

**SUMMARY MINUTES OF THE SIXTY SECOND MEETING OF THE AGRICULTURE AND
HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 31 MAY 2018**

AHDB, STONELEIGH PARK

PRESENT:

Sophie Churchill (SC), Gwyn Jones (GJ), Peter Kendall (PK) (Chair), Will Lifford (WL), George Lyon (GL), Adam Quinney (AQ), Janet Swadling (JS), Paul Temple (PT)

IN ATTENDANCE:

Ken Boyns (KB), Martin Evans (ME), Tom Hind (TH), Rebecca Geraghty (RG), Jane King (JK), Richard Laverick (RL), Tim Mordan (TM), Sue Walker (SW)

PK welcomed Janet Swadling (JS) to the meeting who would be joining the Board as its new independent member and Martin Evans (ME), Interim Horticulture Sector Chair. PK informed the Board that interviews were taking place for the Horticulture Sector Chair role in the near future

AGENDA ITEM 1 – APOLOGIES FOR ABSENCE

Apologies were received from Mike Sheldon (MS) and Christine Watts (CW)

AGENDA ITEM 2 - DECLARATIONS OF INTEREST

No new Declarations of Interest were reported.

AGENDA ITEM 3 – MINUTES OF THE MEETING HELD ON 27 MARCH 2018

The minutes of the last meeting held on 27 March 2018 were accepted as a correct record with one exception relating to focus groups which had been suggested as a result of the latest Levy Payer Satisfaction Study. It was agreed to postpone the setting up of focus groups until the Board had full sight of the Communications Strategy at the next meeting in July.

Action: The Communications Strategy will be discussed with the Board at its next meeting

AGENDA ITEM 4 – MATTERS ARISING FROM THE MEETING HELD ON 27 MARCH 2018

Communications Strategy

The Communications Strategy will be brought to the Board in July.

Levy Payer Satisfaction Survey

JK commented that an excellent piece of work had been undertaken by the Sector Strategy Directors providing headline analysis of the levy payer survey which will be circulated to the Board for information.

Action: Headline analysis of the levy payer survey will be circulated to the Board

TH commented that the survey did not include feedback from processors and stakeholders, this was being addressed by the evaluation team.

AQ commented whether the right questions were being asked of levy payers following their attendance at AHDB events and a review of the questions should be undertaken. TM commented that Defra's social science team could help with this.

Action: A review of the questions being asked of levy payers at events should take place

Cross-sector technical work

The work to identify further opportunities for cross-sector working in both research and KE is ongoing with a view to providing a paper to the Board in September.

Action: A paper providing opportunities for cross-sector working in research and KE will be available for the September Board

Talent Management

This risk was currently being reviewed.

AGENDA ITEM 5 – MLCSL SALE

KB provided the Board with an update on the sale of MLCSL. The Board was informed of the challenges from industry on hearing of the potential sale of MLCSL and how the challenges were being responded to as well as providing details of the sale process since the last Board meeting.

A letter from the BMPA in conjunction with several other trade associations had requested that negotiations with the potential buyer be put on hold until more consultation with industry can take place.

An oversight body will be established with cross industry support to ensure that carcass classification activities of the company continue to be carried out in an independent and impartial manner. The terms of reference and membership of the oversight body is due to be discussed at an industry working group that is due to meet on 12 June.

TM informed the Board that a consultation on changing carcass classification and price reporting in abattoirs in England had commenced on 30 May. The consultation set out to seek views on requiring abattoirs to publish schedules to improve transparency in an attempt to improve fairness and price transparency for producers in the livestock sector.

The Board discussed the views received and after discussion unanimously supported the continuous sale process.

AGENDA ITEM 6 – LIVESTOCK INFORMATION PROGRAMME (LIP)

RL provided the Board with an update on LIP.

Industry through the Traceability Design User Group, Defra and AHDB have collaborated to develop a delivery strategy and capability plan for LIP. In recent months the AHDB project team has been focussing on developing the Heads of Agreement which is due to be signed in June, an initial assessment of the original business case and figures presented by Defra, formulating a delivery strategy and capability plan for the programme and an initial assessment of the key risks and dependencies.

The original business case will be subject to a detailed review and due diligence once the Heads of Agreement has been signed. The agreement identifies a four to six month window for this work which will culminate in the delivery of a final business plan agreed by both Defra and AHDB.

The Board thanked RL for the enormous amount of work that he and his team had put in to this project thus far.

