

**SUMMARY MINUTES OF THE SIXTY FOURTH MEETING OF THE AGRICULTURE
AND HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 25 SEPTEMBER 2018 AT STONELEIGH PARK**

PRESENT:

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), Hayley Campbell-Gibbons (HC-G), Martin Evans (ME), Tom Hind (TH), Rebecca Geraghty (RG), Jane King (JK), Richard Laverick (RL), Tim Mordan (TM), Sue Walker (SW), Christine Watts (CW)

PK welcomed HC-G to her first AHDB Board meeting. HC-G will commence as Horticulture Sector Board Chair on 1 November and was attending the meeting in an observer capacity.

AGENDA ITEM 1 – APOLOGIES FOR ABSENCE

There were no apologies for absence.

AGENDA ITEM 2 - DECLARATIONS OF INTEREST

There were no new declarations of interest.

AGENDA ITEM 3 – MINUTES OF THE MEETING HELD ON 31 JULY 2018

The minutes of the meeting held on 31 July 2018 were accepted as a true record and signed by the Chairman.

AGENDA ITEM 4 – MATTERS ARISING FROM THE MEETING HELD ON 31 JULY 2018

Para – Cross sector working in research and knowledge exchange

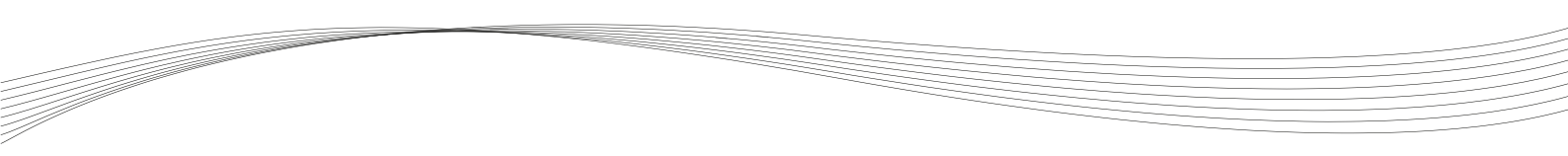
RL reported that a paper had been written which demonstrated a new approach for cross sector working. A working group was being established which included SC and 2 Sector Strategy Directors. SC commented it was important that this activity dovetailed with other activities taking place. SC will keep the Board informed of progress.

Disease Management

The disease management paper will come to the Board meeting taking place on 20 November.

Action: The disease management paper will come to the next Board meeting (RL)

Livestock Information Programme (LIP) meeting



A meeting has been arranged for the livestock sector boards to discuss LIP on 5 November 2018. AQ extended an invitation to the crop sector chairs to attend the meeting if they wished.

Communications Strategy

Regular updates on the Communications Strategy will be provided for the Board.

Headcount information

A draft version of the headcount information for 2019/2020 will be provided at the January Board meeting as part of the activity planning process with a final version coming to the March Board meeting. RG also highlighted the headcount information is also included in the monthly Management Accounts.

Staff allocation and agency spend

Information regarding staff in each sector has been prepared and sent to Sector Strategy Directors and AHDB Board. It is proposed that agency spend and future budget will be supplied as part of the budget approval process alongside staff headcount budgets.

Risk Profile

Risk profile was discussed at the last Audit and Risk Assurance Committee (ARAC) meeting.

Electronic Board packs

A demonstration had taken place on 24 September looking at a potential electronic board pack. It was agreed that SC/WL/SW will pilot the proposed software.

Language Capability

RG commented that information gathering was underway with levels of language capability of individuals being included. This will come back to the Board once the exercise has been completed.

Board training

JS highlighted that the action around Board training was missing from the matters arising. RG agreed that this needed to be arranged.

Action: Board training will be arranged

AGENDA ITEM 5 – REQUEST FOR VIEWS

The request for views had commenced on 31 August and will conclude on 9 November. TM provided details on the questions that were being asked and gave an update on the results that had been received to date. Defra had organised three workshops which will take place over the coming weeks in London, Bristol and York and stakeholder organisations were being encouraged to attend, TM will provide JK with feedback once the events have taken place. When the consultation has concluded Ministers will be provided with the raw data from the written responses. It is planned to share the results of the consultation early in the New Year.

