

**MINUTES OF THE EIGHTY FIRST MEETING OF THE AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD HELD ON TUESDAY 27 JULY 2021**

**PRESENT:**

Hayley Campbell Gibbons (HCG), Sarah Pumfrett (SP), Nicholas Saphir (NS) (Chair), Mike Sheldon (MS), Janet Swadling (JS)

**IN ATTENDANCE:**

Guy Attenborough (GA) (Items 8 and 9), Ken Boyns (KB), Paul Flanagan (PF) (Item 14), Rebecca Geraghty (RG), Charlie Helps (CH), Jackie Kay (JSK), Richard Laverick (RL), Alison Levett (AL), Tim Mordan (TM), Jennifer Morgan (JM) (Item 6), Adam Quinney (AQ), Peter Rees (PR), Paul Temple (PT), Sue Walker (SW), Christine Watts (CW)

**AGENDA ITEM 1 – APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**AGENDA ITEM 2 - DECLARATIONS OF INTEREST**

There were no declarations of interest recorded.

**AGENDA ITEM 3/4 – MINUTES OF THE AHDB BOARD MEETING HELD ON 3 JUNE 2021 AND THE AHDB INTERIM BOARD MEETING HELD ON 29 JUNE 2021**

The minutes of the meeting which took place on 3 June 2021 and the interim board meeting which took place on 29 June 2021 were agreed as a correct record.

**AGENDA ITEM 5 – MATTERS ARISING FROM THE MEETINGS HELD ON 3 JUNE 2021 AND 29 JUNE 2021**

KB commented that the action relating to the format of publishing of the minutes on the website will be discussed at a future meeting. The governance schedule was being updated and this will be circulated in the next board pack.

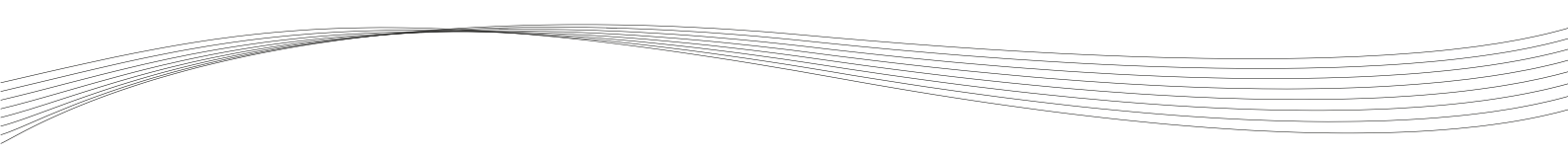
**Action: The publishing of board minutes will be discussed at a future meeting. The governance schedule is being updated and will be circulated in the next board pack**

**AGENDA ITEM 6 – VOTING APPROACH**

Jennifer Morgan (JM) joined the meeting for this item.

WJ took the board through the levy payer voting experience. The new model had been further developed. Good support has been received from the sector boards on the voting concept.

SP asked that a full GDPR check was done on the proposed approach, WJ informed the Board that this was being done. It was noted that voting would be predominantly digital but there will be provision



for a postal vote. AQ commented that it was important to engage with Levy Payers on the CRM regardless of the vote to demonstrate what is being done on their behalf.

PT considered it important that targets are established for the number of Levy Payers taking part in the vote to ensure a meaningful outcome.

WJ confirmed that targets for both % of levy payers voting and the average score on products were being developed.

**Action: Targets for success to be brought to board in September**

TM commented that he felt that this process was shaping up well but there was a need to consider the words around “vote and “ballot” and were there better alternatives.

The board was briefed that every product and service would be fully costed and have targets before sector councils decide to publish the programmes for voting on by levy payers. After voting Sector Councils will decide what work is undertaken which will ultimately set levy rates. The levy may go up for some sectors and down for others. This will enhance the responsibility and decision making of the Sector Councils.

The board agreed that:

- The principles set out were approved
- Sector Councils would receive vote results on both one member one vote and weighted basis – neither would be binding on them in their decision-making process
- The precise weighting process for each sector would be discussed with sector chairs and sector boards before a final proposal on the weighting mechanism by sector would be approved by the AHDB board.

