

SUMMARY MINUTES OF THE SIXTY FIRST MEETING OF THE AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD HELD AT AHDB, STONELEIGH PARK ON TUESDAY 27 MARCH, 2018

PRESENT

Sophie Churchill (SC), Ian Crute (IC), Gwyn Jones (GJ), Peter Kendall (PK) (Chair), Will Lifford (WL), George Lyon (GL), Adam Quinney (AQ), Mike Sheldon (MS), Gary Taylor (GT), Paul Temple (PT)

IN ATTENDANCE: Ken Boyns (KB), Rebecca Geraghty (RG), Jane King (JK), Richard Laverick (RL), Tim Mordan (TM), Sue Walker (SW), Christine Watts (CW)

AGENDA ITEM 1 – APOLOGIES FOR ABSENCE

Apologies were received from Tom Hind (TH).

AGENDA ITEM 2 – DECLARATIONS OF INTEREST

In relation to the divestment of MLCSL, it is judged that there is no conflict of interest between the AHDB and MLCSL boards at this time. This will continue to be monitored in case this changes.

AGENDA ITEM 3 – MINUTES OF THE LAST MEETING HELD ON 30 JANUARY 2018

The minutes of the last meeting held on 30 January were accepted as a correct record and signed by the Chairman.

AGENDA ITEM 3 – MINUTES OF THE EXTRAORDINARY MEETING OF THE AHDB BOARD HELD ON 23 FEBRUARY 2018

The minutes from the extraordinary meeting of the AHDB Board which took place on 23 February 2018 were accepted as a correct record.

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

Communications Strategy

The Communications Strategy has been delayed owing to the focus on the market development restructure work and maintaining quality of delivery during the period of change. It will be brought to a future meeting of the Board. **Action: The Communication Strategy will be presented at a future Board meeting**

BVDFree

A meeting of the BVDFree Board had met last week which Clive Brown had attended. RL commented that one RDPE tender, was received by Defra, but it is not known whether it has been successful. The outcome from the board and the outcome for the tender will influence what happens next and where we go with BVDFree.

Farmbench National Averages

With regard to national averages relating to Farmbench, RL commented that additional information had been put on the website about what the averages represented.

Board room AV

KB reported that helping staff to use the AV in the boardroom was being addressed and a member of the IS team would be responsible in providing assistance.

Email etiquette

RG informed the Board that email best practice training had taken place some time ago, this will be updated and re-run for staff.

AGENDA ITEM 5 – UPDATE ON LIVESTOCK INFORMATION PROGRAMME

RL reported on activity to date. A programme of meetings have taken place with the Defra LIP team. A detailed breakdown of the system and project costs has been provided by Defra and these are being reviewed. The outline system design has also been shared and work is underway to confirm which elements AHDB would be responsible for. Agreement on the Heads of Agreement has been requested by the end of May and is the main focus of current activity. Work has started on the necessary due diligence with a target date for completion of September. A key early need is to identify relevant external expertise to help challenge the assumptions and costings in the initial business plan. Work is also underway to describe the governance and internal project management structures with the support of the Project Management Office. The AHDB team will be visiting the RPA in the near future to understand the issues with the current BCMS and the requirements of a new system. WL was providing Board oversight of LIP and was thanked for his contribution thus far.

AGENDA ITEM 6 – LEVY PAYER SURVEY FEEDBACK

April Hughes (AH) joined the meeting for this item.

2017 was the third year that the cross-sector survey had been conducted. The survey had been undertaken between October 2017 and mid-January 2018 with the results similar to 2016 showing little movement across the majority of areas which was disappointing. However, there were some positives in Cereals & Oilseeds, Dairy and Wales, offset by some disappointing results in horticulture. CW informed the Board that detailed cuts sector by sector would be provided for the sector boards and AH would be meeting with the Strategy Directors to go through the presentations. In addition, the results of the survey would be communicated to staff.

CW suggested to the Board that a series of focus groups are held which Board members would be welcome to attend. It was important to engage with the industry and establish what activities make a difference to farmers. The Board agreed to this. **Action: CW will organise focus groups**

AGENDA ITEM 7 – 2018/19 FUNDING TO ASSURED FOOD STANDARDS – RED TRACTOR SCHEME

The Board approved the proposed levy funding support of the Assured Food Standards - Red Tractor Scheme for 2018/2019.

AGENDA ITEM 8 – UPDATE ON GDPR

The Board was provided with an update report on progress towards General Data Protection Regulations (GDPR) compliance. GDPR had been discussed by the Audit and Risk Assurance Committee (ARAC) at its meeting on 8 March. CW informed the Board that significant progress had been made in the last three months and in particular since the KPMG audit in September 2017 a Data Protection Officer (DPO) had been appointed as well as support from the Project Management Office. CW commented on the significant amount of additional work that GDPR had added to the organisation's workload in order to ensure compliance. All priority data streams will have been tackled by the end of May. All staff will have access to GDPR training by 25 May 2018 and there will be ongoing support from the DPO and data champions. There was a project risk log in place which contained 19 risks which were being actively managed and will be mitigated through the project plan work streams. PK requested that an information paper is available for the next Board meeting.