Following a question from PT, some work around what levy payers will gain from this project will be undertaken.

Action: A piece of work around what levy payers may gain from LIP will be undertaken

KB agreed to look at whether there would be any implications on AHDB running costs.

Action: KB will look at whether there are any implications on AHDB running costs if LIP goes ahead

LIVESTOCK INFORMATION PROGRAMME FUNDING

The Board discussed the methods of funding LIP if the project went ahead. Contribution options were discussed and it was agreed that RL/TH should meet with GJ/AQ/MS to discuss this further before the next Board meeting at the end of July.

Action: A meeting with the livestock sector chairs will take place to discuss the funding of LIP

PK informed the Board that he had asked WL to continue his involvement with LIP.

AGENDA ITEM 7 – INDUSTRIAL STRATEGY – FOOD AND DRINK SECTOR COUNCIL

TH provided the board with an update on AHDB's involvement in the Food and Drink Sector Council and sought its approval for additional funding.

The Food and Drink Sector Council was created because of the Government's Industrial Strategy, which sets out a long-term plan to boost productivity across the whole of the UK economy. The Council is jointly chaired by Defra and industry with its membership made up of leaders from across the food supply chain covering farming, manufacturing, retail, hospitality and logistics. Members of the Council have been appointed in a personal capacity and have been invited to convene a number of specific working groups that will make recommendations. PK has been appointed to the Council and invited to lead one of the three initial workstreams on the theme of growing agricultural productivity which is one of AHDB's priorities for the forthcoming year. As a result, it is anticipated that AHDB will provide sufficient resource to ensure the workstream is supported in terms of administration programme management and expertise. The Board was asked to approve an additional resource to co-ordinate and lead the programme of work and specifically support the Chair as convenor of the agricultural productivity workstream. PK commented that he was very happy to attend sector board meetings to discuss the agricultural productivity group.

WL commented that the workstreams were complementary to activity that AHDB was undertaking and presents an opportunity for AHDB.

The Board approved the expenditure and asked for an update to be provided at the next meeting in July.

Action: An update on the Food and Drink Sector Council's agricultural productivity working group will be provided at the next meeting

Owing to PK's personal interest, he did not take part in the Board decision to approve the expenditure.

AGENDA ITEM 8 – UPDATE ON EDUCATION STRATEGY

JK in CWs absence provided an update on the Education Strategy. The AHDB Board had approved a new strategy direction for education activities in June 2017. The new strategic approach focussed on the development of a single cohesive education programme across all AHDB sectors which removed duplication, is cost effective and delivers greater impact. The new strategy will focus on food and nutrition. Central to delivering the strategic objectives is a three-year partnership with the British Nutrition Foundation, this partnership will enable AHDB to deliver educational activities with greater efficiencies and budgetary savings compared to previous years.

AGENDA ITEM 9 – RED TRACTOR BUSINESS PLAN

Jim Moseley (JM), Chief Executive of AFS joined the meeting to present the Red Tractor Business Plan. The Plan outlined four over-arching objectives which included the launch of a new consumer campaign to move Red Tractor from kitemark to flagship status. The campaign set out to increase consumer understanding of Red Tractor and highlight the benefits. Consumer research had been undertaken which demonstrated that awareness of Red Tractor was good. JM pointed out that Red Tractor had been working closely with AHDB to ensure that the campaigns being run by the two organisations had synergy.

JM commented that RT will be working with government and other stakeholders to ensure that the regulatory environment promoted Red Tractor and would:-

- Gain support for Red Tractor for both domestic and export growth (EFRA Brand Britain Inquiry)
- Collaborate with Defra and partners to develop “gold” standard without re-inventing the assurance wheel
- Collaborate with the Environment Agency to ensure “appropriate” development and delivery of environmental standards

AGENDA ITEM 10 – ANNUAL EVALUATION OF AHDB ACTIVITY/MEASURES OF SUCCESS

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

TH outlined that the purpose of the presentation was to update the Board on AHDB's performance against corporate targets as well as provide details of work to embed performance measurement and evaluation across the organisation to measure overall effectiveness.