**Action: Final proposal on weighting mechanism to be approved by AHDB board after sector board input**

**AGENDA ITEM 7 – SECTOR COUNCILS**

A paper on the transition process and Terms of Reference of the Sector Councils was discussed. The principles had been shared with the Sector Boards and approval was being sought from the main board.

The proposals were agreed with the following amendments:

- Following feedback from sector boards the number of days for sector council members was to remain at up to 24 days per year.
- The quorum for a council meeting would flex depending on the size of the council – it would be 5 if 7 or 8 members, 6 if 9 or 10 or 7 if 11 members.
- A sentence will be added to the Terms of Reference relating to appropriate performance management and annual evaluation of the effectiveness of the Council

The board delegated approval of the changes to the Terms of Reference and transition document to NS/JS.

Consideration will be given as to whether the first confirmatory vote for appointments to the councils should be 2023 rather than 2022.

**Action: The changes will be made to the Terms of Reference and associated documents.  
Action: Consideration will be given as to when the first confirmatory votes will take place**

Written procedures for how the Sector Councils will operate will come to the Board in September for approval. The draft induction programme will also come to the September meeting. PR enquired whether there could be an opportunity for all sector council members to come together to share mutual learning, AQ commented that the joint working groups had worked well in the past when there had been specific things to discuss as opposed to receiving reports and presentations.

**Action: Written procedures for how the Sector Councils will operate will come to the Board in September for approval. In addition, the draft induction programme will also come to the September meeting**

Subject to the changes outlined above, the Sector Council Terms of Reference were approved. NS thanked the team and sector chairs for all the work which had been taking place.

#### **AGENDA ITEM 8 – HORTICULTURE AND POTATOES UPDATE**

Guy Attenborough (GA) joined the meeting for this item and item 9 on the agenda.

The Board noted the update on the Potatoes and Horticulture wind down and the importance of decisions from Defra by the end of August following the meeting with the Permanent Secretary on 9 August 2021. If decisions are not forthcoming, then some key decisions on how to progress will come to the Board in September. The key decision items are levy rates, financial guarantees from Defra and the future of any horticulture work.

#### **AGENDA ITEM 9 – STATUTORY INSTRUMENT (SI) UPDATE**

GA informed the Board that work was taking place behind the scenes with the Defra Sponsorship Team and Devolved Administration officials looking at the amendments to the SI. Proposed changes are subject to Ministerial agreement and a 12-week industry consultation and then a final Ministerial decision before submitting the proposed SI to Parliament.

AQ asked about a threshold for the minimum number of votes needed for a vote to be valid to end a levy. GA said that he would raise it with Defra.

The board had no objections to the proposed changes by Defra.

#### **AGENDA ITEM 10 – ENVIRONMENT**

The Environment Business Plan was presented. MS commented the Board had agreed at a previous meeting that this work was of fundamental importance to all sectors and that AHDB should play a prominent role. A two-level approach was being presented. RG commented that meetings had been held with stakeholders who were supportive of the approach. PR commented that there was no reference to the dairy road map, RG agreed to make sure that this was reflected in the report. PT asked if the resilience fund could be used in this area. RG informed the board that circa two hundred carbon audits were planned for the resilience fund.

The Board supported the programme and NS thanked MS, RG and Jon Foot for pulling this work together.

#### **AGENDA ITEM 11 – 2021/2022 PLAN PROGRESS UPDATE**

The Spring vote communications plan was discussed. KB pointed out that many of the products and services were already being delivered i.e. Recommended List. It is expected that the vote will take

place in April 2022. WJ informed the Board that he had discussed the plan with Tim Rycroft. Time schedules for board meetings were being reviewed to ensure alignment.

It was noted that the number of main board members should go down from 11 to 9. It had been proposed to Ministers that five new board members should be appointed rather than 6 and there would be an opportunity later in the year not to replace a board member when their term ends which will bring the number down to 9. This will need to be agreed with Defra.

## **COST REDUCTIONS**

A report on cost reductions and savings was discussed. It was noted that these need to be formally reported at the end of each year in the annual report and accounts to demonstrate what had been achieved.

## **AGENDA ITEM 12 – GOVERNANCE UPDATE**

It was noted that the co-design process had become a wider consultation process with more sector board members by engaging with the four sector boards in advance of proposals coming to the board for decisions. This process would continue in September. SP commented that she was not comfortable with some of the definitions of the RAG ratings. It was agreed that there should be consistency across AHDB of RAG rating definitions.

