

**SUMMARY MINUTES OF THE SEVENTY EIGHTH MEETING OF THE AGRICULTURE
AND HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 26 JANUARY 2021**

PRESENT:

Hayley Campbell-Gibbons (HC-G), George Lyon (GL), Alison Levett (AL), Sarah Pumfrett (SP), Adam Quinney (AQ), Nicholas Saphir (NS) (Chair), Mike Sheldon (MS), Richard Soffe (RS), Janet Swadling (JS), Paul Temple (PT)

IN ATTENDANCE:

Ken Boyns (KB), Rebecca Geraghty (RG), Will Jackson (WJ), Jackie Kay (JSK), Jane King (JK), Richard Laverick (RL), Tim Mordan (TM), Sue Walker (SW), Christine Watts (CW)

AGENDA ITEM 1 – APOLOGIES FOR ABSENCE

There were no apologies for absence

AGENDA ITEM 2 - DECLARATIONS OF INTEREST

KB pointed out that some of the Board would have conflict of interests relating to items 6 and 14.2 on the agenda.

AGENDA ITEM 3 – MINUTES OF THE AHDB BOARD MEETING HELD ON 24 NOVEMBER 2020

The minutes of the meeting held on 24 November 2020 were accepted as an accurate record.

AGENDA ITEM 4 – MINUTES OF THE INTERIM AHDB BOARD MEETING HELD ON 15 DECEMBER 2020 (AHDB 1128)

The minutes of the interim board meeting held on 15 December were accepted as an accurate record.

AGENDA ITEM 5 – MATTERS ARISING FROM THE MEETING HELD ON 15 DECEMBER 2020

NS commented that all items outlined in the matters arising table were either ongoing or covered on the agenda.

AGENDA ITEM 6 – GOVERNANCE REVIEW

JS provided an update on the governance review. A meeting of the Governance Review Group had recently been held and the minutes were included in the board pack, together with a number of papers for consideration and approval by the board.

An Executive Summary of the Campbell Tickell Board Evaluation report was noted and approved.

The final version of the Campbell Tickell Governance Review report was presented for consideration. Following a wide-ranging discussion the report was approved.

The draft Code of Conduct was discussed. It was agreed that this should be adopted. JK agreed to come back to the Board regarding Livestock Information Ltd. adopting this Code.

The appointment of Sector Chairs was discussed. The proposal for interim arrangements was approved.

The process for the recruitment of new board members will commence as soon as possible. A letter had been received from Minister Prentis endorsing the move to a skills based board, this was however subject to Devolved Administration approval. It was noted that an update would be given at the next meeting on 30 March 2021.

It had been proposed that sector board members who were completing their first or second term of office on 31 March 2021 should be asked to stay on for an additional six months.

It was agreed that a sub-group of the Remuneration and Nominations Committee will be formed comprising NS/JS/GL, chaired by GL to oversee the following:

- Arrangements for the AHDB appointment of the four sector board chairs for six months, including new interim dairy sector board chair
- Monitoring of board appointments. Review information packs, job specifications and receive regular feedback on the Public Appointments process

The draft Terms of Reference for the Governance Review Group had been included in the board pack. Thought needs to be given on how this is taken forward to the next stage and how it fits with levy payer engagement and the introduction of zero based budgeting. JK informed the Board that it had been agreed that WJ from the executive will lead the next phase of co-design involving levy payers in shaping and determining the arrangements in the light of pledges made and proposals for the associated appropriate governance. There will be clarity later this week on how this activity will be undertaken and a proposal made to the board. A working group reporting into the Governance Review Group will be established to work through next steps which will be done in a collaborative way with levy payers.

An update was given on the proposed Governance Manager role.

JS asked for her thanks to be recorded to Alison Thomas who had provided administrative support to the Governance Review Group.

NS asked for his thanks to be recorded for all the hard work which had gone into the governance work so far, he acknowledged that it had been a difficult period and it was necessary to move on to the co-design stage.

