

**SUMMARY MINUTES OF THE EIGHTY THIRD MEETING OF THE AGRICULTURE AND
HORTICULTURE DEVELOPMENT BOARD
HELD ON TUESDAY 30 NOVEMBER 2021 AT STONELEIGH PARK**

PRESENT:

Colin Bateman (CB), Sarah Bell (SBe), Stephen Briggs (SBr), Lyndon Edwards (LE), Catherine MacKenzie (CM), Nicholas Saphir (NS) (Chair), Mike Sheldon (MS), Janet Swadling (JS)

IN ATTENDANCE:

Guy Attenborough (GA) (Item 10.4), Ken Boyns (KB), Naveen Gupta (NG), Charlie Helps (CH), Will Jackson (WJ), Peter Judge (PJ) (Items 6.7, 7 and 8.1), Jackie Kay (JSK), Alison Levett (AL), (Items (6.7, 7 and 8.1), Tim Mordan (TM), Tim Rycroft (TR), Roseanne Thomas (RT) (Item 5), Sue Walker (SW)

AGENDA ITEM 1 – APOLOGIES FOR ABSENCE

Apologies for absence had been received from Sarah Pumfrett.

AGENDA ITEM 2 - DECLARATIONS OF INTEREST

There were no declarations of interest recorded.

AGENDA ITEM 3 – MINUTES OF THE BOARD MEETING HELD ON 21 SEPTEMBER 2021

The minutes of the board meeting held on 21 September 2021 were accepted as a true record.

AGENDA ITEM 4 – MATTERS ARISING FROM THE MEETING HELD ON 21 SEPTEMBER 2021

The items were either actioned or on today's agenda.

AGENDA ITEM 5 – CEO REPORT AND OPERATIONS

5.1 – CEO Report

TR reported that the themes contained in his report were still current. There was still pressure on the organisation and resources were stretched. TR commented on the sector council meetings which had taken place last week, he felt that there was a significant rise in levels of engagement with discussions taking place on future activity and how this will support farmers. WJ informed the board that meetings with stakeholders were taking place to inform them of current activity. TR commented that there was a huge network of potential contact by the board and there were various roles that board members could play around the communication programme.

5.1.1 – Progress on cost savings/efficiencies

NG provided the board with an update on work to reduce overall AHDB costs by £7.8M, including £1.8m of efficiency savings. Some three quarters of the savings have been delivered but more work remains to be done before the March 2023 deadline. It was agreed that progress should continue and reported back to the AHDB board and levy payers. It was further agreed that addressing strategic

vacancies will require some additional investment. JS urged – and the board agreed - that the process should continue transparently to be reported to levy payers and other stakeholders

5.2 - Sectors

5.2.1 – Cereals & Oilseeds

SB provided an update on the Cereals & Oilseeds sector. The sector board had transitioned to a council. The Agronomists Conference will take place on 7 December 2021. SB commented that good work was being done which needed to be communicated even more effectively. KB was reviewing the workstreams.

5.2.2 – Pork

MS reported there was no good news for the sector. The industry had been grateful to Defra for the action taken during the crisis, though their interventions have not resolved things. There was a problem in recruiting new butchers to work in abattoirs which had been caused by administration problems relating to visas. There was little sign of appetite within the industry to take up the Government's offer of private storage aid (though this might change a little in January). The level of emotion of the producers is seriously desperate, some are managing but others are faring extremely badly.

5.2.3 – Beef & Lamb

CB commented that the Beef & Lamb sector was in a good place with prices buoyant and it was a good opportunity for AHDB to get 'on the front foot' particularly with messages relating to COP26. There had been a good sector council meeting with work programmes well received.

5.2.4 – Dairy

LE reported that dairy producers were nervous about costs. There were labour shortages within the industry. The sector council had discussed workstreams, there was a desire to simplify these, and they will be discussed in December and January. LE commented that work with stakeholders was receiving good support from the vast majority.