**Action: Standard RAG rating to be agreed to be used across AHDB**

## **Learning from Feedback Policy**

A Learning from Feedback Policy had been developed. AHDB is committed to working collaboratively with levy payers, subscribers, and other stakeholders to provide the most effective products and services. For this relationship to succeed, it is necessary to encourage and actively develop open lines of communication between AHDB and its stakeholders. The policy statement sets out the principles the AHDB Board has set and requires the executive to implement in the form of a workable system and processes. The policy extends the Customer Complaints Procedure which currently relates only to complaints.

CH agreed to look at finessing the policy. Following the amendments NS/JS will approve on behalf of the Board. It was agreed that complaints will be a standing item on future board agendas.

**Action: Complaints will be a standing item on future board agendas**

**Action: Learning from Feedback policy to be finessed and approved by NS/JS**

## **AGENDA ITEM 13 – CEO REPORT**

KB highlighted the ongoing issues relating to VAT and pensions. With regard to VAT, following the decision by HMRC, the Board may have to make a decision to go to a Tax Tribunal during September. It is expected that HMRC will make a decision on the internal review during August.

TM commented on the resilience fund and how the board would be kept informed. It was agreed that CEO reports will include an update on the fund.

**Action: CEO reports will include an update on the resilience fund**

The Board was provided with an update on Red Tractor. NS and KB had met with Christine Tacon recently. Observations made by sector board members will be collated and forwarded to Red Tractor. The Board will see the observations in advance.

**Action: Observations made by sector board members will be collated and forwarded to Red Tractor**

#### **AGENDA ITEM 14 – DASHBOARD**

Paul Flanagan (PF) joined the meeting for this item.

PF briefed the board on progress and next steps and how the new approach was to be used both with the sector priorities this year and reporting on activities funded under zero based budgeting in future years. The Board agreed that this was a great improvement on what had gone before.

#### **AGENDA ITEM 15 – MANAGEMENT ACCOUNTS**

NG provided details of the latest management accounts. He commented that it was a complex situation and outlined details of the continuing sectors plus a separate dashboard for horticulture and potatoes. A detailed forecast is being compiled for the rest of the year. It was noted that in a year of substantial change that it would be typical for there to be underspends and we should not look to spend any underspends simply for the sake of hitting budgets – value for money should always be the focus.

#### **AGENDA ITEM 16 – AUDIT AND RISK ASSURANCE COMMITTEE (ARAC)**

SP asked for the paper to be taken as read. NS thanked SP for joining the Livestock Information Ltd. ARAC. SP commented that she would be seeking help from managers relating to forthcoming proposed internal audits.

#### **AGENDA ITEM 17 – REMUNERATION AND NOMINATIONS COMMITTEE**

MS commented that the Remuneration and Nominations Committee had met twice recently. The most recent meeting had been to discuss job titles from which the Committee had made recommendations. This information had been shared with the Board and its observers and approval received from the Board.

JS had suggested that we ought to review that we are managing our responsibility relating to diversity and inclusion appropriately. After discussion, it was agreed that a review would be undertaken and a scope developed for discussion at the next board meeting.

**Action: A scope for a review of our diversity and inclusion approach will be undertaken and discussed at the next board meeting**

The Terms of Reference for the Remuneration and Nominations Committee need to be re-visited. It was agreed that a proposal will be drafted and brought back to the board later in the year

**Action: The Terms of Reference for the Remuneration and Nominations Committee need to be re-visited and brought back to the board**

#### **AGENDA ITEM 18 – ANY OTHER BUSINESS**

A discussion took place relating to the Code of Conduct for Board Members. It was agreed that the document will be amended to include a sentence that talks about dignity, respect and professional courtesy. The Code will also refer to appraisals. It was agreed that the amendments will be approved by MS, NS, JS on behalf of the board.

NS commented that this was probably the last meeting for some of the Board observers and thanked them for their contributions.

## **AGENDA ITEM 19 – DATE OF NEXT MEETING**

The next meeting will take place on Tuesday 21 September 2021.

### **Dates of future meetings**

- Tuesday 30 November 2021