The Board was informed that the Top 25 Horizon report will be published on 28 September.

AGENDA ITEM 6 – WHAT IS DEFRA FOCUSED ON

TM commented that the Agriculture Bill had been presented to Parliament by the Government on 12 September when it was given its First Reading. MPs will consider the Bill at its second reading on

10 October. TM recommended that the Board read the accompanying Policy Statement on the future for food, farming and the environment which explains Government expectations for agricultural policy for England over the next 10 years and outlines how the Agriculture Bill will set out the foundations to achieve this.

TM informed the Board that a team had been created in Defra under the leadership of Sally Warren to work through the possibility of a Brexit no deal.

A nationwide seasonal workers pilot to bring migrant workers to UK farms had been announced by the Home Secretary and the Environment Secretary on 6 September. The pilot enabled fruit and vegetable farmers to employ migrant workers for seasonal work for up to 6 months, 2500 workers from outside the EU will be able to come to the UK each year alleviating labour shortages during peak production periods.

David Rutley MP for Macclesfield had been appointed as an additional Defra Minister. His portfolio would include EU exit readiness and food chain. George Eustice will still maintain responsibility for AHDB. TM suggested that AHDB contact David Rutley.

Action: A meeting with David Rutley MP will be arranged (JK)

Following a question from PT regarding the summer drought, TM agreed to provide details of what is being done in Government if this continued in future years.

A discussion on skills took place. The Defra Secretary of State had attended a Skills Senior Leadership Group roundtable, which had been held on 11 September. TM reported that the funding needed to put the skills infrastructure in place would be a challenge.

AGENDA ITEM 7 – MLCSL SALE DECISION

Michael Archer and Ian Marwood joined the meeting for this item. GL provided an update on the progression of the sale of MLCSL to date.

The oversight body, chaired by Andrew Loftus was continuing to receive industry support.

KB provided the Board with next steps which included seeking approval for the executive to progress the deal to completion, submitting the final business case to Defra, individual consultations with any staff who choose not to opt out, completion of legal documents and due diligence process and seeking approval from the AHDB and MLCSL Boards of some administrative documents and completion of the transition and practical handover.

The Board gave its approval to the executive progressing the deal to completion. It was agreed that signing of legal documents would be delegated to several board members

PK asked for his thanks to be recorded to everyone who was involved in this activity.

AGENDA ITEM 8 – LIVESTOCK INFORMATION PROGRAMME (LIP) UPDATE

RL and WL provided an update on LIP since the last Board meeting and outlined what is planned over the coming weeks.

A press engagement day had taken place on 3 September hosted by the NFU. In addition, a supplier engagement day was held for Contract 1, the procurement of a multispecies system, on 7 September, over 60 delegates attended. The Invitation to Tender for Contract 1 will be issued at the end of October. A two day externally facilitated programme planning workshop will be held on 4/5 October

which will involve AHDB/Defra and those brought into the programme via Contract 3 which was looking at capability.

WL commented that there had been some concern amongst the sectors relating to funding. KB had prepared a paper which provided the AHDB Board and livestock boards with a range of possible impacts on livestock sector budgets from funding the LIP project. WL informed the Board of another funding option, that had been proposed, which may result in AHDB financial support not being required. It was agreed to progress the budgeting process on the basis outlined in the paper unless other sources of funding became available.

The first meeting of the Programme Board had taken place on 5 September, it had been considered constructive.

RL and WL were looking at governance arrangements that could be put in place until a Delivery Agreement is in place. It was agreed that the Delivery Agreement should be brought to the Board for approval. The Board should decide on the level of detail that it wants to see in terms of progress at its meetings. WL asked the Board what level of communication they would like on the LIP project. The Board confirmed that they wanted good communication to continue on the project.

Action: An update on progress with the LIP Delivery Agreement will be brought to the next Board meeting

Action: Agree the Board members who have delegated authority to review the Delivery Agreement and its associated products

Action: The final Delivery Agreement, subject to review by both AHDB and Defra to be approved by the AHDB Board in the New Year

AGENDA ITEM 9 – FARBENCH UPDATE

Matt Catlin, Derek Carless and Jim Davies joined the meeting for this item to provide the Board with progress to date.