5.3 – Engagement – Shape the Future campaign update

The board was informed that the levy payer voter registration portal will be launched on 7 December and heard an update on – and suggested improvements to - the communication plan. While it was recognised that George Eustice's commitment to a 'vote for the remaining AHDB sectors in spring 2022' influenced the language we were using, it was agreed that there should be clarity in the way AHDB communicates this work: that AHDB is undertaking a major consultative exercise with levy payers, of which voting was simply the mechanism by which Levy Payers' views could be expressed. The portal had been robustly tested both internally and externally, the final build will be tested by the executive and staff prior to being cleansed in time for the launch. Following a question relating to multi-sector levy payers, WJ agreed to follow up the sign-in procedure. SBr suggested that a tutorial video be available to help with registration which will be actioned. WJ informed the board that there would be a paper form for use by those Levy Payers who could not vote digitally (but only as a last resort). Answering a question from JS on validation, WJ informed the board that information will be circulated providing clarity.

The board was informed that the registration drive would take place over several months and the messaging and intensity will evolve. CB asked that sector chairs are provided with a good amount of information to enable them to provide a steer to their council members.

JS expressed a concern that sector councils (including their chairs) are receiving more information than the rest of the board. JS felt that the board should receive more comprehensive papers when discussing a subject of this importance in order to properly consider the various components as to why things are being done the way they are along with the risks. When the new Governance Manager is in post that person could significantly help to pull this information together.

SBr commented that there was a language issue as some producers thought that the consultation was a yes/no vote. WJ assured the board that in all our communications we would be clear about the distinction between Shape the Future and a yes/no ballot triggered under the statutory instrument, and that levy payers would be reminded that the latter option remained fully open to them. SB commented that the Single Business Identifier should become a standard for AHDB.

RT commented that TR will hold a press conference on 7 December to describe the process. On the same day the board and sector councils will receive a template which will go to stakeholders plus a FAQ document. A staff briefing will take place on 2 December, RT asked the board to consider how they could support the message publicly i.e., recording a short video and that the communications team can support them in doing this. TM asked that the Defra communications team are informed. WJ informed the board that the NFU will be taken through the process on 7 December, RT urged sector chairs to lead their respective sectors, engage with networks and encourage stakeholders to take part.

A FAQ document will be available to answer questions that are raised.

Action: Information on the Shape the Future campaign will be circulated to the board as well as the sector councils

5.4 – Products, services, tools and technical update (AHDB 1228)

KB commented that workstreams will be revised in time for the January sector council meetings, these will include aims and targets. Once the workstreams have been agreed they will be collated in June which will enable levy rates to be defined.

The board was informed that the Farm Business Review service, funded by Defra's resilience fund, continues. Recruitment initially was slow and AHDB is behind its target of having supported 4,000 farms by the end of March. Despite the service being provided free of charge, farmer engagement and uptake is low. There is anecdotal information that this appears to be the case across some other suppliers to Defra as well. Further suppliers have been brought on board to cover gaps in the South-East/West. David Eudall will provide additional day to day senior management resource to support the team to maximise sign ups. A meeting with Defra has taken place to discuss the current level of progress and the possibility of a time extension. It was agreed that the Farm Business Review will be on the agenda of future board meetings.

Action: Farm Business Review will be included on future board agendas

AGENDA ITEM 6 – FINANCIAL AND PERFORMANCE UPDATE

6.1 – Annual Report and Accounts (ARA)

The notes from the meeting of the board, which had taken place on 2 November 2021, to discuss the ARA had been approved. The ARA was signed by the Comptroller & Auditor General on 18 November and was being laid in Parliament today. Thanks were expressed to NG and his team for their work on this.

6.2 – VAT

NG updated the board on discussions with HMRC on the future VAT status of AHDB. It is expected that NG will be contacted by HMRC on 7 December. The board will be informed of HMRC's response and presented with recommendations for AHDB's response.

6.3 – Pensions

NG informed the board that work will shortly commence with Defra relating to their support against the two Defined Benefit pension schemes. The board was informed that the MLC Trustees had written to AHDB confirming the initial valuation exercise.

6.4 – Finance Dashboards

The finance dashboards were noted.

