

**SUMMARY MINUTES OF THE SIXTY SEVENTH MEETING OF THE AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD HELD ON TUESDAY 26 MARCH 2019 AT STONELEIGH PARK**

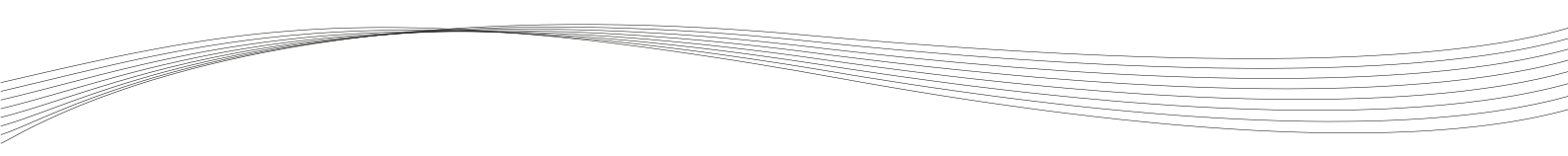
**PRESENT:**

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), Rebecca Geraghty (RG), Jane King (JK), Richard Laverick (RL), Tim Mordan (TM), Sue Walker (SW), Christine Watts (CW)

<b>AGENDA ITEM 1 – APOLOGIES FOR ABSENCE</b>
There were no apologies for absence.
<b>AGENDA ITEM 2 - DECLARATIONS OF INTEREST</b>
There were no declarations of interest recorded.
<b>AGENDA ITEM 3 – MINUTES OF THE MEETING HELD ON 29 JANUARY 2019</b>
The minutes of the Board meeting held on 29 January were accepted as a correct record with the exception that HC-G asked that the minute should read as follows – “HC-G reported on a petition to call for a voluntary levy reported to have been signed by approximately two hundred horticulture growers”.
<b>AGENDA ITEM 4 – MATTERS ARISING FROM THE MEETING HELD ON 29 JANUARY</b>
<b>Presentation of support costs</b>
A copy of the presentation on support costs had been sent to Tim Mordan at Defra.
<b>Grower meeting</b>
A meeting with some Brassica growers will take place on 16 April 2019.
<b>HR Report</b>
More detail around employee engagement, performance, etc. will be included in future HR reports in line with the Board request. The Board was requested to provide Jackie Kay with feedback in developing the report.
<b>Action: More detail around employee engagement, performance, etc. will be included in future HR reports, the Board was requested to provide feedback in developing the report</b>



## **Risk**

The risk relating to Brexit no deal had been increased on the risk register.

## **Board visit to Herefordshire**

A programme for the Board visit to Herefordshire on 29/30 July has been developed.

## **Environmental footprint capturing**

A mix of travel arrangements are already possible. Environmental footprint capturing will be reviewed during 2019/2020.

## **MLC Pension Scheme**

A finance plan, which will be over 3 financial years, has been agreed following the MLC Pension Scheme Triennial Review. Decision points relating to the future of the Scheme will be explored and brought back to the Board later this year.

**Action: Decision points relating to the future of the MLC Pension Scheme will be explored and brought back to the Board later this year**

## **AGENDA ITEM 5 – LIP DELIVERY AGREEMENT AND AUDIT FEEDBACK**

RL provided the Board with an update on the progress of the Livestock Information Programme (LIP). It is expected that the Delivery Agreement will not be available until the middle of April. However, if the draft agreement is received by AHDB in mid-April this will allow time for the detail to be reviewed by AHDB and our legal support before the May Board meeting. The Delivery Agreement would then be on the agenda for the next meeting in May when the Board will be able to recommend any changes or agree the detail.

The sub-group of the Board had reviewed and recommended some changes to the nine products which underpin the development of the Delivery Agreement, the changes related to the governance model and the structure of the Board for the new entity (referred to as LISCo). The feedback from AHDB has led to changes to the management structure of LISCo. There is now a need to agree the governance model including makeup of the LISCo Board with Defra and how the Ownership Groups would work. This is key information required for the Articles of Association. RL also highlighted that the development of the programme and the future service now has two stages. The Delivery Agreement will see the programme through its delivery phase and will cover AHDB's role and collaboration with Defra. The implementation of the new service will be a second phase which will be covered by a service agreement. This approach has been adopted because the new service has yet to be designed.