RL commented that a critical period had now been entered in the development and roll out of Farmbench. The Board was reminded that GJ was the Board “champion” on the Farmbench Steering Committee.

The Farmbench Facilitation Fund tender had closed and 16 suppliers appointed. Training sessions for the suppliers will commence in November. This activity will focus on the Cereals and Oilseeds sector.

The 31 October launch date for dairy functionality was still on track.

TM commented that he felt that this was a great piece of work and with careful handling Ministers should be made aware of the activity.

A discussion took place relating to engaging with hard to reach businesses. It was agreed that the KE teams would have to engage with the businesses as best they could. RL said that they were working with the Prince’s Farm Resilience Programme. GL asked if there were other providers who could provide the same information as Farmbench, he was informed that the USP of Farmbench was that it is cross sector and could be benchmarked both at home and internationally and facilitation was also provided.

A request was made to strengthen the message on data security and the context on the animation that was shown.

AQ highlighted that working with farm software, accountancy firms and supply companies would be important.

AGENDA ITEM 10 – MEASURING EFFECTIVENESS OF THE COMMUNICATIONS STRATEGY

The new three-year Communications Strategy had been presented and approved at the last meeting. The Board had received a paper, which outlined how the strategy would be evaluated and reported. The proposed evaluation approach had been developed in partnership with the Strategic Insight team to ensure it is outcome-focused, robust and aligned to the agreed methodology used across AHDB.

Regular updates of the evaluation will be provided through the normal operational reporting mechanism.

GL requested that a strategic forward plan was developed of key messages and key influencers that we are targeting. TM said that there is more to do to develop AHDBs strategic communications.

Action: A strategic forward plan should be developed of key messages and key influencers that are being targeted (CW)

AGENDA ITEM 11 – SECTOR REPORTS + DASHBOARDS

Beef and Lamb

AQ commented that the Cheeky Beef campaign had gone well with positive responses having been received from farm through to retail. It is hoped that a similar campaign can take place next year.

AQ had been working with TH and his team looking at options if there is a hard Brexit.

AQ suggested that non-stun Halal is discussed at a future meeting.

Action: Non-stun Halal will be discussed at a future meeting (CW)

A beef technical event was being planned to look at the work that is done in a strategic way.

Cereals and Oilseeds

PT asked for the report to be taken a read.

PT commented on various external events that he had attended recently.

PT said that there was work to do relating to integrated pest management and this will be discussed at the Cereals Liaison Group meeting taking place on 3 October.

Dairy

GJ asked for the report to be taken as read and had nothing further to add.

Horticulture

ME commented that the horticulture industry had been affected by the drought. Discussions were taking place with retailers about shortages.

Ongoing gaps/inaccuracies with the CRM database continued to undermine levy payer engagement and satisfaction.

Pork

MS provided an update on African Swine Fever (ASF). This had been discovered in China and other parts of the Far East. In addition there had been a surge of outbreaks in Romania and Bulgaria and more recently in Belgium which was a real concern. There is a strong possibility that if UK retailers are able to buy cheap pork then this will have an impact on the UK and Europe. MS commented on the action that has been undertaken in conjunction with the NPA and Red Tractor with regard to biosecurity.

Potatoes

SC commented that as forecast potato prices have firmed for new crop as a result of the drought with August free-buy prices nudging £300/tonne. This is the third highest figure recorded for this time of year in the last 50 years. Some producers would not be able to fulfil their contracts. Processors were having conversations with retailers about the quality of potatoes that will be accepted.

AGENDA ITEM 12 – CORPORATE REPORT

JK asked for the report to be taken as read.

The Board was informed that Karen Morgan will end her term as Counsellor in Beijing at the end of October and Ray Smith has been appointed as her successor following a recruitment process.

The AHDB Export Conference will take place on 17 October in London. Dr Liam Fox has agreed to speak at the event.

TH provided the Board with an update on activity taking place around a Brexit no deal contingency plan. A small internal working group had been established and a paper will come to the next Board meeting.

