

**SUMMARY MINUTES OF THE SEVENTIETH MEETING OF THE AGRICULTURE AND
HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 24 SEPTEMBER 2019 AT STONELEIGH PARK**

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), Tom Hind (TH), Jane King (JK), Tim Mordan (TM), Sue Walker (SW), Christine Watts (CW)

AGENDA ITEM 1 – APOLOGIES FOR ABSENCE

Apologies for absence were received from Rebecca Geraghty (RG) and Richard Laverick (RL).

AGENDA ITEM 2 - DECLARATIONS OF INTEREST

GL declared that Hume Brophy had taken on contracts with JBS, Bayer, American Seed Association and the Glyphosate Task Force.

AGENDA ITEM 3 – MINUTES OF THE MEETING HELD ON 30 JULY

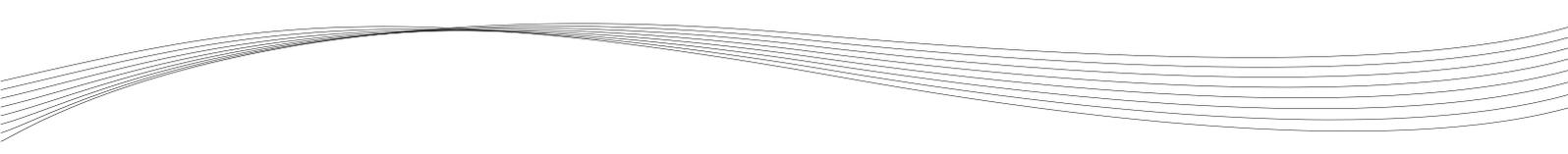
The minutes of the Board meeting held on 30 July were accepted as a correct record and signed by the Chair with the exception that para 5345 should read “JK sought the board approval to award a 2% salary increase. This was approved. However the Board raised a concern about the potential impact on levy spend from future pay awards if the levy rates continue to be frozen”.

AGENDA ITEM 4 – MATTERS ARISING FROM THE MEETING HELD ON 30 JULY

LIVESTOCK INFORMATION PROGRAMME (LIP)

A proposal on how decisions about LIP added value work agreed upon will be prepared for the November board meeting. JK commented that a lot of activity was going on in the background relating to the work being undertaken by the technical team working with the LIP team.

Action: A proposal on the LIP added value system will be prepared for the November board meeting



Whistleblowing Policy

WL and JS were assisting Jackie Kay in developing the Whistleblowing Policy. Revisions of the policy will come back to the Audit and Risk Assurance Committee (ARAC) in November. JK agreed to speak to Jackie Kay about this.

Action: The Whistleblowing Policy will come back to ARAC in November

Board Effectiveness

The draft board effectiveness proposal was discussed. The Board agreed that owing to PK and a number of board members stepping down next March, it would be prudent to defer the involvement of an external independent person until a new Chair and Board was appointed.

Gifts and Hospitality Register

The Gifts and Hospitality Register will be put on line. Board members and the LT were reminded of the need to submit declarations for inclusion on the register.

AGENDA ITEM 5 – AHDB STRATEGY

Phil Bicknell (PB) joined the meeting for this item.

PB highlighted changes which had been incorporated in the strategy following feedback from the Board at its last meeting in July. The Board was informed that the document had not yet gone through the communications team and some of the language required finessing. JK asked that feedback on the latest version of the strategy was sent to PB so that the document could be refined and come back to the Board with revisions. JS asked whether it would be possible to measure and monitor the impact. She said that she understood the strategy but asked how it was going to be managed. JS continued by saying that if there were 5-6 clear objectives it would indicate that there was clarity on what was trying to be achieved. AQ commented that there was a need for the sector chairs to work together and be aligned. TH said that there needed to be coherence across sector plans going forward to look at what objectives and outcomes can be measured. At a corporate level, objectives should be included which can be measured and challenge the organisation as well as being relevant to staff. PB commented that KPIs were still work in progress and that an internal group was pulling this together. TM commented that accountability and transparency had been highlighted in the request for views consultation and it was clear there was a need to demonstrate where levy payers money was going.

A conversation took place on the industry consultation and what this should look like. PK felt that there should be one front page which was clear and concise that cross referenced the full document and outlined the direction of travel for the organisation. TH commented that last time round the consultation took place from the beginning of December and concluded the second week of January. TH will speak to Guy Attenborough about the timetable which will be circulated to the Board.

