

**SUMMARY MINUTES OF THE SEVENTY THIRD MEETING OF THE
AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 24 MARCH 2020 AT 8.30 A.M.
VIA MS TEAMS**

PRESENT:

Hayley Campbell-Gibbons (HC-G), Sophie Churchill (SC), Gwyn Jones (GJ), Peter Kendall (PK) (Chair), Will Lifford (WL), George Lyon (GL), Adam Quinney (AQ), Mike Sheldon (MS), Janet Swadling (JS), Paul Temple (PT)

IN ATTENDANCE:

Ken Boyns (KB), Rebecca Geraghty (RG), Tom Hind (TH), Jane King (JK), Richard Laverick (RL), Tim Mordan (TM), Nicholas Saphir (NS), Sue Walker (SW), Christine Watts (CW)

AGENDA ITEM 1 – APOLOGIES FOR ABSENCE

No apologies for absence were received.

AGENDA ITEM 2 - DECLARATIONS OF INTEREST

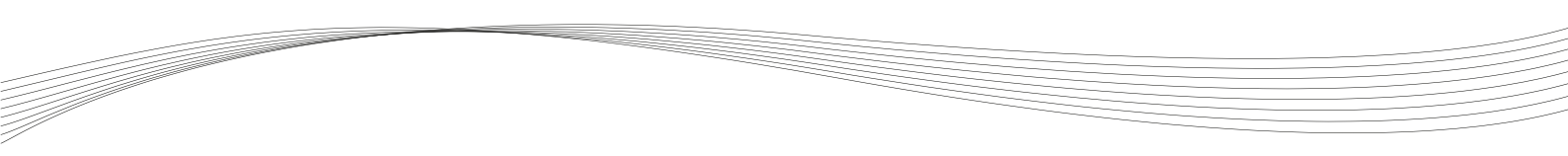
PT declared that he was chairing the Pesticides Forum this year. PK declared that WJ Kendall & Sons are one of 7 collaborating businesses that have submitted a proposal to Innovate UK under the Transforming Food Production - Technology Demonstrator funding stream, that closed for applications in late February 2020. If successful the consortium proposes to develop a farm-based platform to demonstrate how novel sensing and data recording and analytical technologies can be deployed, integrated and exploited to deliver enhanced productivity and environmental outcomes at farm level. PK agreed to send a note about this to TM.

AGENDA ITEM 3 - INTRODUCTIONS

PK invited the Board, Leadership Team and Tim Mordan to introduce themselves to Nicholas Saphir who will be taking up his appointment as Chair of AHDB on 1 April, 2020. NS responded by saying that he was delighted to have been appointed despite these unprecedented times. An induction programme was being organised which would give NS an opportunity to meet everyone.

AGENDA ITEM 4 – MINUTES OF THE MEETING HELD ON 28 JANUARY 2020

The minutes of the last meeting held on 28 January were accepted as a correct record and signed by the Chairman.



AGENDA ITEM 5 – MATTERS ARISING FROM THE MEETING HELD ON 28 JANUARY 2020

Livestock Information Limited (LI Ltd) Briefing to Board

It had been planned to hold the LI Ltd briefing for the Board on 29 April. RL commented that this will probably now become a virtual meeting.

Red Tractor Working Group

MS commented that a small amount of progress had been made around thinking about the Red Tractor brand and how it fits in the future with AHDB and others. The first meeting of the Working Group had been held on 11 March.

Evidence for Farming

RG/Susannah Bolton were leading on this project. JS/PT had volunteered to be Board representatives.

AHDB LI Ltd Ownership Board

The minutes of the two AHDB Ownership Board meetings will be circulated.

Operational Report

An internal working group had been established to oversee the development of a new operational reporting mechanism. A series of user interviews had taken place to identify key requirements. A proposal will be brought to a future meeting of the Board.

HR Dashboard

Information on appraisals was being included on the HR Dashboard. JK/Jackie Kay will be meeting with Defra in due course to discuss PDRs and performance culture.

Levy Appeals Policy

The Levy Appeals Policy will be added as a section to the overarching levy policy so a separate name is not needed

AGENDA ITEM 6 – CORONAVIRUS UPDATE

The Leadership Team along with Jackie Kay (JSK) and Naveen Gupta (NG) provided an update on work being undertaken during the coronavirus outbreak. Welfare of the staff was a top priority with the majority working from home and a few in HQ and Sutton Bridge. It was important to stay relevant to levy payers and in particular look at challenges across the sectors. Flexing staff resources and contingency plans are in place. RG outlined what had been suspended/affected by the virus which included postponing events until the end of June. TH commented on how AHDB was supporting industry, an email had gone to key stakeholders on 19 March. A specific group which includes the NFU has been established to focus on meeting industry needs. CW provided details on communications and in particular the website. The new Covid-19 area on the site was proving to be very useful and was being updated regularly. An international trade update was also provided.