Action: A Brexit no deal contingency plan paper will come to the next Board meeting (TH)

AGENDA ITEM 13 RISK

At the last meeting JS had raised concern relating to the number of items that were showing as a high likelihood of impacting the business. This had been discussed at the ARAC meeting earlier this month and some actions have been put in place. KB said there was an action to classify those risks that we can do something about and those we cannot. It was noted that proposals would be brought forward to reduce high likelihood risks as appropriate, to allow conscious decision-making. An internal audit on risk management will take place later this year.

KB provided the Board with an update on VAT. HMRC will be visiting AHDB on 5 October.

AGENDA ITEM 14 – CHAIRMAN'S REPORT

PK asked for his report to be taken as read. PK had reflected on the Defra Secretary of State's recent television appearance referring to agricultural productivity and the importance of food production. PK had attended the Agriculture Bill stakeholder meeting which was held before the accompanying policy statement was issued.

TM asked PK to provide the Board with an update on the activities of the Food and Drink Sector Council (FDSC). It was agreed that PK would develop a narrative around the FDSC.

Action: A narrative round the FDSC will be developed and circulated to the Board (PK/TH)

AGENDA ITEM 15 – CEO REPORT

Progress on the Leadership Team deliverables will be considered in January 2019 when deliverables for 2019 will be agreed.

Action: Feedback on the progress that had been made on the Leadership Team deliverables and proposals for 2019 to be provided in January 2019 (JK)

JK updated the Board with the work of the Skills Leadership Group which is working with the Food and Drink Sector Council. It is driving forward a new skills strategy for the industry which includes substantial new practice and infrastructure around professional qualifications careers, recruitment and continuing professional development. It was agreed that a conversation needed to take place at a future Board meeting on funding and an outline proposal will be developed.

Action: An outline proposal on skills will be prepared for a future Board meeting

AGENDA ITEM 16 – FINANCE UPDATE

KB informed the Board there will be the Triennial MLC Pension Valuation and the Trustees proposals will need to be discussed at the January Board meeting.

Action: A formal proposal will be made to the January Board relating to the MLC Pension Scheme Valuation (KB)

KB provided an update on financial performance to August 2018.

AGENDA ITEM 17 – CONTINGENCY RESERVES POLICY

The Board was asked to approve the draft Contingency Reserves Policy, this had been reviewed by ARAC and had received approval. The Board approved the Policy.

AGENDA ITEM 18 – CASHFLOW POLICY

The Board was asked to approve the draft Cashflow Policy. This policy had also been reviewed by ARAC and received approval. The Board approved the Policy.

AGENDA ITEM 19 – BOARD GOVERNANCE AND FORWARD PLANNING

The Board governance schedule was reviewed. TM commented that provision may have to be made in early 2019 for some Extraordinary meetings of the Board.

Action: Provision should be made for Extraordinary meetings of the Board in early 2019 (SW)

The Board asked if the sound quality in the boardroom could be improved. This will be looked at and some guidance developed.

Action: Sound quality in the boardroom will be looked at and some guidance developed (KB)

AGENDA ITEM 20 – HEALTH AND SAFETY REPORT

The Board was provided with an update of health and safety matters in AHDB and MLC SL.

A health and safety course for the Board had been arranged to take place in March 2019.

MS had attended his first Health and Safety Committee meeting, which took place recently at Sutton Bridge.

AGENDA ITEM 21 – AHDB SUB COMMITTEES**Audit and Risk Assurance Committee (ARAC)**

WL reported that two internal audit reports had been received. Core controls on IT had received moderate assurance and the levy internal audit had been rated substantial.

KB informed the Board that JS would be joining the ARAC with immediate effect.

Remuneration and Nominations Committee

GL informed the Board that the Triennial Valuation for the HGCA Pension Scheme will take place at the end of March 2019.

AGENDA ITEM 22 – ANY OTHER BUSINESS

The annual AHDB Sector Board Conference will take place on 2 October 2018.

AGENDA ITEM 23 – DATE OF NEXT MEETING

The next meeting will take place on 20 November 2018.

Dates of future meetings

- Tuesday 29 January 2019
- Tuesday 26 March 2019
- Thursday 30 May 2019
- Tuesday 30 July 2019
- Tuesday 24 September 2019
- Tuesday 19 November 2019