6.5 – Management Accounts

NG provided an update on the management accounts. For the four continuing sectors the year-to-date expenditure was behind plan and that this underspend position broadly flows through, but narrows, to the year end. For the Horticulture and Potato sectors the wind down activity was currently being managed within the control forecast envelope.

6.6 – Performance Dashboard

KB informed the board that some work was needed on targets. These will become the targets in the workstreams which will be reported to the board and sector councils going forward.

6.7 – Horticulture and Potato Wind-Down Progress Report

AL and PJ joined the meeting for this item, item 7 and item 8.1

KB asked for the paper to be taken as read. The board was informed that staff at Sutton Bridge will leave AHDB by the middle of December. The site was being actively marketed, options will be brought to the board at its January meeting. Discussions are ongoing with CHAP relating to the stores that they own at Sutton Bridge.

Action: Options relating to the marketing of Sutton Bridge will be discussed with the board in January 2022

There are no material deviations against the Control Forecast, although there have been some small drawdowns against the contingency. It is expected that there will be an element of virement between cost classifications as more certain information is known, but the overall aim remains to deliver the sector wind down within the control forecast envelope.

Letters to horticulture and potato levy payers have now been delivered. A template letter is being prepared to respond to any queries received. This will be circulated to the board.

Action: A template letter to respond to any queries received from horticulture/potato levy payers will be circulated to the board

AL commented that a meeting of the Potato sector board had taken place on 18 November. There was a lot of animosity out in industry along with a greater level of hardship which may lead to a risk

around levy collection. AL informed the board that Defra colleagues had joined the Potato sector board meeting to discuss the consultation which was underway.

AGENDA ITEM 7 - UPDATE FROM DEFRA

7.1 – Statutory Instrument Consultation

The consultation period commenced on 17 November 2021 and will be open for responses for a period of seven weeks. The consultation period will close at midnight on 10 January 2022.

AGENDA ITEM 8 - STRATEGY AND POLICY

8.1 – Proposed revision to AHDB position on future support for Horticulture

KB introduced the paper which had been sent to the Horticulture board for comment and input. AHDB is unable to take a public view on this while Defra's consultation is live, but it is inevitable that we will be asked questions privately during and after the consultation process on this topic and related ones. The paper set out the desire to establish a Foundation (completely outside/independent of AHDB) whose purpose is to improve the sustainability of horticulture. This would be achieved through managing the applications for minor uses for pesticides and herbicides in the short term (EAMU/EA), carrying out research into replacements, and conducting research into broader sustainability improvements, including further bolstering IPM options and reducing GHG emissions from horticulture. The royalties currently owed to AHDB might be transferred to the foundation, subject to approval from Defra, as seed funding for the foundation and the initial members might be sought from those sectors which voted yes in the ballot e.g., Soft Fruit, Tree Fruit, larger growers, etc.

Following discussion, the board decided that it would remain open to approaches on behalf of growers in the horticulture sector (and sub sectors) for how residual levy payer funds might be used to find a way forward to ensure vital work continues. AHDB would not propose solutions but would continue to answer questions from industry and Defra.

AL and PJ left the meeting at this point

8.2 – “Deep dive” on AHDB vision, positioning, strategy review and refresh

The board continued its debate on strategy. It was supportive of the direction of travel and provided comments and suggested improvements.

8.3 – Proposed AHDB position on environmental sustainability

The AHDB board had considered two papers on the environment during 2021 – in March and July. These papers focused on environmental change and predominantly focused on how the technical team should respond and were produced a) in the case of the March paper before it was clear what the full impact of horticulture and potatoes ballots were and b) in the case of the July paper, prior to the implementation of the restructuring of AHDB.

Having considered the latest paper it was agreed that revisions needed to be made and brought back to the board at a future meeting as it was acknowledged that this was a high priority issue and a proposal was needed to deliver more practical services to levy payers across all sectors.

Action: Revisions to the environment sustainability paper will be made and brought back to the board

8.4 – Update on AHDB position on Livestock Information Ltd (LI Ltd).

KB informed the board that Defra had called a meeting to discuss next steps relating to LI Ltd. The board will be provided with an update following the meeting. JS commented that regular reporting on LI Ltd. to the board is required.