NG commented that focus on the 2020/21 forecast will take place once year end has been completed. With regard to levy, all legal action that can be paused/not started has been. Communications have been put in place to answer questions from levy payers. NG informed the Board of the cash reserves position. TM questioned whether there may be requests for a levy holiday, KB responded that this

would have to be reviewed on a sector by sector basis and discussions would need to take place with Defra.

KB commented that the horticulture ornamental sector, which was under significant pressure, was being reviewed specifically HCG commented that the soft fruit sector would also be facing considerable challenges owing to the lack of seasonal workers. HCG urged that the levy team showed sensitivity at this difficult time. KB would discuss with HCG. SC commented that the letter which had gone to potato levy payers relating to levy collection a few months ago had been well received following the difficult season and harvest.

TM informed the Board of activity within Defra which included daily “bird tables”, Will Jackson was taking part on behalf of AHDB.

PK commented that it was important that messages being given to farmers, growers, processors from AHDB, NFU and other bodies were all consistent. NS said that it was key that the farming community received the best information and would be picking this up with JK. HCG commented that there was a need to look at a longer term plan.

CW informed the Board that a letter had been sent to 39000 stakeholders, levy payers, farmers and growers sign posting new ways of working available from AHDB. At the end of this week advertorial space had been secured in Farmers Guardian, Farmers Weekly and Scottish Farmer.

TM commented that there was probably a need to look at the content for the next Board meeting in June, JK said that she would be looking at the governance schedule. SC asked whether there was a plan for simple communications for the boards on critical risks in the sectors. RG commented that she would work with the Sector Strategy Directors to develop this.

Action: RG will prepare a simple communications plan for the boards on critical risks in the sectors

Following a comment by JS relating to workloads for the IS and digital teams, CW commented that the LT would have to review and pause some of the work that is being done to concentrate on Covid-19 work.

PK asked for his thanks to be recorded to everyone who had been working as best they could following the aftermath of the building fire and now having to cope with Covid-19.

AGENDA ITEM 7 – REQUEST FOR VIEWS

TM commented that the outstanding board appointments were awaiting approval from the Devolved Administration Ministers. It was hoped that these approvals will come through in the next few days.

It is hoped that the publication of Request for Views will take place on 6 April. It was agreed that communication for staff and a webinar for sector board members will be arranged following publication.

AGENDA ITEM 8 – LI Ltd. Update

RL informed the Board that as a result of the building fire at Stoneleigh, the LI Ltd. team had re-located to Reading. In terms of delivery of the programme, RL was confident that it was still on track. The LI Ltd Board had met on 3-4 March.

The Board was informed that Simon Hall had been asked to draft an options paper relating to funding of the programme. TM commented that the Agriculture Bill will be delayed until later in the year.

AGENDA ITEM 9 – FDSC/APWG

TH provided the AHDB Board with an update on changes to the governance of the Food & Drink Sector Council (FDSC) and Agricultural Productivity Working Group and was seeking the Board's support for AHDB's continued co-ordination of work on agricultural productivity. Following a recent review, a number of changes were likely to be made to the composition and leadership of the Council. Iain Ferguson, the industry co-chair had stepped down and will be replaced on an interim basis by Ian Wright (FDF) and Terry Jones (NFU) as alternating co-chairs. Going forward, the composition of the Council will be based around key stakeholder organisations. AHDB will have an ex-officio seat on the Council. PK has indicated that he will step down from the Council following the end of his term at AHDB. The Board is invited to consider who should take the AHDB seat on the FDSC.

The Board supported the creation of a new industry/government task force on agricultural productivity and agreed that AHDB should continue to provide overall co-ordination and effectiveness leadership of the work. In addition, the Board agreed to maintain the current levels of resource to the work of the new task force.

AGENDA ITEM 10 – SECTOR REPORTS

Beef and Lamb

AQ commented that recent events had overtaken the content of the sector report. There was a lot of concern in the industry relating to the risk of abattoirs closing as well as an impact on TB testing.

