

SUMMARY MINUTES OF THE THIRD BOARD MEETING OF THE AGRICULTURE AND HORTICULTURE DEVELOPMENT BOARD HELD IN LONDON ON MONDAY 7JULY, 2008

PRESENT

Tim Bennett, Neil Bragg, John Bridge (Chair), Chris Bones, John Cross, Clare Dodgson (for part of the meeting), Dennis Heywood, Stewart Houston and Jonathan Tipples.

IN ATTENDANCE: Kevin Roberts, Gordon Bennett, Bernadette Garvey, Sue Walker, Brian Harding (Defra).

Martin Beckenham, Ken Boyns, Jonathan Cowens, Richard Lowe, Helen Priestley, Mick Sloyan and Lindy Petts (Tribal) joined the meeting for part of Agenda Item 12

AGENDA ITEM 1 - APOLOGIES

Apologies were received from Lorraine Clinton.

AGENDA ITEM 2 - DECLARATION OF INTEREST

There were no new Declarations of Interest other than Chris Bones (CB) informed the Board that he had been made Professor of the University of Reading.

AGENDA ITEM 3 – MINUTES OF THE LAST BOARD MEETING HELD ON 2 JUNE 2008

The minutes of the last meeting were accepted as an accurate record.

AGENDA ITEM 4 – MATTERS ARISING

The register of Matters Arising from the previous Board meeting was discussed with the following items receiving particular attention:-

Para 78: Appointment of Sector Company Vice Chairs

It was noted that DairyCo had identified Richard Davis as Vice Chair. Tim Bennett (TB) sought reassurance as to whether the Vice Chair would be appointed in an official or technical capacity. It was explained that the Vice Chair role was expected to take on the role of Chair should the appointed Chair be absent from a meeting. John Cross (JC) indicated that he was in the process of appointing a Vice Chair and Stewart Houston (SH) would be discussing this matter at the BPEX meeting which will take place on 15 July.

Para No 83: Sector Board Member appointment letters

The Board was informed that the appointment letters for the sector board members had been drafted but clarification was being sought on the duration of the appointments to enable orderly phasing to take place. A discussion about this was required and recommendations would have to be made to Defra. In addition, the outcome of the organisation structure may have implications on the nature of the letters. **Action: Kevin Roberts (KJR) and John Bridge to consider future duration of Board Member contracts.**

Para No 98 – AWM Funding

In response to a question from CB, KJR confirmed that Advantage West Midlands (AWM) had agreed to funding being drawn down sooner.

AGENDA ITEM 5 – CHAIR’S REPORT

The report was taken as read. The following points were noted:

The interviews for the Potato Council Chair had taken place at the beginning of June. Ministers had approved the interview panel’s decision and a letter had been sent to the successful candidate. JB hoped that a positive response would be received shortly. **Action: Potato Council Chair to be shortly appointed and a communication process would be put in place.**

JB had attended the Potato Council and HGCA Sector Board meetings recently. He commented that there had been a lot of discussion on the organisation structure.

AGENDA ITEM 6 – INTERIM CHIEF EXECUTIVE’S REPORT

KJR asked for his report to be taken as read. The following points were noted:

Corporate Branding

KJR informed the Board that Corporate Edge had been successful in the tendering process for branding consultancy. They had been asked to present their findings at the September Board meeting.

Cabinet Office Report on Food Matters

The Cabinet Office had published its report on Food Matters. KJR had met with Andrew Jarvis, Head of the Cabinet Office team, prior to publication. Brian Harding (BH) was asked if Defra, as a result of the report, would review its R&D policy. The Board was informed that this was unlikely as the Comprehensive Spending Review (CSR) settlement had been completed. BH reported that the Prime Minister’s Strategy Unit report focussed on food waste, which was a change in emphasis since the process was started 10 months ago. Defra planned to publish a consultation paper on food security in the next two weeks.

Cost and Responsibility Sharing

It was noted that cost and responsibility sharing was being discussed again within Government. AHDB had been contacted to provide information to Defra on how the levy system works, the amount of animal levy collected, the level of cross border trade and likely market distortion if disease levies were collected in England and not in Scotland or Wales. A submission would be made by Defra to Ministers in July 2008 with a preferred option for a registration scheme but the proposal would include information on an alternative levy-based proposal. KJR expressed his concern that AHDB may be asked to bolt on the registration scheme to its current levy collection arrangements. The Board was informed that a consultation process would take place during autumn 2008 and it was anticipated that AHDB would be a consultee. JB commented that he had attended a cost and responsibility seminar, which had taken place at the Royal Show last week.