Action: The board will be provided with an update following the meeting to discuss LI Ltd. Regular reporting on LI Ltd. to the board is required

8.5 – Future AHDB relationship with Red Tractor

Red Tractor was discussed and next steps approved. It was agreed that the board should review progress at its next meeting in January.

Action: The board will review progress on Red Tractor at the next meeting in January

AGENDA ITEM 9 – PEOPLE

9.1 – HR Update

The board was updated on vacancies and recruitment.

More Covid cases have been reported with staff having to self-isolate which has been challenging.

JK provided an update on estates, further information will be reported at the next meeting.

Following a question about a new organisation chart, JK informed the board that this was being finalised and will be circulated.

Action: The organisation chart will be finalised and circulated

9.2 – Approval of Remuneration and Nominations Committee (RemNom) Terms of Reference

The Terms of Reference for the RemNom were approved.

9.3 – Report from Remuneration and Nominations Committee

MS provided an overview of what had been discussed at the recent meeting of the Remuneration and Nominations Committee. A process has been designed which enables each sector to have flexibility around sector council recruitment. A tender exercise had taken place to identify a company who could assist relating to equality and diversity. The gender pay gap, as well as company cars had also been discussed by the committee.

9.4 – People and Restructuring

An update was provided.

9.5 – Log of complaints/feedback

The board was informed of two complaints about progress on the Medicine Hub for ruminants.

9.6 – Health and Safety

JK commented that there was nothing material to report.

AGENDA ITEM 10 – BOARD AND GOVERNANCE MATTERS

10.1 – Proposed board policy on engaging with the media

The board considered a proposed policy on engaging with the media. The board agreed to adopt the policy, but also to ask staff to review it with a view to seeing if it could be made even more simple/easy to follow.

Action: The proposed board policy on engaging with the media will be reviewed

10.2 – Appointments to board sub-committees

Appointments to sub-committees were discussed. CM had agreed to Chair the Remuneration and Nominations Committee. MS, the board representative on the Health & Safety Committee, requested that he be replaced. JS requested that a register is kept of roles which the AHDB Board members have on sub-committees.

Action: MS asked to be replaced on the Health & Safety Committee. A register of roles which the AHDB board have on sub-committees will be kept

10.3 – Sector Council appointments

Sector Council adverts for the four Sectors will go live on 3 December on the AHDB website. Once published, links will be forwarded for onward circulation to the sector councils and interested parties. There will be a brief from the press office to be picked up in any editorial and coverage via social media etc.

10.4 – Freedom of Information requests since last meeting

GA joined the meeting for this item. The board was informed that it was normal to receive in the region of thirty Freedom of Information (FOI) requests a year, so far this year up to thirty-nine have been received. The board discussed FOI and staff awareness, they were assured that staff have recently been reminded that AHDB is subject to FOI and further staff information is planned for the New Year.

TM commented that the Defra FOI team could provide GA with assistance.

AGENDA ITEM 11 – RISK

11.1 – Any new risks arising from today's meeting

KB commented that engagement should be included on the register.

11.2 – Report from Audit and Risk Assurance Committee (ARAC)

The notes of the ARAC meetings which had taken place on 1 and 9 November were noted.

11.3 – Risk Register update

The Risk Register was reviewed and noted.

AGENDA ITEM 12 – AGREE TODAY'S BOARD "COMMUNIQUE"

A "communique" outlining items which have been agreed for sharing from the board meeting will be prepared and circulated later this week.

Action: A “communique” on items agreed for sharing from the board meeting will be prepared and circulated later this week.

AGENDA ITEM 13 – ANY OTHER BUSINESS

No further business was discussed.

AGENDA ITEM 14 – DATE OF NEXT MEETING

The next meeting will take place on 25 January 2022 at Stoneleigh. It was agreed that not all future meetings would be held at Stoneleigh, a plan will be developed.

Action: A plan for the location of future board meetings will be developed.

DATES OF FUTURE MEETINGS

Tuesday 29 March 2022

Thursday 16 June 2022

Tuesday 26 July 2022

Tuesday 20 September 2022

Tuesday 22 November 2022