Actions:

- **JK will speak to Livestock Information Ltd. about adopting the Code of Conduct for Board and Committee members**
- **An update on board appointments will be given at the next meeting on 30 March 2021**
- **PT/AQ/AL agreed to remain as Interim Sector Chairs for a further six months. A replacement for Richard Soffe as Interim Dairy Sector Chair needs to be sought**
- **A sub-group of the Remuneration and Nominations Committee will be formed comprising NS/GL/JS**

- **NS will conduct appraisals of the main Board, sector board members should all have appraisals**
- **The role of Governance Manager will be finalised**
- **All board members and executives to share their suggestions for individuals who should be made aware of the main board recruitment process**

AGENDA ITEM 7 – BALLOTS

CW provided the Board with an update on the horticulture ballot. So far 589 votes had been cast, these will be validated at the close of the ballot. The ballot will close on 10 February. Votes can only be made by those who have paid a levy in the last 12 months. The organisation running the ballot will send another postcard encouraging those who have not voted to do so.

Preparations for the potato ballot are underway with a lot of learning gleaned from the horticulture ballot. Calls were being made to growers to identify the owner of the businesses who is eligible to vote. A series of “town hall” meetings were in place which NS/AL are leading. AL commented on the communication activity with stakeholders which was being done around the ballot. TM commented that he appreciated the update. He agreed to meet HCG/AL/RG/CW to discuss the ballots. A list of the forthcoming town hall meetings will be sent to TM.

AQ commented that there was a lot of learning from the ballots for other sectors. It was important that as well as on line communication there was human connection. NS said that staff should be encouraged to explain what they are doing for levy payers. It was recognised that the situation around Covid was making it difficult to engage with levy payers face to face.

CW provided the Board with the cost to date of running the ballots.

Action: TM will meet HCG/AL/RG/CW to discuss AHDB scenario planning following the conclusion of the horticulture and potato ballots. A list of the town hall meetings should be sent to TM

AGENDA ITEM 8 – LEVY PAYER ENGAGEMENT PLAN

CW commented that the paper covered levy payer engagement strategy, it encompassed both work in progress and new ideas and recommendations to significantly enhance our approach. This paper, in principle, set out how to move forward with defined outcomes and outputs, to ensure proactive levy payer engagement, with levy payers at the heart of co-design and prioritisation of activity in the future. TM commented that he welcomed this activity but there was a need to engage with hard to reach levy payers. GL agreed saying that it was important to raise the profile of AHDB in the press and not to rely solely on digital. It was recognised that this strategy was a longer term direction of travel, which needed a detailed plan to implement and separate to the more immediate work which is included in the scope of the co-design work which WJ will be leading to ensure levy payer input and influence was had in to programmes, budgets and levy rates. There would be effective liaison between the two work streams to ensure they were co-ordinated where they overlapped.

AGENDA ITEM 9 – VAT

KB provided an update on VAT. Various scenarios were being pursued and a meeting with HMRC will take place on 4 February 2021. The board endorsed the approach. It was noted that a wider discussion around R&D tax relief on corporation tax for growers and farmers and funding availability for AHDB will take place at a later date.

Action: A wider discussion around R&D tax relief on corporation tax for growers and farmers and funding availability for AHDB will take place at a later date

AGENDA ITEM 10 – AHDB STRATEGY

The strategy consultation will conclude at the end of this week. Feedback is starting to be assimilated with responders generally happy with the strategic direction, there was however a desire to know the detail behind the strategy and change programme. It was noted there was a need to show change “on the ground” as well as in the strategy document. There had been a reasonably good attendance at the sector town hall meetings. PT commented that he felt that the town hall meetings had been constructive but commented that there were still issues with some levy payers not having good internet access.

AGENDA ITEM 11 – POTATO STORAGE PROJECT

Susannah Bolton (SB) and Nick Skinner (NS) joined the meeting for this item. The Board had raised questions at the last interim board meeting on 15 December 2020 relating to the potato storage project. After discussion, the Board gave its agreement to progress to the next stage with the preferred bidder. Financial support from other sectors was not considered likely and the appropriateness of funding capital investment via a grant was questioned. External support will be required in the negotiation process. The final structure of the project would need to come back to the board for approval.

Action: Project to progress to next stage. Revised proposal to be brought back to board for final approval

AGENDA ITEM 12 – CEO REPORT

JK asked for her report to be taken as read. JK had included in her report key topics for future board meetings which were noted. NS commented that AHDB should develop a role around environment, RG said that this subject was a key plank of the new strategy for AHDB. There was a desire to deliver proposals on environmental policy to the board. A paper will be prepared for the Board in March. The Board agreed that this was a key area of activity for AHDB.

JS commented on IS and cyber security incidents, KB commented that these issues will be discussed at the next ARAC meeting in March.

