATIONS AND ENGAGEMENT
5.1 CEO REPORT
CEO Report taken as read.

The board discussed the future role of Sector Councils and in particular the potential impact on Executive time spent supporting council members and keeping them well informed. The board asked the CEO to monitor and inform them of any concerns about these impacts going forward.

Action: TR to report back to the board on any concerns raised with sector council member and Executive time.

TR also flagged in his report the growing case for a change to the organisation's name now horticulture services are no longer provided. It was noted that this would not need an amendment to the statutory instrument, but all agreed that any costs involved would need to be minimised and transparent to levy payers.

Action: NS asked for AHDB name change to be included on the agenda for July board.

5.2 STRATEGY UPDATE

Strategy update report taken as read with TR highlighting key points, including potential risks.

Action: NS requested the board have a separate session at a future time to discuss the strategy in more depth.

5.3 SECTOR REPORT UPDATE

Sector reports taken as read.

5.4 LEVY INCREASE BUSINESS CASE

WJ gave a summary of Sector Council meetings which took place at the end of May, focusing on Councils' decisions to proceed to the next stage on a proposed levy increase. Each council approved the recommendation to proceed with speaking to levy payers and stakeholders about this. Depending on the outcome of these consultations, AHDB board will potentially be asked to recommend new levy rates to Defra ministers in December 2023, with the intent that these new rates take effect from April 2024. Financial business cases and communication/engagement plans are currently being finalised following feedback from the councils, along with Q&As for each sector.

5.5 ENGAGEMENT SUB-COMMITTEE PROPOSAL

TC outlined his proposal to form an engagement sub-committee. He noted that engagement with levy payers is critical for AHDB, and the top risks are erosion of spending power and failure to engage with levy payers. The proposal is to set up a committee or working group to assist with communications and its strategy, meeting three to four times a year.

It was noted that TR expressed concern about the impact on Executive time of servicing an additional board sub-committee and that the board should set the policy and review the performance of the Executive.

Following discussions, TC noted that he still believes a sub-committee is a requirement, and that he did not feel a strong case against the proposal had been presented.

Action: NS, as Chair, determined that communications must stay an Executive responsibility, but that the team should ensure that the best use of connections and resources would need to include a close relationship with Sector chairs and Councils. It should be for the Executive to develop a sensible relationship and come back to the July board with a satisfactory update on progress.

5.6 HORTICULTURE AND POTATOES UPDATE

Horticulture and Potatoes update report taken as read. TR noted that very little executive or leadership time is now being taken up by this following the hand over. MS commented that the process thus far had been dealt with highly professionally. NS also thanked TH and the finance team for the good work they are doing in recovering outstanding levy income.

AGENDA ITEM 6 – DEFRA UPDATE

Defra report taken as read. RF (who is leaving her role 7 June 2023) introduced her replacement, David Wilford, to the board. He will be the new day-to-day Defra liaison for AHDB. On behalf of the board, NS thanked RF for all her hard work and wished her all the best for her new role.

AGENDA ITEM 7 – SERVICES

Services report taken as read.

KB gave a brief follow up on the environment/sustainability presentation to the board held on 5 June 2023 and presented a slide summarising next steps:

- Focus on net not gross carbon emissions
- Importance of baselining and evidence
- Understanding the economics of different actions
- Multiple public goods
- Industry roadmaps

The board noted the presentation was very positive and moving us in the right direction. NS noted we are not in a position as a board to consider an environmental strategy just yet, but that it must remain a top priority and we need to get one in place within six months.

CM would like a clearer understanding on how the internal environment team is being recruited and the timescale for this.

Action: KB to provide the board with an update at the July meeting on recruitment progress and plans for the environment team.

7.1 WHAT WORKS CENTRE UPDATE

C&O Sector Council had a presentation at their recent meeting on the proposal worked up by staff on how we could better connect research work and KE with the farmers driving this forward. A sub-group is going to work on this proposal to define the details. NS commented that we now have a proper opportunity to show a leadership role model for other sectors within and outside AHDB, starting with C&O.

Action: KB to circulate the slides presented to the C&O Sector Council to the board following this meeting and set up an optional call to discuss these further.

7.2 COMPARATIVE INTERNATIONAL STANDARDS STUDY REQUEST

Some important livestock industry stakeholders have asked AHDB to consider funding a study on comparative production standards and practices in key international competitor markets. CB reported that the B&L Sector Council is supportive. KB and the economics & analysis team are working through how they would undertake this work (including issues around scope, outsourcing and timescale). KB said the next step is to bring a proposal and costs back for this study to the B&L Sector Council for approval.

7.3 EXPORT CONFERENCE

All the different parts of the conference are now coming together, and this year's conference will be a big step up from last year's. Unfortunately, Minister Spencer is no longer able to attend so we're exploring other options for a guest speaker. WJ noted that the press releases will be going out next week. NS noted that we need to ensure we don't forget about dairy, even though this conference is focused on red meat and pork.