Action: An information paper on GDPR will be prepared for the next Board meeting

AGENDA ITEM 9 – UPDATE FROM GWYN JONES ON ANIMAL HEALTH AND WELFARE

GJ put forward a proposal to re-organise the disparate landscape of animal health and welfare groups. The proposal is evolution rather than revolution which encompasses endemic diseases, welfare and data. The thrust of the proposal was to convert CHAWG from a data gathering body to a co-ordinating body with an inner core including the three Chief Veterinary Officers and a very small group of people co-ordinating activity in this area. This would entail a much smaller number of sub-groups with specific tasks given assistance by the core group. The Board gave its approval to taking the proposal forward. Further co-ordination will be brought to the Board in the near future.

AGENDA ITEM 10 – CONSULTATION ON AGRICULTURE POLICY IN ENGLAND POST-BREXIT

JK, in Tom Hind's absence, presented a paper which summarised the key elements of the recently published "Command Paper" on the future of food, farming and environmental policy in England post-Brexit. It identified key strategic questions for AHDB in order to seek the Board's views on positioning prior to the submission of our consultation response.

A small internal working group had been established to prepare the response which will be sent to the Board and Leadership Team prior to submission. The deadline for receipt of responses is 8 May 2018. JK asked the Board that any comments be sent to TH by the end of April. The Board was informed that a series of "invite only" roadshows co-hosted by Defra and the NFU were taking place.

AGENDA ITEM 11– SECTOR REPORTS + DASHBOARDS

Beef and Lamb

AQ informed the Board that discussions with HCC and QMS were ongoing regarding levy redistribution.

Cereals and Oilseeds

PT informed the Board that the Cereals and Oilseeds Board had met last week and had agreed to set a deficit budget for the next year.

Dairy

GJ mentioned the dairy productivity group that was being facilitated by Andy Richardson (Volac). The group first met at the end of January and is planning to present its recommendations by the end of March or early April. The group is intending to limit its recommendations to just three or four actions that the industry can take to improve its competitiveness. These could include actions to increase the number of lactations, increasing the number of AHDB demonstration farms and developing a "trip advisor" type register of farm advisors.

Horticulture

GT reported that the Lean Workshops were continuing with good attendance and feedback and additional workshops have been requested. GT commented that there could be potential for this type of event across the other sectors.

JK commented on robotics within the horticulture sector citing that Harper Adams was receiving more enquiries from the horticulture sector about this. JK and RL will be meeting in the near future with key people from the relevant TAG and KE team to sense check what is being done on labour and automation in horticulture.

Pork

MS reported that participation in the eMedicine book now covers almost 90% of finished pigs in the UK as more Red Tractor producers participate. The data will be used to monitor industry progress towards the agreed production targets.

Both Wayland Farms (production arm of Cranswick) and the Coop were moving to outdoor bred pigs.

MS reported that the sector report was Mick Sloyan's last before he retires in June. His successor, Angela Christison will start her role as Pork Strategy Director on 3 April.

MS provided the Board with an update on the VIVA complaint to the Advertising Standards Authority (ASA) on the recent pork advertising which had been rejected.

Potatoes

SC focused on areas which linked to other sectors.

Labour supply and automation was a recurrent feature of her visits made to potato packers in particular. She was keen to see collaborative work in this area. SC suggested that whilst horticulture labour issues were more in production, the urgency of the issue and the way business decisions were made to invest in automation could be the subject of a joint cross-sector event (possibly with NFU) and a succinct contribution to the Brexit Horizon papers.

Action: RL to consider and report back to the Board on cross-sector technical work

SC said that she was optimistic that working in a combined Arable KE team could improve the Potato Sector's profile with levy payers. Uniformly good events, each one stating clearly the remit and success of AHDB, are possible to achieve. Visibility with levy payers makes the biggest difference to our reputation.

AGENDA ITEM 12 – CORPORATE REPORT

CW reported that since the last meeting, spending controls have been approved for marketing campaigns. The recent procurement audit by KPMG had received a substantial rating. CW provided an update on the marketing re-structure, the new structures will be published by 1 April.

KB provided an update on VAT. HMRC will be visiting AHDB to discuss w/c 14 May.

RG reported that she had sent a note to the Board on gender pay reporting for comment prior to it being released internally and externally on 28 March.

SC asked for her thanks to HR to be recorded for all the work that they had done over the past year.

AGENDA ITEM 13 – RISK

The red risks on the corporate heat map were discussed.