The AHDB Strategy 2017-2020 detailed four general outcomes that serve as indicators of success which include:-

- Improvements in productivity and competitiveness that come as a result of our activities
- A higher return on investment for levy raised and an ability to demonstrate it
- Recognition by the industry of AHDB as the knowledge house for the food and farming industry
- A stronger appetite for AHDB services and information among leading producers

Under each of the outcomes a set of stretching targets were agreed with the Board in May 2017. These targets are reported within the Annual Report and Accounts (ARA) and they provide a “top down” mechanism to assess how AHDB is performing.

“Bottom up” evaluation mechanisms were being put in place to enable measurement of the impact of activities in order to isolate the contribution AHDB is making to the performance of the industry. This work includes developing evaluation plans for all levy-payer facing programmes of work and monitoring progress against the sector specific operational targets. The first internal AHDB Annual Evaluation Summary report will be published in July 2018, which will provide an overview of progress against targets and findings from the activity evaluations that have been conducted. A full three-year evaluation report will be produced in April 2020, which will provide an assessment of how AHDB has performed against the 2017-2020 strategy.

GL commented that this was an important piece of work in driving the organisation forward and in particular for the levy payers. Early wins to demonstrate successful activity should be made available; marketing activity was cited as a good example. **Action: Early wins to demonstrate successful evaluation activity should be made available**

WL informed the Board that the Audit and Risk Committee at its meeting on 30 May had requested more sophistication in performance analysis reporting going forward. TH commented that DS and his team were putting a system in place.

AGENDA ITEM 11 – SECTOR REPORTS + DASHBOARDS

Beef and Lamb

AQ commented that the thin cut marketing activity was commencing.

The B&L Board had expressed concern about the accuracy of reporting in the operational report. KB commented that one of the internal audits that RSM will be conducting in the next year will be on operational reporting.

AQ informed the Board that Laura Ryan will be leaving AHDB on 1 June, Martin Grantley-Smith will be covering the B&L Sector until a permanent replacement is recruited.

Cereals and Oilseeds

PT commented that the market was slightly more volatile since the report was written.

PT gave details of a meeting held with the Bank of England recently and he had attended a breeding technologies conference in Brussels.

Dairy

The tenth anniversary of the Dairy Road Map had been celebrated.

GJ commented that he was concerned that there was not enough AHDB engagement with the industry.

Horticulture

ME commented that the Sceptre+ project was making good progress. In addition, cross-sector activity on research projects was bringing good dividends.

The expected shortage of seasonal labour available for planting and harvesting may result in a small fall in levy income this year. In addition, pressure from retailers still existed within the sector.

Pork

The report was taken as read.

Potatoes

SC reported on a visit she had made recently to Puffin Potatoes in Haverfordwest, Pembrokeshire.

European decisions on the future availability of sprout suppressant (CIPC) are imminent with EFSA rulings expected soon. Contingency plans are being developed to enable new Knowledge Exchange or R&D to be rolled out dependent on the outcome of the EFSA meetings.

SC asked if the weekly Corporate Affairs Update could include issues that the Board should be aware of that are seen to be negative.

Action: Both positive and negative issues should be included in the weekly Corporate Affairs board update

AGENDA ITEM 12 – CORPORATE REPORT

Following a question from SC relating to the new website, the Board was informed that it was likely that an early version of the new website will be launched at the end of June. An update will be prepared for the next Board meeting.

Action: An update on the new website will be prepared for the next Board meeting

UPDATE ON GDPR/CRM

Helen Bashford (HB), Diane Prescott (DP) and Guy Attenborough (GA) attended the meeting for this item.

GDPR

GA provided the Board with an update on progress made towards the General Data Protection Regulations (GDPR) compliance. Mandatory GDPR training for all staff had been completed in time for the 25 May deadline with GDPR Champions across AHDB identified. Work on supplier contract amendments was taking place and considerable progress had been made in getting signed GDPR amendments in place with existing suppliers who process personal information on behalf of AHDB. A set of policy and guidance documents has been drafted which will be rolled out to staff in June. HB commented that a stabilisation period would follow later in the year to ensure that the changes are being successfully embedded within the organisation. Some test scenarios around data breach reporting, etc. will be undertaken in the next couple of months.

CRM

DP informed the Board that 228,000 records from 8 platforms had been migrated on to the CRM. A consistent template had been developed and DP informed the Board of next steps over the coming months. GL commented that this was a critical piece of work and should be given time for fuller discussion at a future meeting of the Board.