Action: The timetable for the AHDB Strategy will be circulated to the Board

AGENDA ITEM 6 – BREXIT

TH provided the Board with an update on Brexit. The Government's position was to leave the European Union (EU) with or without a deal on 31 October 2019. Negotiations were continuing on possible amendments to the Withdrawal Agreement and Irish backstop. The onus was on the Government to present workable proposals, TH commented that there is an EU Council meeting taking place on 17 October which was being seen as a key moment. The EU Withdrawal Bill obliges

Government to seek a delay to the UK leaving the EU until 31 January 2020 unless a deal or no deal is approved by MPs by 19 October. Any requests for a delay would have to receive permission from the EU which cannot be assumed leaving the default position as no deal.

TH commented that the contingency plan which had been developed last December was being refreshed. A series of workstreams were being planned to reflect where AHDB can help the industry in the run up to Brexit or thereafter. TH asked the Board to provide feedback on the Brexit website page. The Board was informed of the Brexit foodhub website which had been developed in conjunction with the Food and Drink Federation and IGD.

Action: The Board should provide TH with feedback on the Brexit page on the website

TH commented that there was quite a lot taking place in domestic marketing with lamb and pork campaigns planned. A “shadow” events plan was being developed for the Beef & Lamb/Pork sectors from 31 October. SC enquired whether there was any analysis of where people got support from. TH commented that stakeholders were being partnered with wherever applicable.

A series of resilience training courses had taken place earlier this year. A further course was taking place in the near future. A script was being developed that could be used by staff i.e. reception/press office when handling any calls. TH said that there could be an impact on resource as Brexit was a number one priority for some key staff that will impact on the delivery of other work.

AGENDA ITEM 7 – LEVY PAYER ENGAGEMENT RECOMMENDATIONS TO IMPROVE SATISFACTION SCORE

Following the most recent Levy Payer Satisfaction Survey (LPSS) the Board had requested that a working group was established which included board members and staff to review in detail options to improve engagement with AHDB products and services.

To better understand the responses from levy payers, the working group commissioned BMG Research to interview a representative selection of respondents to explore why they did not use AHDB products and services. The Working Group also cross referenced the feedback with more detailed survey work relating to the Farm Excellence activity where more positive feedback from farmers, when proactively engaged with our teams and programmes of work, was seen. Around half of the participants indicated that they did not use AHDB tools or services regularly. The survey identified that the key sources of information for farmers and growers was influencers such as agronomists, vets, auction markets and Google search.

The Board agreed that the proposals outlined in the paper were on the right track to deliver the Board’s expectations and acknowledged that budget proposals would have to be developed through activity planning to enable a two year programme of work. It was also agreed that the middle ground of levy payers who were not engaged should be targeted.

PK thanked CW and members of the Working Group for all the work that they had done so far.

AGENDA ITEM 8 – EDUCATION

CW provided the Board with an update on AHDB Education and what had been achieved through partnerships and collaborative working. The Board considered that this was a good piece of work. PT asked if the report could be shared.

Action: The Education update paper will be shared

AGENDA ITEM 9 – PENSIONS UPDATE

KB provided an update on the legacy HGCA and MLC pension schemes plus other associated legacy arrangements.

AGENDA ITEM 10 – SECTOR REPORTS

Beef and Lamb

AQ commented that the Chinese market is very important and Phil Hadley was visiting this week. The continuing unrest in Hong Kong was a problem. The number of B&L board meetings was being reduced to four per year. Stakeholders were receiving regular reports to keep them up to speed.

Cereals and Oilseeds

PT asked for the report to be taken as read. The Grain Outlook Conference was being held on 15 October and was fully subscribed. PT commented that there was an exportable surplus of grain.

Dairy

GJ informed the Board that under 'Priority 1, Competitive' in the paper to the Board, the 'amber' was in fact a slight misrepresentation as it is very much 'green' for Dairy Strategic Farms and 'red' for Dairy Farmbench. GJ explained that there is a Dairy Board meeting in two days' time where it will discuss Farmbench in the dairy sector.

Horticulture

HCG commented that she had met with a number of growers in recent months. A webinar meeting is taking place on 30 September with the horticulture working group levy payers. HCG commented that engagement from the levy team had been very helpful.

Pork

MS informed the Board that African Swine Fever was in every country in South East Asia with Korea now affected. A quarter of the world's pigs had died as a result of the disease. The spread in Europe had been quite low this year.

Tulip had been sold to Pilgrims which is part of JBS. JBS is a Brazilian company that is the largest meat processing company in the world, producing processed beef, chicken and pork, and also selling by-products from the processing of these meats.