Data Handling

It was noted that in advance of the Prime Minister's Report on Data Handling Procedures in Government which was published on 25 June 2008, Helen Ghosh had written to chief executives of Defra, NDPBs and other public body organisations to outline a proposed package of data handling procedures to be implemented in public organisations. This report follows the well-publicised mis-handling of sensitive information.

Freedom of Information

KJR provided an update on Freedom of Information. Under Section 19 of the Freedom of Information (FOI) Act 2000 all public bodies are required to produce and post on their websites a Publication Scheme and have it approved by the Information Commissioner. The Scheme lays out an organisation's policy and procedures for handling FOI enquiries. The approval of all current schemes expires on 31 December 2008 following which the Information Commissioner will publish a model scheme under Section 20 of the Act which must be adopted by all bodies by 1 January 2009. This model scheme had been delayed and was expected to become available in July 2008. The Information Commissioner has been made aware of the formation of AHDB and requested that its records be updated. Work has started on an AHDB Publication Scheme, which will be based on the Model Scheme. Guy Attenborough was project managing this activity through the AHDB Communications Group. TB commented that he felt that if there was transparency it was unlikely that a request under FOI would be made.

AHDB Westminster Summer BBQ

It was noted that 380 acceptances had been received for the AHDB Summer Barbecue, which will be held on Wednesday 9 July 2008.

PCL

Stewart Houston (SH) sought clarification relating to the Company Limited by Guarantee status of the Potato Council. SH was informed that this was a hybrid arrangement; the Potato Council would continue to operate on a divisional accounting basis whilst maintaining a non-trading Limited Company with appointed Directors.

AGENDA ITEM 7 – FINANCE REPORT

Gordon Bennett (GB) asked for his report to be taken as read. He noted the following:

The Annual Report and Accounts (ARAs) process was nearing completion with two of the five documents awaiting signature by the Controller and Comptroller General. All ARAs are in line to be laid before the Parliamentary recess. GB commented that it was a substantial step forward by all concerned in the process. [*Post meeting note – all ARAs were laid before the Parliamentary recess*].

GB and Bernadette Garvey (BLG) reported on the tendering process for internal audit. It was noted that four companies had tendered for the work and all had been interviewed. The interview panel had a recommendation which would go before KJR and Clare Dodgson (CD) on 10 July 2008 when the preferred company will be seen again. The AHDB Board was asked to agree that if KJR and CD gave their approval on 10 July then the company would be appointed with immediate effect. This was approved. John Cross (JC) asked for an explanation as to why there was a significant difference in costs between the four companies. Bernadette Garvey (BLG) explained that the priority for internal audit was to have an appropriate Statement of Internal Control (SIC) in place for next year and develop a risk management process; this is the core business but some quotations did offer additional services, hence the differences in cost. **Action: KJR and CD to interview recommended Internal Audit provider and, if appropriate appoint a company.**

Following a question from TB regarding banking arrangements, KJR indicated that a tendering process would take place during the year. Currently all the sectors with the exception of DairyCo banked with Barclays.

An update on the budget was provided.

AGENDA ITEM 8 – RELOCATION REPORT

The Relocation Sub-Group was continuing to meet. CD reported that she had visited the RASE and Governor's buildings at Stoneleigh recently; these buildings were becoming available and could be used as temporary accommodation. CD was concerned that RASE's proposal was rather vague and asked that it be pinned down and provide written confirmation. Appleyards has been asked to visit the RASE building and it is hoped that this can take place this week. GB commented that it should be possible to speak about the migration plan at the next Board meeting on 1 September. JT informed the Board that he had been informed that the RASE tenants at Stoneleigh had been served with notices to quit and suggested that it might be worthwhile meeting with them to pursue consolidated accommodation in the proposed new building. KJR commented that he had been approached by a company who would like some space in the new building.