Cereals & Oilseeds

PT informed the Board that a weekly cereals liaison meeting was taking place which had been well received. There were concerns relating to haulage and distribution particularly with the flour sector. PT commented that soil conditions were still very bad owing to the wet weather.

Dairy

GJ asked for the sector report to be taken as read. GJ commented about the volatility of market prices and increased consumption. There was concern about milk not being collected. Paul Flanagan had taken part in a short video on social media which was attracting a lot of views. Dairy UK had sent a letter to the Defra Secretary of State requesting that dairy was seen as an essential sector.

PK took the opportunity to thank GJ for all he had done for the sector during his time at AHDB saying that his commitment to the dairy industry had been unrivalled.

Horticulture

HCG provided the Board with an update on the work of the Horticulture Levy Reduction Working Group which had been established. As a result of Covid 19, garden centres had closed, there were likely to be longer term implications for the sector once things were back to normal. The carrot sector was strong though the picking of soft fruit is likely to be a problem. GL commented that he had met with Scottish sector board members last week who would welcome a meeting with HCG. It was agreed that a meeting will be arranged in due course. In the meantime, HCG will speak with GL.

Action: HCG will meet with Scottish sector board members in due course. HCG will speak with GL

Pork

MS commented that demand for pork in domestic retail was very strong. Abattoirs were killing six days a week but staff shortages might become an issue. African Swine Fever continues to be a potential problem with a large commercial farm in Poland close to the German border now affected.

MS reported to the board that there was an emerging risk of a pig disease entering GB for the first time. The disease in question was PRRS2, a virus present in many pig producing countries, for which there was no therapy, and only partially effective vaccines. There was the possibility of stamping out the ingress of PRRS2 by slaughtering out the farms at risk, and the request to the board was to agree in principle to use up to £3m of AHDB's reserves in the short term to fund the slaughter programme, with eventual repayment by a supplementary levy on pig producers. The board was supportive, in principle, provided that the risk to AHDB could be mitigated as far as possible. Veterinary opinion supported the action as having a good chance of success.

(Subsequent to the meeting, all tests have come back negative, such that the risk has receded, and that the risk management procedures at the potential source of the disease have been successful. The group working on the management of the risk to GB producers has been stood down, and the request to the board has been withdrawn.)

Potatoes

SC commented that it is important for the large projects to be maintained. There is risk that the Cross Keys project will be delayed.

A discussion took place relating to the definition of an essential worker. TM said that this was difficult but Defra could not make decisions on every situation. Additional guidance was being published about the importance of the food supply chain. A seasonal workers meeting was being held with the Secretary of State on 25 March.

AGENDA ITEM 11 – CORPORATE REPORTS

An update on the building fire was given.

KB informed the board that it would need to agree who/how to appoint the Finance and Audit NED on the LI Ltd. Board. It was agreed that an email will be sent round seeking the Board's approval. The Chair of the MLC Pension Scheme was stepping down from the role in October 2020. The new Chair appointment approach would also be agreed with the Board with the aim to appoint by July to ensure that a handover takes place.

Action: An email will be sent to the Board seeking the Board's approval for the Finance and Audit NED on the LI Ltd. Board. The role of Chair of the MLC Pension Scheme would also be agreed by the Board

AGENDA ITEM 12 – RISK

KB commented that pensions were showing significant volatility. There would have to be careful explanation in the Annual Report and Accounts to reflect this. The next Triennial Valuation of the MLC Pension Scheme will take place in March 2021. HMRC had put its response on VAT back to the end of May. HMRC is keen to see the Request for Views report as soon as it is published.

AGENDA ITEM 13 – CEO REPORT

JK asked for her report to be taken as read.

AGENDA ITEM 14 – FINANCE UPDATE

The finance report was taken as read.

AGENDA ITEM 15 – ANNUAL BUDGET/HEADCOUNT

The annual budget and headcount was discussed. KB commented that the budget had been prepared before the Coronavirus crisis. A re-forecast will take place during April, following year end. KB commented that it was planned to reduce reserves down over the next three years, but this would have to be monitored closely. A conversation took place relating to support costs including areas such as digital. It was agreed that a more detailed discussion needed to take place and would be placed on the agenda of a future meeting. The board approved the budget, noting that the first reforecast was very important.

Action: Support costs will be discussed at a future meeting of the Board

GL asked about saving costs on the administration of the pension schemes in order to pay for the Head of Pensions role. It was agreed that he and KB will speak about this.