Potatoes

SC commented that options for the potato levy should be re-visited. A consumer facing marketing campaign with the industry was being reviewed to see if there was interest. Colleagues in MI have been working with the technical team to develop a tool that creates a national index of pest/disease resistance based on areas of varieties grown over the last thirty years. Thought is being given to visiting the most progressive potato growers to discuss sustainability, Integrated Crop Management (ICM) and natural resource management to try and learn from their good practice.

AGENDA ITEM 11 – CORPORATE REPORT

JK asked for the report to be taken as read.

KB provided the Board with an update on the review of Sutton Bridge. Proposals will be discussed with the Potato Board at its meeting in November as well as at the AHDB Board meeting later that month.

Action: Proposals relating to Sutton Bridge will come to the Board in November

KB provided an update on the set-up of the new subsidiary company, Livestock Information Limited (LI Ltd). It is hoped that LI Ltd will be effective from 1 October. WL commented that LI Ltd would operate relatively independently of AHDB. WL felt that there was a need for this to be discussed by the Leadership Team and clear ways of working agreed that provide LI Ltd with sufficient flexibility and independence. PK commented that it was important to ensure that AHDB is not exposed to inappropriate risks with this alternative way of working. It was noted that the LI Ltd Board should discuss governance around the new company followed by a proposal to the AHDB Board to ensure correct balance is achieved.

Action: How LI Ltd operates should be discussed with the Leadership Team, LI Ltd Board and finally the AHDB Board in November

CW commented that many areas of the livestock sector were feeling under siege owing to the constant negative media coverage. There was a desire to build collaboration that gets to a place where conversations can be had that address reputation in a less emotive and evidence based manner. The Meat Advisory Panel has been stood down and replaced by a Food Advisory Board which will work cross sector, this will be launched soon. The Consumer Insight Conference will take place on 25 September.

The UK dairy marketing campaign has been awarded the International Milk Promotion Group Yves Boutonnat Trophy at the recent World Dairy Summit in Istanbul. The 'Department of Dairy Related Scrumptious Affairs' campaign, jointly funded by AHDB and Dairy UK, was chosen from a shortlist of three contenders, including the French and Swiss, as the best advertising campaign.

The new Head of Environment, Jonathan Foot, will start in a few weeks' time. Jonathan will take the lead in defining and developing the technical aspects of the environment programme which was approved by the Board at its last meeting in July. The Board was informed of progress on the environment programme since it received approval.

AGENDA ITEM 12 – RISK

The risk register was discussed. Some members of the Board felt that some of the items should no longer be on the register. KB noted that it had been agreed to focus on the top ten and this was due to be discussed at the next ARAC meeting.

Action: Board member comments relating to the risk register will be addressed at the next ARAC meeting

AGENDA ITEM 13 – CHAIRMAN'S REPORT

PK asked for his report to be taken as read.

PK/TH/TM left the meeting. GL took over the Chair at this point.

AGENDA ITEM 13 – CEO REPORT

JK commented that she and PK will be meeting with George Eustice on 8 October.

A meeting with HMRC to discuss AHDB's VAT status will take place on 25 September. KB informed the Board of the potential outcomes of the meeting. A note will be sent to the Board following that meeting.

Action: A note will go to the Board following the meeting with HMRC to discuss VAT

JK asked the Board for their views on whether a meeting similar to that held in Herefordshire in July should take place next year. The Board agreed to this idea. JK asked the Board to let her have preferences of where in the country the visit should take place and when.

Action: The Board will let JK have some ideas on a Board visit in 2020

AGENDA ITEM 15 – FINANCE

KB provided the Board with an update on financial performance up to August 2019.

AGENDA ITEM 16 – CONTINGENCY RESERVES POLICY

The Contingency Reserves Policy had been discussed at the ARAC meeting on 4 September. ARAC had recommended that AHDB should keep the level of contingency reserves at £3m but note the volatility being experienced relating to the legacy pension schemes and increased likelihood of restructuring costs. The Board approved the recommendation.

AGENDA ITEM 17 – CASH FLOW POLICY

The Cash Flow Policy had also been discussed at ARAC on 4 September. It is recommended that AHDB should target cash held at 31 March to £15.5m. This is an increase of £0.5m due to the intergroup loan to Livestock Information Limited. The Board approved the proposal.

AGENDA ITEM 18 – APPROVAL OF LEVY POLICY

KB commented that the Levy Policy had been drafted in order to formalise processes and procedures within the levy department. The majority of the policy reflects standard credit control procedure for an organisation like AHDB.