Action: A full discussion on CRM will take place at a future Board meeting

DEFRA CALL FOR EVIDENCE RE: AHDB

JK provided the Board with an update on activity which was taking place in preparation for the Defra call for evidence regarding AHDB. This was been described as a light touch review which will ask levy payers and key stakeholders for views on the work AHDB does. GL commented that a member of the Board should sit on the AHDB internal working group and was nominated for this role.

AGENDA ITEM 13 RISK

KB provided the Board with an update on the VAT status of AHDB.

AGENDA ITEM 14 – CHAIRMAN’S REPORT

PK commented on the deliverables set out in his paper which are planned to be achieved by the end of the year.

AGENDA ITEM 15 – CHIEF EXECUTIVE’S REPORT

JK reinforced the Leadership Team deliverables as mentioned by PK.

TM commented on Defra’s Health and Harmony Paper consultation which had concluded on 8 May and had received over 44,000 responses. TM commented that the responses were being reviewed and a report will be prepared.

AGENDA ITEM 16 – APPROVAL OF ANNUAL REPORT AND ACCOUNTS

The ARAC had considered the Annual Report and Accounts (ARA) at its meeting on 30 May and recommended approval from the Board which it gave. After Ministerial review, PK and JK will sign the ARA following which it will be sent to the NAO Comptroller and Auditor General prior to being laid in Parliament on 10 July 2018. WL informed the Board that the Head of Internal Audit opinion had given a moderate assurance for the period 1 April 2017 – 31 May 2018 inclusive and the NAO had raised no significant points.

AGENDA ITEM 17 – FINANCE UPDATE

KB provided the Board with details around central costs. Following a debate the following actions were agreed:

- ACTION:**
- Look at benchmarking central costs against other organisations**
 - Provide comparable headcount information for multiple years and report back to the next Board meeting**
 - TH to provide a briefing on detailed review of MI activities for the July Board meeting**

AGENDA ITEM 18 – BOARD GOVERNANCE AND FORWARD PLANNING

RG presented the Board Governance Schedule outlining items coming to forthcoming Board meetings. Board members were encouraged to contribute to the schedule.

BOARD EFFECTIVENESS

RG provided details on the outcome of the annual Board Effectiveness Survey.

SC informed the Board that she had recently undergone a 360° survey and was happy to share feedback once the process was completed.

AGENDA ITEM 19 – HEALTH AND SAFETY REPORT

The Board was provided with an update on health and safety matters in AHDB and MLC SL. There had been 25 accidents and 3 near misses/incidents reported in the rolling 12 months to the end of March 2018 across AHDB and MLC SL. There had been two RIDDOR reportable accidents since

the last meeting but no investigations, notices or prosecutions. On the accidents, two were of a nature sufficiently serious to require reporting to the Health and Safety Executive under RIDDOR regulations.

RG reminded the Board that a representative was required to sit on the Health and Safety Committee. RG will speak to PK about this.

Action: RG will speak to PK about Board representation on the Health and Safety Committee

AGENDA ITEM 20 – AHDB SUB COMMITTEES

Audit and Risk Assurance Committee (ARAC)

WL informed the Board that a paper had been presented to the ARAC on 30 May relating to disease management. WL asked that this paper be brought to the next Board meeting.

Action: A disease management paper which had gone to the ARAC meeting on 30 May should be brought to the next Board meeting

WL commented that the list containing internal audit recommendations should be shorter by the end of the year. RSM had provided the Internal Audit Plan for the financial year 2018-2019.

Cyber security will be discussed at the next ARAC meeting in September.

Remuneration and Nominations Committee

Nothing to report. The next meeting of the Remuneration and Nominations Committee will take place on 30 July.

AGENDA ITEM 21 – MLC PENSION SCHEME DEED AND RULE AMENDMENT

The MLC Pension Scheme Deed and Rule Amendment was approved and sealed by the AHDB Board.

AGENDA ITEM 22 – ANY OTHER BUSINESS

PT informed the Board that AHDB needs to pursue an application for the Trade Marks for UKP and UKS in Egypt.

The Board agreed the following:-

- To grant the Power of Attorney for the Egyptian agents to pursue the application.
- To authorise two Board members to sign the Power of Attorney on behalf of AHDB and since this is a Deed, the seal will require to be affixed
- To authorise an extract of the Minutes of the Board meeting, signed by Jane King, Chief Executive Officer, containing the above points

AGENDA ITEM 23 – DATE OF NEXT MEETING

The next meeting will take place on 31 July 2018.

Dates of future meetings

- 25 September 2018
- 20 November 2018