Action: GL/KB will speak about the administration of the pension schemes

AGENDA ITEM 16 – 2020/21 FUNDING TO ASSURED FOOD STANDARDS - RED TRACTOR SCHEME

The Board was asked to approve the use of levy funds for 2020/2021 to be split across Pork, Cereals & Oilseeds, Dairy and Beef & Lamb to support the auditing process of Assured Food Standards. CW reminded the board that a conversation had taken place at the last Board meeting relating to Red Tractor branding. Red Tractor had shown progress in developing additional income streams, developing marketing activity to enhance consumer awareness and understanding of Red Tractor, developed a new modular approach to complement the Red Tractor brand in areas such as enhanced welfare and organic and continue to review and enhance standards with a new standards consultation planned during Autumn 2020. PT had expressed some reservations at the previous meeting relating to the new Red Tractor logo and the strategy they were following. It was agreed that CW would arrange a meeting with Jim Moseley so that PT/NS could discuss this further.

It was agreed that the first quarter payment from April will be paid to Red Tractor. The board would reconsider the rest of the years funding after NS had met with Red Tractor.

Action: CW will arrange a meeting for PT/NS to meet with Red Tractor and board to reconsider funding for rest of year

AGENDA ITEM 17 – BOARD GOVERNANCE SCHEDULE

The Board Schedule was discussed. JK said that she would be speaking with NS about future meetings of the Board.

AGENDA ITEM 18 – HEALTH AND SAFETY REPORT

RG reported on the two RIDDOR reportable incidents which had happened as a result of the building fire.

A review into whether the stores work at Sutton Bridge is confined spaces work has taken place and the draft report has been shared. A management action plan is being agreed.

An Asbestos Management Survey took place at Sutton Bridge in January with the results shared with the Sutton Bridge management team.

HR is leading on the AHDB Health & Safety response to COVID-19.

AGENDA ITEM 19 – AUDIT AND RISK ASSURANCE COMMITTEE (ARAC)

WL reported on the Audit and Risk Assurance Committee (ARAC) meeting which had been held on 10 March.

The External Communications & Engagement and the Forecasting & Budgeting internal audits had received reasonable assurance.

The Internal Audit plan for 2020/2021 had been discussed. It had been agreed that given the new membership of ARAC in the coming month it would give RSM sufficient steer to progress their work in the interim before the new chair and committee made a final decision at its next meeting. The HR Audit will take place in early 2021, RSM will work closely with JK and the LT to compile the Assignment Planning Sheet for the audit. ARAC will approve the scope before it commences.

A discussion had taken place on cyber security and penetration testing. Some annual independent penetration testing had, as a result of the fire, been delayed as this needed to take place on site.

Data security had been discussed and a brief conversation had taken place relating to IR35 and how this affected the LI Ltd.

It had been agreed that ARAC needed to spend more time discussing how AHDB manages its significant projects to ensure that the right controls and reporting is in place.

WL commented that more airtime for the ARAC report should be given at board meetings so that the Board is aware of what the ARAC is discussing and what the Board should be sighted on.

REMUNERATION AND NOMINATIONS COMMITTEE

GL commented that there was nothing further to report. The last meeting of the Committee had been held on 27 January and the minutes circulated to the board separately.

AGENDA ITEM 20 – DEEDS

The Deed relating to the electrical work for the building had been signed by SC and MS on 10 March. A second Deed to continue using Askham Bryan College for a further three years will be sent to the Board for approval.

Action: The Deed to continue using Askham Bryan College will be sent to the Board for approval

AGENDA ITEM 21 – ACCOUNTING OFFICER LETTERS

JK informed the Board that she had received a letter from HM Treasury of a revision to the principles for risk management in government. In addition, a letter had been received from Minister Prentis confirming approval of proposed levy rates for 2020-2021.

AGENDA ITEM 22 – ANY OTHER BUSINESS

None

AGENDA ITEM 23 – CHAIR’S REPORT

PK asked for his paper to be taken as read. PK said that he had enjoyed his time as Chair of AHDB and thanked JK and the Board. PK commented on the challenges that had come along during his time in office i.e. Brexit and now Coronavirus.

GL, on behalf of the Board, took the opportunity to thank PK/GJ and WL for their significant contributions to AHDB during their time in office.

AGENDA ITEM 24 – DATE OF NEXT MEETING

The next meeting will take place on Tuesday 2 June 2020.

Dates of future meetings

- Tuesday 28 July 2020
- Tuesday 22 September 2020
- Tuesday 24 November 2020