A discussion took place on the makeup of the new Board and AHDB responsibilities going forward. JK commented that there was a need to understand the implications of AHDB taking on a statutory service. CW commented on the importance of an independent Chair with relevant project leadership skills for this Board. KB and RL have been asked to review what this means in practice for the organisation. GL enquired about potential TUPE liabilities, RL informed the Board that there was a work stream in place which Jackie Kay (interim HR Director) will be closely involved with.

TM enquired about a communications plan. RL commented that there was a plan in place now which was formulated by a programme Comms Group led by Anna Farrell. An individual had been engaged through Contract 3 to lead this area and drive communications for the programme. They will be

supported by additional resource from within AHDB. An update will be provided on this work at the next Board meeting.

SC commented that RSM had been asked to undertake a light touch audit following a request from the Audit and Risk Assurance Committee (ARAC) wanting reassurance. A draft report has been received, the programme team are reviewing the report and will provide management actions of responses after which it will be shared with ARAC and the Board to aid decision making.

**Action:**

- **The internal audit report on LIP will be shared with the Board and ARAC**
- **An update on the LIP communications plan will be provided at the next Board meeting**

**AGENDA ITEM 6 – BREXIT NO DEAL**

David Swales (DS) joined the meeting for this item.

DS informed the Board that his team has been working on understanding how a no deal Brexit would affect the different sectors. The work had been put on hold until the UK set no deal tariffs, which had since been announced.

The original modelling work, which took place in 2017, has now been updated for no deal and will be published during the second week of April. The online Brexit Impact Calculator has also been updated and will be available soon after this. MS requested that the current online calculator should be removed from the website. A detailed technical report will be developed for those who want the level of detail. Separate analysis will be prepared for Scotland and Wales. DS commented that results for Scotland had been scoped out, but until a level of certainty was known in terms of agriculture policy in Wales analysis could not be done for the time being.

DS outlined the impact assessment for various farm types in England.

TM commented that he felt this was a great piece of work and felt that to avoid any criticism around the launch that more is made on outlining the stakeholders who provided advice. DS informed the Board that the work had been discussed with the Agriculture Economics Advisory Group. This group comprised leading economists from universities, Defra and other organisations around the country.

A press conference will be held during w/c 8 April for the National and Trade press. TM asked that the Defra communications team were kept informed of the plans.

PT felt that the approach taken with highlighting high performing farms had caused challenges in the 2017 study. TH explained that he saw the purpose of the work was to highlight the need for farm businesses to adapt to upcoming changes and how AHDB can help them. There was also a need to support businesses who may no longer be viable. There is support for staff with this and resilience training courses had been taking place. HC-G urged that a partnership approach was taken with farming charities.

**AGENDA ITEM 7 – LEVY PAYER SATISFACTION SURVEY**

Anna Farrell (AF) and Anna Hughes (AH) joined the meeting for this item.

AH provided the headline results of the 2018 survey, for the first time processors had been invited to take part. The survey was the fourth one completed as a cross sector assessment.

It was disappointing to note that after the considerable amount of work done by the one AHDB, the situation has not improved for all measures. Awareness is up and respondents have made changes as a result of AHDB but attitudes towards value for money and the likelihood of recommending

services remains unchanged. There is a stark difference between those engaged with the organisation in established programmes such as the Farm Excellence Platform and the general levy payer satisfaction survey results. AF and AH left the meeting at this point.

The CEO report in the Annual Report and Accounts will outline where engagement is positive but recognises that there is more to do on farmer engagement. The report will be shared with the Board.

RG commented on the recent Farm Excellence survey which demonstrated that there was a bigger take up of services owing to greater engagement. JK said that there was a need to be prepared to look at programmes of work where we do have engagement i.e. monitor/strategic farms. MS commented that the quality of engagement was important, it is not just talking to levy payers but including stakeholders, building and equipment suppliers, genetics companies, etc. The results of the Farm Excellence survey will be shared with TM. There will be a presentation at the next Board meeting.

CW commented that the conversation had been interesting and highlighted that it was more than a communications issue. It is about doing more research and focus groups which will provide robust feedback which will feed into future strategy. There was significant areas of work which the organisation did not have a substantial offering i.e. environment, precision and technology. PK commented that messaging to farmers was key and it was important not to shy away from difficult conversations.

It was agreed that a working group, which will comprise board members and staff, will be established to look at wholly understanding the drivers behind the LPSS results. The group will feed back to the Board with recommendations.