The Board asked KB to take legal advice on what was being proposed relating to the backdating of levy invoices to newly found levy payers and those who are showing evidence of evasion indicating clear criteria for which route would be followed. The Board requested the policy was updated to ensure it was clear that relationships with levy payers were very important and tone and language must always reflect that. In addition a discrepancy in two thresholds was identified. The AHDB Board approved the policy subject to the two changes and legal clearance on the timescales and criteria.

Janet Swadling had agreed to be the Board member responsible for the oversight of counter fraud for AHDB.

AGENDA ITEM 19 – APPROVAL OF DIRECTORS

The Board approved the appointment of the following directors to Livestock Information Ltd:-

- John Bourne, Defra representative
- Will Lifford, Interim Chair

- Simon Hall, Managing Director
- Richard Laverick, AHDB representative
- Mike Sheldon, Interim Finance and Audit NED

KB informed the Board that Jonathan Tipples, HGCA Pension Scheme Chair, had indicated that he would be stepping down following the Triennial Review next June. After discussion, the Board decided that a person should be appointed who has knowledge of the scheme who could rely on expert advice. A role profile would be prepared to help identify the right person. GL declared an interest.

Action: KB to prepare the role profile and discuss with the Chairman the appointment process

AGENDA ITEM 20 – FUTURE OF FINANCE AND HYPOTHECATION WORKING GROUP

WL reminded the Board that the Finance and Hypothecation Working Group had been established 3-4 years ago and worked well. The group had met on 23 September and agreed that it should be disbanded but that representatives from each sector meet annually perhaps around the sector board conference to discuss finance and hypothecation issues. The Board agreed to this proposal.

AGENDA ITEM 21 – BOARD GOVERNANCE SCHEDULE AND FORWARD PLANNING

The board governance schedule was discussed. JK identified some topics which should be included in the schedule going forward

AGENDA ITEM 22 – HEALTH AND SAFETY REPORT

The report was taken as read.

AGENDA ITEM 23 – AHDB SUB-COMMITTEES

Audit and Risk Committee (ARAC)

WL provided an update on the ARAC meeting which took place on 4 September. WL commented that the draft Risk Policy had been discussed and a request made for it to be re-visited in time for the next meeting on 18 November.

Penetration testing had been discussed. WL commented that further work was required to ensure that systems were robust.

The ARAC had received a review of the information which the Leadership Team receives relating to significant projects. WL commented that it was useful for the ARAC to receive this information at each meeting.

WL informed the Board of two issues relating to General Data Protection Regulation (GDPR) document handling which had come to the attention of the regulator.

WL commented that the ARAC meeting had been preceded by a training session. The recommendation from the trainer was that the committee should focus on strategic rather than operational risks and receive more “air” time at board meetings so that the Board could devote more time to discussing certain projects that might be presenting risks to delivery. PK commented that duplicating items at the Board and ARAC should be avoided and that he was grateful to WL for highlighting this. PK will meet with WL to discuss.

Action: PK and WL will meet to discuss the Board and ARAC

SC commented that training courses for the board such as the recent Health and Safety as well as the ARAC should be more bespoke wherever possible.

Action: Training courses for the Board should be bespoke and customer focussed wherever possible

Remuneration and Nominations Committee

GL informed the Board that the Remuneration and Nominations Committee would be meeting after the Board meeting.

AGENDA ITEM 24 – ANNUAL COMPLIANCE REPORT TO WELSH LANGUAGE COMMISSIONER

The Board noted the annual report to the Welsh Commissioner and AHDB's commitments under the Welsh Language (Wales) Measure 2011.

AGENDA ITEM 25 – ANY OTHER BUSINESS

GJ requested an explanation relating to the company car costs.

Action: An explanation relating to the company car costs will be provided to the Board

The Sector Board Conference will take place on 1 October. SW was asked to circulate the agenda and list of attendees to the Board.

Action: The agenda and list of attendees to the Sector Board Conference will be circulated to the Board

SC commented that the role of all admin and support staff is recognised as crucial during times of change and asked that this be acknowledged in the minutes. GJ said that he was very grateful for the support he had received from Guy Attenborough relating to the industry consultation which had commenced on 23 September. The consultation outlined a proposal for the formation of an industry Ruminant Health & Welfare Group to deliver a simpler, more co-ordinated approach to tackling ruminant health and welfare across the UK.

AGENDA ITEM 22 – DATE OF NEXT MEEETING

The next meeting will take place on Tuesday 19 November 2019.

Dates of future meetings

- Tuesday 28 January 2020
- Tuesday 24 March 2020
- Tuesday 2 June 2020
- Tuesday 28 July 2020
- Tuesday 22 September 2020
- Tuesday 24 November 2020