Following a comment by IC about talent management, RG agreed to look at the scoring of this risk. **Action: RG will review the potential risk around talent management**

Delivery of some mission critical projects and activities had been placed on the register as a red risk.

SC commented on risk 1 that she was not complacent about the possibility of a ballot in potatoes. It was not likely but given a small sector with growers who know each other and a low value for money score, it was important to be aware and drive up service quality. She suggested that in her sector at least the probability of a ballot was higher than 2.

AGENDA ITEM 14 – CHAIRMAN'S REPORT

PK asked for his report to be taken as read. A brief discussion took place relating to where our food will be sourced in future with China holding nearly half the global wheat stocks and Russia and the Ukraine overtaking the USA as the biggest wheat exporters. In addition climate change, developing countries demanding more protein, water scarcity, new crop risks and loss of tools to combat them all pose risks at a time of unprecedented instability. Against this backdrop AHDB's work on growing productivity in a sustainable way was more important than ever.

AGENDA ITEM 15 – CHIEF EXECUTIVE'S REPORT

JK asked for her report to be taken as read.

CW and Diane Prescott will provide an update on the CRM at the next meeting. **Action: An update on CRM will be provided at the next meeting**

The Board was informed of discussions taking place with Jones La Salle relating to the lease of the building.

AGENDA ITEM 16 – FINANCE UPDATE

Management Accounts to end February 2018 (AHDB 831)

KB provided the Board with an update on approaches that were being taken relating to bad debts.

The MLC Pension Scheme Triennial Valuation will take place later this year based on the position of the scheme as at 31 March 2018. The Triennial Valuation determines the level of contributions that are needed to fund the scheme.

Budget approval

The 2018/2019 budget had been discussed by the sector boards. The AHDB Board gave its approval of the budget.

Central Costs

A discussion on central costs took place. It was agreed that this should be discussed again at the next meeting. **Action: A discussion on central costs will take place at the next meeting, in light of the additional areas of regulatory and other costs**

Ian Crute left the meeting room for the item below and Agenda Item 17 owing to a conflict of interest

MLC Pension Scheme Nominated Employer Trustees

The Board gave its approval to Mick Sloyan remaining a Trustee of the MLC Pension Scheme following his retirement on 30 June and Ian Crute remaining as an employer nominated director for a six month period post leaving the AHDB Board on 31 March.

AGENDA ITEM 17 – UPDATE ON MLCSL

KB, GL and JK provided the Board with a progress report on MLCSL. Discussions had been taking place with Defra to confirm if the Pig Movement Order can be amended in time. TM provided his perspective on the required legal changes. The Board agreed to progress with the proposed sale of MLCSL on the basis of the transfer of membership rather than a sale of assets.

PK thanked everyone who had been involved in the process over the last two weeks.

Ian Crute re-joined the meeting for subsequent items on the agenda

AGENDA ITEM 18 – Board governance and forward planning

A Board governance schedule and Leadership Team forward planner had been included in the pack to forward plan the content of AHDB Board meetings to January 2019 and to align with key Leadership Team discussions. The Board considered that these documents were helpful.

AGENDA ITEM 19 – HEALTH AND SAFETY REPORT

RG provided the Board with an update on health and safety matters in AHDB and MLCSL. There had been two RIDDOR reportable accidents in the period since the last Board meeting, both MLCSL.

An internal Health and Safety audit summary was completed by the end of January which will form the basis of the AHDB Health and Safety Strategy.

Owing to IC stepping down from the Board at the end of this month, a Board representative on the Health and Safety Committee is required. A decision will be made when the new Horticulture Sector Chair and Independent Board member roles have been appointed.

AGENDA ITEM 20 – AHDB SUB-COMMITTEES

Audit and Risk Assurance Committee (ARAC)

The ARAC had met on 8 March.

RSM Tenon had been appointed internal auditors from 1 April replacing KPMG. They will come in to see the Leadership Team to discuss the internal audit plan for the next year.

Internal audits of HR, Procurement and Finance had taken place with a substantial rating having been awarded to procurement and finance and HR moderate. Concern had been raised about the length of time some of the internal audit recommendations were taking to be implemented with a few items needing to be closed off. Health and Safety had been discussed with areas of concern being raised about Sutton Bridge.

Remuneration and Nominations Committee

GL reported on the Remuneration and Nominations Committee meeting that had taken place on 26 March.

AGENDA ITEM 21 – ANY OTHER BUSINESS

A Consumer Insight Conference will take place on 17 April.

JK handed out to the Board two papers summarising the priorities for the organisation.

IC and GT were thanked for their contribution to the Board during their tenure as AHDB Board members.

AGENDA ITEM 22 – DATE OF NEXT MEETING

The next meeting will take place on 31 May, 2018.