**Action:**

- **The CEO report in the ARA will be shared with the Board**
- **The results of the Farm Excellence survey will be shared with TM. There will be a presentation at the next Board meeting**
- **A Working Group will be established to review communications and levy payer engagement and report back to the Board**

*SC left the meeting at this point*

**AGENDA ITEM 8 – NON STUN HALAL**

Phil Hadley (PH) joined the meeting for this item.

The Board had a wide-ranging discussion on halal slaughter. The Board recognised the very emotive nature of the topic and this was reflected in discussions. There were differing views on where AHDB could or should be involved. It was agreed that it was not AHDB's role to run or police an accreditation scheme and that there were other organisations best placed to do this. PT asked for it to be recorded that science should be followed and animal welfare was at the heart of this, which GJ endorsed.

**AGENDA ITEM 9 – RUMINANT HEALTH AND WELFARE GROUP PROPOSAL**

GJ provided details on the proposal to establish a Ruminant Health and Welfare Group. It was noted that the work done by CHAWG and SHAWG over the years had been valuable. The proposed body would be the "go to" place in co-ordinating industry thinking for all governments and will take responsibility for influencing ruminant health and welfare policy. Cattle and sheep to start with and an opportunity for goats and deer to join at a later stage. The new group will cover the whole of the UK.

The Ruminant Health and Welfare Group “Strategy Group” had been meeting since August 2018. It is planned that a final face-to-face meeting of the group will take place in late April to run through the programme and reach final agreement on the proposal before going out to industry consultation including AHDB.

#### **AGENDA ITEM 10 – TECHNICAL FOCUS SMARTHORT**

Susannah Bolton (SB) and Debbie Wilson (DW) joined the meeting for this item.

SmartHort is a comprehensive campaign addressing current and future labour availability challenges in horticulture through the linked activities of maximising the value of the existing workforce in the short-term and signposting technology developments expected to ease these issues in the longer term.

A SmartHort conference had taken place in early March. Core themes for the two-day event were automation and technology. The event had attracted two hundred delegates with over four hundred participating via a livestream. The conference showcased presentations from sixteen international experts, two leading growers, four industry leaders and representatives from four funding providers. A further five companies demonstrated new technologies to growers on the trade stand and networking space. A comprehensive marketing campaign including significant new digital engagement ensured the SmartHort campaign has become firmly associated with the smart technology arena in UK horticulture. It is expected that the conference will be run on a bi-annual basis.

#### **AGENDA ITEM 11 – TECHNICAL FOCUS – SKILLS**

JK provided the Board with an update on AHDB’s skills activity, which set out an aspiration to play a wider leadership role in the development of a national skills strategy. JK outlined that AHDB currently spends £500k on industry skills covering a wide range of activities delivered by a small skills team as well as through a range of activities currently delivered by sector KE teams. This work is well executed, feedback is good and the majority of businesses that take part can demonstrate positive impact. The initiation of the Food and Drink Sector Council has brought a renewed focus and energy to industry skills development as one of the solutions to improving productivity. JS had produced a strategy document which made a series of recommendations to launch a new Skills Strategy for primary agriculture and horticulture. The key finding was that despite various efforts, no one initiative has been successful because there has never been the required collaboration, inclination or funds to instigate a national strategy, supported by all stakeholders. Since the commissioning of JS’s report AHDB has continued to promote this agenda with a newly set up Skills Leadership Group.

JK commented that additional funding of £60k was required in the 2019/20 financial year from the AHDB Board to bring in a dedicated resource to support the work of the Skills Leadership Group. The group is currently made up of stakeholders who are all volunteers with other full time industry roles. The Group needed a full time project manager over the next two years to drive real momentum.

After considering the proposal, the Board approved the funding for the 2019/20 financial year.

#### **AGENDA ITEM 12 – ANNUAL BUDGET APPROVAL/HEADCOUNT**

The Board discussed budgets and cash requirements. The budget for 2019/20 was approved.

A further discussion on headcount took place. The Board approved a levy funded headcount cap of 499 FTE and to exempt non-levy funded posts from the cap. Maternity cover, long term sick, etc. will

be accommodated within the CAP. The Board asked that consistent narrative be drafted to explain the growth in the number of posts since 2015.

**Action: Consistent narrative needs to be drafted to explain the growth in the number of posts since 2015**

## **AGENDA ITEM 13 – SECTOR REPORTS + DASHBOARDS**

### **Beef and Lamb**

AQ commented on the recent trade mission to Japan, which had attracted good publicity.

