

## AHDB Horticulture Board meeting

### SUMMARY MINUTES OF THE INTERIM MEETING OF THE HORTICULTURE BOARD HELD AT 2PM ON 17<sup>TH</sup> MAY 2021

#### Teleconference

**PRESENT:** Hayley Campbell-Gibbons (HCG), Mark Eves (ME), Roma Gwynn (RGw), Rob James (RJ), Keston Williams (KW), Michael Barker (MB), Rob Saunders (RS), Peter Judge (PJ), Robert James (RJ), Jamie Dewhurst (JD)

**APOLOGIES** – n/a

#### **IN ATTENDANCE:**

Rebecca Geraghty (RG) – Chief Technical Officer, Ken Boyns (KB) – Acting CEO and Accounting Officer, Will Jackson (WJ) – Interim Chief Strategy Officer, Lenka Rihova (LR) - Minute taker

#### **AGENDA ITEM 1 – Welcome & Apologies for absence**

The Chair opened the meeting at 2pm and welcomed those in attendance.

There were no apologies for absence.

The Board papers had been distributed prior to the meeting and been taken as read.

#### **AGENDA ITEM 2 - Purpose of meeting (Confidential)**

The purpose of the meeting was to discuss AHDB Horticulture work in the interim period, update the Board on what has happened since they last met and seek for Board's approval on the proposed approach to wind down.

The Board met on 19<sup>th</sup> April to agree some key principles about how to approach the wind down in Horticulture (a wind down in light of the Ballot but in the absence of any ministerial decision or directive). The Chair provided a summary of the agreed principles, which had been distributed via email on the 27<sup>th</sup> April and reported on our contractual obligations.

The Board papers included a proposal of activities that are stopping now, activities being wound down over the next 10 – 12 months, plus a list of the contracted activities that will be seen out to the end of their contract. The only exception is emergency work where AHDB will respond to emergency threat or pest issues in 21/22 if approved by the Board

#### **AGENDA ITEM 3 – Update on Horticulture sector (Confidential)**

KB presented an update on the current situation and reported on key steps in the Horticulture sector. The following key points were discussed:

- 19<sup>th</sup> April – Horticulture Sector Board – Principles for wind down
- 28<sup>th</sup> April – ARAC – Residual Risk Identification
- 5<sup>th</sup> May – Board – Approach Accepted – Final Input from Sector Boards requested
- 12<sup>th</sup> May – Briefed Staff on Principles - clear activities stopping - becoming untenable
- 13<sup>th</sup> May – External Messaging rolled out about wind down
- 17<sup>th</sup> May – Horticulture Board - Any final details on proposal

- Finalise budgets and 21/22 Reduced Levy Rates
- By June 3<sup>rd</sup> - AHDB Board – Formal approval of Amended Levy Rates
- Immediately after approval - Submit to Defra for ministerial consideration
- Future AHDB Model - Discuss with industry if any parts relevant for horticulture and potatoes
- Ministerial Decisions about the future

It was clarified that even if the horticultural levy ends, AHDB as a legal entity will still exist and claims can still be made against AHDB. Under hypothecation on the statutory levy, AHDB could not use Beef & Lamb money to settle a horticultural debt. This is a Residual Risk. The Board requested further clarification.

Two options available:

- to leave a pot of money in AHDB for Horticulture if anything comes up
- Defra to cover (a preferred option)

AHDB is in negotiations with Defra in relation to this matter. This is to be treated as confidential.

AHDB have to get permission from Defra for any changes. Staff are aware of the direction of travel and that we are not commissioning any new work unless it is an emergency pest and disease threat. AHDB cannot make redundancies yet, Defra's permission is required.

There is a very close interaction between AHDB and Defra. AHDB Chair Nicholas Saphir sent a letter to the Minister on behalf of the main AHDB Board. The content of it was expressing the need for a clear decision, particularly around our need to enact redundancies and have levy rates approved. We are working as closely as we can with Defra on the detail of what we are proposing.

A question was raised about managed transition to industry and whether any industry bodies have approached AHDB to take on certain elements. There are conversations between Defra and various individuals in the industry. No approach into AHDB formally from grower groups since the Ballot outturn. Focus on the wind down. Once the plan is clear, formal consultations will start with the industry. Conversations to go ahead as soon as possible in order to avoid skilled staff leaving AHDB. The key challenge is getting permission from Defra. Certainty is key for staff.

The main Board discussed the future model of AHDB on 5<sup>th</sup> May, the next meeting is scheduled for 3<sup>rd</sup> June.

Concern was expressed on the impact on Technical (R&D), staff and contractors.

#### **AGENDA ITEM 4 – Proposal in Papers**

The aim of today's meeting was to seek the Board's approval on the proposal.

Key points:

- Is the proposal approved or are there any activities, which need switching from one group to another?
- If so – what is the basis/principle behind that change? (need to be consistent)

RG provided an update on emergency and urgent work and reported on the latest facts and figures.

A discussion over funding both elements of the ToBRFV work took place. RJ shared his view with the Board (protected edibles panel Chair). The issue is significant (virus).

It was felt that Defra should step forward on behalf of the industry or needs to offer a solution. The industry needs to understand what it has and does not have. Similarly, with the devolved governments.

The Board requested clarity on the position of the panels and whether there will be more panel meetings or not. Either way, the panel members need to be informed and thanked for their input in the event of changes/limited panels. This needs to be handled very carefully and sensitively. We need to make a decision about governance arrangements that are appropriate for Horticulture and Potatoes. KB reported that a Governance Review Group meeting took place on 18<sup>th</sup> May with regard to panels and sector boards. A recommendation will be put forward.

The Board discussed Risk registers (valuable piece of work) and the need to hand it over to crop associations in good order.

The Chair asked the Board for views and approvals of the proposal in the board paper about the different streams of work to cease immediately, to cease over the next 10 months and to commit to all our contractual obligations. Nobody was against the proposal as outlined.

Comments were made about the EAMU approvals, which are currently experiencing delays due to CRD. RG reported that a recent meeting had been held with CRD to raise the delays but also to develop new standard operating procedures between AHDB and CRD in order to improve ways of working and timelines associated with decision making.

KB reported on AHDB's legal position in relation to collecting a levy. It is a legal requirement to collect a levy. The levy rate has been approved at the rate it was last year for 21/22. AHDB will ask the Minister to change the levy rate and reduce it. AHDB will inform this Board as soon as we received a decision from Defra.

It was felt that the Board has come up with a proposal that respects the Ballot. It does not lose the investments that growers have made in projects and programmes of work. We are using the reserves prudently and we are reducing the levy to as low a rate as possible.

#### **AGENDA ITEM 6 – Communications and AOB**

KB reported on Communications. The Board can use the press release and the FAQ externally. Media enquiries to be sent to the press office. KB asked the Board to keep point about Defra guarantee confidential for now.

Decisions to be made on governance in the near future (Horticulture, sector Board level and panel level). A note will be issued to the panels in accordance. AHDB have and will be kept in communication with the panels at every step of the journey.

**Signed:**

**Date:**

Hayley Campbell-Gibbons, Chair