

SUMMARY MINUTES OF THE EIGHTIETH MEETING OF THE AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD HELD ON THURSDAY 3 JUNE 2021

PRESENT:

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

IN ATTENDANCE:

Guy Attenborough (GA), Ken Boyns (KB), Anna Farrell (from item 9), Rebecca Geraghty (RG), Charlie Helps (CH), Jackie Kay (JSK), Richard Laverick (RL), Alison Levett (AL), Tim Mordan (TM), Adam Quinney (AQ), Peter Rees (PR), Paul Temple (PT), Sue Walker (SW)

AGENDA ITEM 1 – APOLOGIES FOR ABSENCE

Apologies for absence were received from Hayley Campbell-Gibbons and Christine Watts.

AGENDA ITEM 2 - DECLARATIONS OF INTEREST

There were no new Declarations of Interest

AGENDA ITEM 3/4 – MINUTES OF THE AHDB BOARD MEETINGS HELD ON 30 MARCH 2021 AND 5 MAY 2021

The minutes of the meetings held on 30 March 2021 and 5 May 2021 were accepted as a correct record and signed by the Chair. AL enquired about Board appraisals, NS informed the Board that board appraisals had been undertaken for those board members who had remained as board members and had been filed.

AGENDA ITEM 5 – MATTERS ARISING FROM THE MEETINGS HELD ON 30 MARCH 2021 AND 5 MAY 2021

KB said that he was happy to take questions on any of the items contained within the paper which were either complete or ongoing. The item relating to the format of published AHDB Board minutes on the internet will be brought to the meeting at the end of July.

Action: Publishing format of board minutes on the internet will be brought to the meeting at the end of July

PT raised the Cereals event in terms of messaging around the ballots. He was informed that WJ and CW were speaking to Martin Grantley-Smith about this to enable top line messaging to be drafted.

AGENDA ITEM 6 – ROADMAP

The Roadmap to deliver the future vision for AHDB was discussed to ensure that the Board and executive had a shared understanding about the plan for 2021/2022. The RoadMap demonstrated

how the industry will see AHDB move forward in 2021/2022 and what the organisation needed to prioritise to achieve this i.e.

- Adapt to the loss of the horticulture and potato ballots
- Prepare for the Spring 2022 ballots
- Improve efficiency and value
- Deliver sector priorities
- Increase levy payer engagement
- Leverage non levy funding

There will be a communications plan for each sector.

A discussion took place on the road map. TM commented that the results of the Request for Views provided a stark message that the whole organisation needed change in order to deliver better value for money as well as being transparent on how money was spent. TM mentioned that any Ministerial sign off would have to include the Devolved Administrations.

AGENDA ITEM 7 – FUTURE MODEL

The future model was discussed. Defra was talking to the Devolved Administrations about next steps relating to horticulture and potatoes. It is hoped that a response from Defra will be available by the end of this month. Following feedback from the sector board meetings last week, a document outlining the future model for AHDB will be submitted to Defra at their request.

There was a need to have strong interaction with levy payers and regional field teams should be very visible. All staff should be aligned behind focusing on sectors and customers. PR commented that the dairy sector had worked hard to improve the CRM and a number of levy payers on there were engaged with AHDB and it was important that they remained so.

After discussion it was agreed that :-

- Levy payers will be requested to register for the right to vote
- Voluntary registration will be used and all available contact lists will be employed to contact and encourage levy payers to register
- Clarity regarding voting process to be made available this summer
- Levy payers will be asked to regularly vote to score proposed programmes for the forthcoming period
- Levy payer votes will be provided on the basis of both one member one vote and weighted formats and will be published
- The sector 'Councils' (successor to current sector Boards) will be skills and experience based and will be organised to reflect the unique structure of each sector
- Levy Payers' votes will be taken into account when setting work programmes
- Councils will propose programmes and the resultant levies for the Board to advise Ministers
- Having established the principle of actively engaging with and taking into account levy payers views as expressed through the new voting system, further discussion will take place within 12 months to establish the appropriate future election/appointment /combination to provide for the future appointment of "council" members.