There had been focus on Brexit contingency planning over the last couple of months as well as finalising the activity plan for 2019/20, which had been signed off by the B&L Board. As part of the contingency plan, a decision had been made to move the target of marketing for the sector to focus on lamb to prepare in case of a no deal. There had been a positive response from industry and retail to this move. Conversations had been taking place with HCC and QMS to ensure that there is not duplication of effort relating to promotion activity. Proactive retail engagement is underway.

Two B&L board members had retired from the board. They had asked if they could remain as ambassadors for the sector and this was agreed.

### **Cereals and Oilseeds**

PT asked for the report to be taken as read.

Discussions were currently taking place with exporters to seek views on activity which should be done in the future. There had not been a surplus of grain in the last two years, should the situation change and there be a large exportable surplus then AHDB would need to review its plans on export marketing.

It was anticipated that Chlorothanonil, which is a fungicide for cereals, would be discontinued with no direct replacement being available.

### **Dairy**

The £1m grant agreement with the Betty Lawes Foundation was finalised in February for more Strategic Dairy Farms. With Welsh Government funding already in place, the Strategic Farm Network will grow to 25 dairy farms over the next 12 – 18 months.

GJ commented on the launch of the new Department of Dairy-Related Scrumptious Affairs activity earlier this month, in partnership with Dairy UK.

### **Horticulture**

HC-G commented on the Horticulture Board workshop which had taken place recently. In addition, HC-G had held a meeting with the Hort team, which was very useful.

HC-G will circulate information relating to a working group, which will be established looking at hort levy collection.

**Action: HC-G will circulate information relating to a working group being established looking at hort levy collection**

## **Pork**

MS commented that African swine fever continues to hamper Chinese domestic production. This is the single most important factor affecting world pork supplies and global trade. The fall in pig prices since July has steadied, however prices remain under pressure and at their lowest since October 2016.

## **Potatoes**

In the absence of SC, JK provided the Board with details of the open Potato board meeting, which had been held on 19 March. JK commented that it was potentially a platform for other sectors to follow. TM commended the initiative.

## **AGENDA ITEM 14 – CORPORATE REPORT (AHDB 943)**

### **Communications and Market Development**

As mentioned in the B&L report, there had been a switch from beef to lamb domestic marketing planning. CW commented that the focus was to target consumers who were dialling down on meat often for the same health, environmental and nutrition reasons as cited for dairy.

Following the re-structuring of the exports team into 3 geographic regions, discussions were taking place on what the ambitions might be in the different areas going forward.

The Board was informed that an industry group was being established to discuss Vegauary 2020. A round table discussion with the group will be held in June 2019.

### **Finance and Business Services**

AHDB was now attending meetings of the Defra Fraud Network Group. KB considered this useful as the organisation was now able to access RPA data for horticulture and potatoes.

## **HR**

The HR report was taken as read.

## **Strategy**

TH commented that amid all the confusion taking place relating to Brexit, contingency planning for a no deal remains in place to ensure that AHDB is able to support the industry.

Development of the strategy for 2020 onwards is now underway and being led by members of the strategy team. The plan is that there will be one AHDB strategy with the sector plans lying behind it.

## **Technical**

RG informed the Board that a number of staff changes within Technical had presented an opportunity to simplify the research team structure so that it aligns with the new campaign based approach.

RG provided the Board with an update on Farmbench.

Following a question from WL on the results of the request for views, TM informed the Board that it was hoped some top line feedback could be provided soon.

## **Comms evaluation**

The Board was provided with an update on progress relating to evaluation of communications as aligned with the AHDB Communications Strategy.

It was felt that the targets needed to be simplified. TH/CW agreed to take this forward and it will link into the operational reporting process.

**Action: The comms evaluation targets will be simplified.**

## **AGENDA ITEM 15 – RISK**

KB commented that the risk relating to lack of a co-ordinated talent management and staff development programme was being reviewed by HR following discussion at the recent ARAC meeting.

The Board was provided with an update on VAT.

The MLC and HGCA historic Defined Benefit pension schemes had been placed on the risk register as a new risk.

## **AGENDA ITEM 16 – CHAIRMAN'S REPORT**

TM was thanked for arranging for PK to speak to the new Minister Robert Goodwill soon after he had been appointed. Arrangements are being made for the Minister to visit a monitor farm in the near future.

## **AGENDA ITEM 17 – CEO REPORT**

Details relating to the Board visit to Herefordshire on 29/30 July had been shared with the Board. JK asked the Board to let her have any feedback on the programme. Agreed high level messages will be developed as well as preparing a hand out of key achievements.