7.4 DIGITAL GRAIN PASSPORT

KB gave a brief update on DGP. He noted this is fundamentally important to the C&O sector. We agreed that we will play a convening and 'ring holding' role, rather than act as promoter. This will help with the levy increase case. KB highlighted this work is currently accounting for nearly 80% of David Eudall's time, so we need to look to increase support around him. This will then free up David in due course. KB commented that all discussions on DGP are proceeding without a completed business case which is still being built. TC extended his thanks to SB for his continued support and work on DGP, even after stepping down from the role of Interim Chair on C&O Sector Council. This helps keep TC independent from the discussions as sector chair (especially as the Council will have to make any funding decisions in due course).

AGENDA ITEM 8 – FINANCIAL AND PERFORMANCE UPDATE

8.1 MANAGEMENT ACCOUNTS

The management accounts were taken as read.

CB raised a concern about historic underspends and noted that we should not be holding onto excess money from levy payers. TH noted he will be doing a full reforecasting exercise mid to end of August which will identify where the surplus money is by sector. TH will then go back to each council on any underspend in their sectors to allow timely consideration of any potential areas for further expenditure. JS noted that we need to ensure as an organisation that we can explain our reserves policy in the context of Defra's requirement that we hold sufficient reserves in each sector to cover the costs of any future wind-up.

CB asked if all budget holders had sufficient training and support to be able to do their forecasting and budgets correctly. TH advised there is a lot of online training any member of staff can do, and he and his team are on hand to offer any support required to individual budget holders.

Action: TH to report back to the board at the September meeting on any underspend found following the reforecasting exercise.

8.2 ANNUAL REPORT AND ACCOUNTS

The draft ARA report has been circulated to all board members. TH is not envisaging any changes to the numbers but there may be minor changes to some of the disclosures.

Action: The board were all asked to check any references relating directly to themselves for any inaccuracies, and report back to TH or IA with any changes needed.

8.3 HGCA

TH noted we are making positive progress in reaching an agreement with the HGCA Trustees and are on track to meet the 30 June 2023 deadline to have this finalised.

8.4 MLC CAPITA DATA BREACH

Report into this incident was taken as read. TH commented that it does not affect AHDB directly and the pension trustees were dealing with it in accordance with their data breach policy. There was a very small reputational risk to us if any AHDB members of the scheme were affected.

Action: The board have asked TH to seek assurances from MLC that they have reviewed their data breach policy to ensure we are covered if we are ever questioned over what our actions were with regards to this.

On behalf of the board, NS thanked TH and his finance team for all their hard work in the last couple of months.

AGENDA ITEM 9 – PEOPLE

9.1 HR UPDATE

HR report taken as read. JK gave a brief update on the new culture change consultancy, Dragonfish who only recently started working with us. JK agreed to arrange a session with Dragonfish and the board at a later date. JS commented that all the board and executive have a key role to play in the culture change process.

The board asked for an explanation of the Dragonfish contract and the phased decision points for continuation of the full proposal. Assurance was given that the initial consultation and review phase will be considered before further work is commissioned.

Action: JK to arrange a board session with Dragonfish to introduce them.

JK updated the board on the current recruitment drive for sector council members. There was concern raised about the number of applications (after two weeks). The board asked the executive to consider advertising the roles more widely.

Action: JK to widen her advertising on these roles and reach out to different sectors of the press in the hope of attracting more applicants.

SB asked to see a recruitment paper on how AHDB recruit from board level down to lower positions in the organisation.

Action: JK to provide an overview of the recruitment process and strategies for all roles at the September board meeting.

9.2 HEALTH & SAFETY UPDATE

H&S report and H&S Committee report and draft minutes taken as read.

9.3 REMUNERATION AND NOMINATIONS COMMITTEE (RemNom)

The RemNom report and draft minutes were taken as read.

It was noted that PMI is still very much on the radar for RemNom and will continue to be included on its agenda.

AGENDA ITEM 10 – BOARD AND GOVERNANCE MATTERS

10.1 REPORT FROM AUDIT AND RISK ASSURANCE COMMITTEE (ARAC)

ARAC has not met since the last board meeting, SP provided a brief update on the proposed agenda for the July ARAC meeting.

Action: Investment Spreading to be added to next ARAC agenda

10.2 RISK REGISTER UPDATE

Risk Register paper and scores taken as read. the new risk management system is being developed and due to be rolled out later this month. Following this roll out, the risk report will have a new, much cleaner look by the September 2023 board meeting.

A deep dive into risk is on the next ARAC meeting agenda as requested by NS at the March board meeting.

10.3 FREEDOM OF INFORMATION REQUESTS

FOI paper taken as read.

10.4 FEEDBACK LOG

The feedback log was taken as read.

AGENDA ITEM 11 – ANY OTHER BUSINESS

IA noted the draft framework document had been included in the pack for information only. This will come back to the board in due course for final approval, but any comments in the meantime to be fed back to IA.

LE requested that additional background documents are not marked as supplementary, rather included in the main book of the board pack. The rest of the board agreed.

Action: KD to go back to including background papers into the main board pack.

The board asked for an indication of where the September 2023 away board meeting will be held. This is currently being investigated and we will update the board as soon as we have a location.

AGENDA ITEM 12 – DATE OF NEXT MEETING

Date of next meeting is Tuesday 25 July 2023 at AHDB, Siskin Parkway East, Coventry.