JS raised the harmonisation of the MLC pension scheme. It was agreed that KB will draft a letter for NS to send to the Chairman of Hybu Cig Cymru.

The NFU had convened a meeting on 12 February to discuss Red Tractor. CW informed the Board that AHDB had been providing support to Red Tractor on issues surrounding international trade marks. A discussion took place on whole life assurance. It was agreed that Red Tractor is discussed further at the March board meeting.

A discussion took place with regard to staff wellbeing.

The HR dashboard was discussed. JS commented that more information relating to sickness levels and training should be included on the dashboard.

CW informed the Board that a survey was being undertaken with meat processors to understand the situation relating to exports following Brexit. The feedback will be shared with Defra.

CW provided an update on the eat balanced campaign.

Actions:

- **A task and finish group looking at environment will be established, a paper will be brought to the Board in March**
- **A letter will be drafted for NS to go to the Chairman of Hybu Cig Cymru relating to the MLC Pension Scheme**
- **Red Tractor will be discussed at the March Board meeting**
- **More information relating to sickness levels and training should be included on the HR dashboard**
- **Feedback on the survey which was being undertaken with meat processors relating to Brexit will be shared with Defra**

Spotted Wing Drosophila Project

5The Board approved the one year extension for the Spotted Wing Drosophila project.

AGENDA ITEM 13 – INTERIM DASHBOARD

Paul Flanagan (PF) joined the meeting for this item. PF flagged that during Covid the numbers attending online events had increased significantly. JS asked how the interim dashboard linked to monitoring delivery of the strategy. The Board was informed that commitments contained within the strategy were being mapped out, would flow through into business plans and targets in those business plans and the summary of those targets should then be included on the dashboard. This was work in progress as part of the change programme and the interim dashboard would be updated as targets were included in business plans. The ARAC will receive a report of progress to date in March.

Action: Commitments contained within the strategy should be included on future reporting to the board

AGENDA ITEM 14– MANAGEMENT ACCOUNTS

The management accounts were taken as read.

AGENDA ITEM 14.1 – APPROVAL OF LEVY RATES

The recommended levy rates for 2021/22 and associated letter to Defra were approved.

AGENDA ITEM 14.2 – REVISED CONTINGENCY AND CASH FLOW POLICY

KB informed the Board that a letter had been received from the MLC Pension Trustees relating to reserves. It was agreed that a decision on reserves could not take place until the letter had been considered. This could also have implications for the HGCA Pension Scheme. This will be discussed at the next ARAC meeting in March before coming back to the Board later that month. KB alerted the Board to a new Pensions Bill which was going through Parliament.

Reserves will be discussed at the next Board meeting

AGENDA ITEM 14.3– LEVY COLLECTION UPDATE

KB provided an update on levy collection.

AGENDA ITEM 15 – AUDIT AND RISK ASSURANCE COMMITTEE (ARAC)

The next meeting of ARAC will take place on 9 March. The draft minutes of the ARAC meeting held on 23 November were noted. SP commented there were conversations about risks throughout the board meeting, but consideration should be given at a future date on whether the format of discussion about risk at board meetings should change.

AGENDA ITEM 16 - REMUNERATION AND NOMINATIONS COMMITTEE

GL commented that he had nothing further to add.

AGENDA ITEM 17 – STANDING INSTRUCTIONS

The amendments to the Standing Instructions were approved.

AGENDA ITEM 18 – HARMONICS DEED

RG informed the Board that approval was being sought to sign a Deed to allow the installation of a harmonics filter in the Stoneleigh building. This was approved by the Board, it was agreed that NS/PT will electronically sign the Deed on behalf of the Board.

AGENDA ITEM 19 – ANY OTHER BUSINESS

None

AGENDA ITEM 20 – ACCOUNTING OFFICER LETTER

The accounting officer letter relating to EU Law References in Managing Public Money was noted.

AGENDA ITEM 21 - DATE OF NEXT MEETING

The next meeting will be held on 30 March 2021. It was agreed that there would not be any interim meetings in between meetings unless a critical matter arose.

AGENDA ITEM 22 - RISK

The risk register was discussed. KB will review the register and make some adjustments.

Dates of future meetings

- Thursday 3 June 2021
- Tuesday 27 July 2021
- Tuesday 21 September 2021
- Tuesday 30 November 2021