The Leadership Team had been working on developing deliverables for 2019/20. Seven areas were identified. The deliverables will be circulated to the Board, JK asked for feedback.

### **Action:**

- **High level messages and a hand out of key achievements will be developed for the visit to Herefordshire in July**
- **The Leadership Team Deliverables for 2019/20 will be circulated to the Board for feedback**

## **AGENDA ITEM 15 – FINANCE UPDATE**

KB provided an update on financial performance to February 2019.

KB informed the Board that a new capital additions and disposal process would be rolled out after year-end. A new database had been developed for Signet. It was determined that the database should be capitalised. The Board approved the capital expenditure of up to £182k in 2018/19 for this item.

The Board was informed that a "letter of comfort" for the LIP project has not yet been received from Defra. TM commented that this should be received soon. The Board agreed they were happy to continue with LIP in the short-term absence of a letter.



GL enquired about the Government pay policy. TM agreed to check whether the information had been released and will revert.

**Action: TM will check whether the Government pay policy had been released**

#### **AGENDA ITEM 18 – WHISTLEBLOWING POLICY**

The Whistleblowing Policy was discussed at the ARAC meeting. In considering the Policy, the Board felt that it needed reviewing and brought back to its next meeting with more clarity about how AHDB staff can use it.

**Action: The Whistleblowing Policy will be reviewed by HR and brought back to the next Board meeting**

#### **AGENDA ITEM 19 – BOARD GOVERNANCE SCHEDULE AND FORWARD PLANNING**

RG outlined what will be included on the agenda for the next Board meeting taking place on 30 May.

#### **AGENDA ITEM 20 – HEALTH AND SAFETY REPORT**

There had been 32 accidents/incidents/near misses reported in the rolling 12 months to the end of March 2019 across AHDB. Of the accidents, there have been three of a nature sufficiently serious to require reporting to the Health and Safety Executive under RIDDOR regulations; all three had been previously reported to the Board.

At the last meeting, the Board had requested further information showing the percentage of staff that have received health and safety training as well as details relating to health and wellbeing. JS asked if there could be more granularity on the type of illnesses reported and the number of staff who still required training.

**Action: More granularity on the type of illnesses reported in the Health and Safety Report was requested and number of staff who still required training**

PK reported on the health and safety training, which the Board had received on 25 March. Those Board members who had attended, felt that the course had been good but could have been more specifically aimed at directors. In particular, the Board was looking for guidance relating to its obligations as directors in relation to Health and Safety.

**Action: The Board will receive guidance relating to its obligations as directors in relation to Health and Safety**

#### **AGENDA ITEM 20 – AHDB HQ ROOF**

The Board was provided with an update on the water ingress through the AHDB HQ roof which had resulted in damage to the building in January this year. Repairs were taking place in early April at the original contractors cost.

#### **AGENDA ITEM 21 – AHDB SUB-COMMITTEES**

##### **Audit and Risk**

WL had prepared a draft discussion paper on the role of ARAC regarding the monitoring of project management; this had been shared with the Leadership Team. WL commented that the paper

needed further development and will be presented to ARAC at its next meeting in May. In the meantime, WL will meet with the Project Management Office.

The IS Strategy will come to the Board in May.

WL commented on outstanding internal audit actions.

Following a comment from JS relating to KPIs, the Board was informed that the internal auditors had reviewed the operational reporting framework. The internal audit report made a suite of recommendations designed to develop reporting tools across AHDB. It is planned that the improvements will be available in time for May board meetings.

**Action: The IS Strategy will come to the Board in May**

#### **Remuneration and Nominations Committee**

The last meeting of the Remuneration and Nominations Committee had taken place on 28 January 2019.

#### **AGENDA ITEM 22 – APPROVAL OF RED TRACTOR FUNDING**

PK and MS declared an interest and abstained from the discussion relating to red tractor funding.

The Board approved the use of AHDB levy funds in 2019/20 split across four sectors, Pork, Cereals and Oilseeds, Dairy and Beef and Lamb to support the auditing process of Assured Food Standards (AFS).

#### **AGENDA ITEM 23 – ANY OTHER BUSINESS**

PT commented on the Diversity and Equality training course which he had attended recently and had found useful.

#### **AGENDA ITEM 24 – DATE OF NEXT MEETING**

The next meeting will take place on Thursday 30 May 2019.

#### **Dates of future meetings**

- Tuesday 30 July 2019
- Tuesday 24 September 2019
- Tuesday 19 November 2019