AGENDA ITEM 8 – ORGANISATION STRUCTURE

Staff members apart from KB/JSK left the meeting at this point to enable the board to discuss the organisation structure. KB declared his conflict of interest and left the meeting after answering some questions on the proposed structure.

Staff members returned to the meeting for the remaining agenda items

AGENDA ITEM 9– HORTICULTURE AND POTATOES)

Guarantee

The Board was provided with an update on the current situation regarding the provision of a guarantee for payment of any residual liabilities by Defra under clause 7.9 of the Framework Document, the legal advice received on this matter and proposed next steps.

A request for approval of amended 2021/22 horticulture and (possibly) potato levy rates will be submitted for Ministerial approval, these are conditional on being provided with the guarantee for residual risks and funding for the small forecast gap between reserves plus a full levy and the liabilities for potatoes if Ministers choose to end the current levy.

NG asked for it to be noted that AHDB was a going concern because until there was a Defra decision we still had the legal ability to collect a levy in future years.

Governance Approach

The Board gave its approval to the transitional governance arrangements for the Horticulture and Potato Sector Boards and Sub-Committees.

Levy Rates

The Board gave its approval of the draft letter and requests for amended levy rates which will go to Defra.

Further communications with levy payers and industry will take place next week regarding the wind down process. The Board was informed that the HR Business Case for the reduction in headcount had been approved by the Permanent Secretary.

AGENDA ITEM 10 – RED TRACTOR

A discussion took place relating to the future funding of Red Tractor. There was consensus that a letter would be drafted to Red Tractor outlining that the Board had decided not to provide future funding until there is an agreed and shared vision for the future relationship, albeit the funding will remain in the budget for the time being. NS will have an offline conversation with PT relating to the Cereals sector and Red Tractor.

Action: A letter will be drafted to go to Red Tractor following the conversation which had taken place at the Board. NS will speak to PT about Red Tractor.

AGENDA ITEM 11 – GOVERNANCE REVIEW GROUP

The Governance Review Group (GRG) had met on 18 May 2021, primarily to reconsider its Terms of Reference and to receive a report on progress made in respect of the recommendations made by Campbell Tickell in their Board Evaluation and Governance Review reports. Following discussion, the GRG was recommending to the Board that it should now be disbanded as its work is now complete or being taken forward in a different way. The GRG acknowledged the importance of ensuring that important and relevant recommendations arising from its work are implemented and proposals for how this process can be managed in the absence of the GRG. In the short term, it is proposed that JS receives a monthly report on progress from the Interim Governance Manager and that she will report, by exception, any items of concern to the Board. A report providing an update on progress of the actions will be presented to the Board in July. The Board agreed to disband the GRG.

Action: JS will receive a monthly report on progress from the Interim Governance Manager and that she will report, by exception, any items of concern to the Board. A progress report providing an update will be presented to the Board in July.

The Group had suggested to the Board that it may wish to consider the establishment of another small working group/sub-committee to oversee and support ballot management work. It was agreed that as there were now more board meetings that it would be appropriate for the Board to provide oversight of the ballot management activity.

Action: Board to provide oversight of any ballot management activity.

NS thanked JS for all the work she had done as Chair of the GRG.

AGENDA ITEM 12 – ESTIMATED WIND UP COSTS/RESERVES

The Board reviewed and discussed reserves and sector wind-up costs should Ministers decide to end a levy in any of the four remaining sectors. A discussion also took place relating to the MLC and HGCA Pension Schemes and the risks presented by those schemes if a levy was removed in the relevant sector.

AGENDA ITEM 13– APPROVAL OF PENSIONS APPROACH - HGCA

JS declared a conflict of interest being Chair of the HGCA Pension Scheme. A letter had been drafted to respond to the Trustees of the HGCA Pension Scheme. The Board gave its approval to the approach and the letter being sent to the Trustees.

Action: A letter replying to the Trustees of the HGCA Pension Scheme will be sent

AGENDA ITEM 14 – CEO REPORT INCLUDING CORPORATE AND SECTOR REPORTS

KB asked for the report to be taken as read. KB commented that there was a lot going on within the organisation and there was enormous pressure on some staff.

JS enquired about COP26 and was AHDB prepared for that. AF commented that a small working group was looking at communications.

The Environment Plan was being developed and will be brought to the July Board meeting, RG commented that reference to COP 26 will be made in the Plan.

AGENDA ITEM 15– INTERIM DASHBOARD

The interim dashboard was taken as read.

Now that Sector Boards have signed off Priorities, Sector Strategy Directors are working with Functional Directors to agree Targets and Evaluation Measures for each priority for 2021/2022, this process is being supported by the Evaluation Team. An updated operational report with these targets will be provided for the next Board meeting.

AGENDA ITEM 16 – MANAGEMENT ACCOUNTS

NG informed the Board that the 2020/2021 full year results, subject to external audit and excluding pensions reserve movements, reflects the impact from the pandemic on AHDB's activities. AHDB (excluding Livestock Information Limited) ended the year with a £1.6m retained surplus.

NG provided the Board with an update on VAT. A response from HMRC is expected in late August.

AGENDA ITEM 17– AUDIT AND RISK ASSURANCE COMMITTEE (ARAC)

Minutes of the interim ARAC meeting held on 21 April 2021 had been included in the board pack.

SP provided the Board with details of the meeting which had been held on 2 June 2021. That meeting had been followed by an extraordinary meeting of the Committee to discuss horticulture and potatoes. SP stated that based on the information the executive were providing the ARAC felt that all the material matters were being addressed.

AGENDA ITEM 18 - REMUNERATION AND NOMINATIONS COMMITTEE

MS reported on a meeting of the Remuneration and Nominations Committee which had been held on 21 May 2021. This meeting had been a single agenda item to discuss the proposed organisation structure which had formed the basis of the presentation and discussion earlier on this agenda.

AGENDA ITEM 19 – ANNUAL REVIEW OF GIFTS AND HOSPITALITY REGISTER

The Gifts and Hospitality Register was discussed; this was presented to the Board on an annual basis. Board members were reminded to submit any items to the Gifts and Hospitality Register. We need to ensure continuing full transparency regarding Declarations of Interest as well as Gifts and Hospitality.

AGENDA ITEM 20– ANY OTHER BUSINESS

JS enquired about the Levy Payer Satisfaction Survey. She was informed that this would normally be run in November/December and discussions had taken place about whether it was needed this year with a vote in Spring 2022. KB said that the Leadership Team will discuss this

PR commented that his Board were keen to meet face to face. JSK commented that we should wait until Government guidelines were released later this month. Face to face board meetings will be considered once the latest Government guidance had been issued. PT asked for the current position on staff having a Covid 19 vaccination, JSK informed the Board that the organisation was not in a position to enforce the vaccination. Staff were encouraged to order lateral flow tests.

JSK provided an update on the Stoneleigh and regional offices.

SP asked that the incident relating to a member of staff who had tested positive for Covid after being in the office should be entered on the Health and Safety dashboard as a near miss. JSK agreed to do this. In addition, JSK was asked to review insurance protection cover around C-19.

Action:

- **The incident relating to a member of staff who had tested positive for Covid after being in the office should be entered on the Health and Safety dashboard as a near miss**
- **Insurance protection cover around C.19 will be reviewed**

AGENDA ITEM 21 - DATE OF NEXT MEETING

The next meeting (interim) will be held on 29 June 2021.

Dates of future meetings

- Tuesday 27 July 2021
 - Tuesday 21 September 2021
 - Tuesday 30 November 2021
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