Currently however it is not known whether there would be any spare capacity. JB and KJR plan to meet with the Chair and Chief Executive of AWM in the near future to ensure that they are aware of AHDBs requirements at Stoneleigh. **Action: The Business Case on migration to temporary accommodation would be presented at the September Board meeting**

JT commented that some of the CEOs were keen to move staff to Stoneleigh sooner rather than later. **Action: KJR will engage with the CEOs to get their views and will prepare a Business Case with a view to moving the organisation ahead of the new building being completed.**

GB provided an update on the new building. A suitable plot had been identified on AWM land. Discussion had taken place on the initial design of the building. A key influence on design was the method of ventilation. This had been discussed at the Relocation Sub-Group meeting i.e. natural ventilation which is in line with Government recommendations or air conditioning units. The view was that both systems should be put to the developer and a visit to a naturally ventilated building made. Appleyards had identified two suitable buildings in Alnwick and Cambridge. CB commented that the National Trust building in Swindon was seen as a standard for natural ventilation and felt it would be worth visiting this building too; JB commented that there was a standing invitation to this site. **Action: A visit to a suitable building would be arranged.**

AGENDA ITEM 9 – DRAFT CORPORATE PLANNING PROCESS

The Board was provided with a timetable for the 2009/2012 Corporate Plan, as included in the Delegation Agreements. It was noted that the timetable was very similar to the one used for the 2008 Corporate Plan. KJR indicated that he would discuss the PESTLE Analysis at the next Board meeting in September. CB felt that it would be useful for the marketing sub-group to meet in August to discuss the work that Corporate Edge is undertaking. The draft Corporate Plan will be cleared at the Board meeting taking place on 17 November following which there will be a 4 week industry consultation. It was agreed that as the timescale was very tight JB would write to the industry stakeholders in advance of the plan being circulated advising them of the publication date. GB indicated that the Finance Forum was involved in the budget assumptions. If the levy rates needed to be changed then this would impact on the timetable and also change the timetable for Ministers. **Action: The meeting of the Marketing Sub-Group will take place prior to the next Board meeting. JB will write to industry stakeholders about the publication date of the Corporate Plan**

AGENDA ITEM 10 – HR AND PENSION REPORT

A meeting of the Health and Safety group had taken place. The group was looking at co-ordinating health and safety within the sectors that worked to best practice. The group is also looking at developing policies for AHDB as a whole.

The Relocation Policy had been revised since the previous Board meeting and was sent to the Relocation Sub-Group for review. Adrian Rickard had also been asked to look at the Policy again from a third party perspective. The policy will be circulated to staff in the near future. JT commented that there was concern at the HGCA from some individuals who were prepared to move but for personal reasons would not fall within the 15-25 mile radius. The HGCA board felt that if there was a fair appeals process for these individuals then they would be comfortable.

BLG had met with representatives from Warwickshire and Coventry County Councils last week. Visits by the Council representatives to the sectors will commence next week. A site visit to Stoneleigh will take place in September.

In responding to a question from SH regarding the current mortgage situation, KJR said that caution was required and bridging loans would not be an option. A review would be made nearer the time that staff would want to re-locate.

CB asked about the rate of staff turnover. BLG indicated she had collected data on starters and leavers. BLG agreed that this data would be included in the sector organisation quarterly report. **Action: Data on starters and leavers will be included in the sector organisation quarterly report**

Interviews had taken place for the Project Manager role. Fourteen candidates had applied and three were interviewed. A preferred candidate had been identified and a discussion on securing the candidate was taking place with KJR.

AGENDA ITEM 11 – SUB-COMMITTEE MEETING MINUTES

Minutes of the Relocation Sub-Committee had been circulated.

AGENDA ITEM 12 – ORGANISATION DESIGN AND STRUCTURE

Gordon Bennett and Bernadette Garvey left the meeting.

Martin Beckenham, Ken Boyns, Jonathan Cowens, Richard Lowe, Helen Priestley, Mick Sloyan and Lindy Petts joined the meeting.

JB informed the Board that KJR had worked with the CEOs to look at potential options for the new organisation. Three workshops had taken place and a huge amount of work had been devoted to this activity by the CEOs and JB expressed his thanks. The Board was informed that Jonathan Cowens, Martin Beckenham and Ken Boyns would present a functional model and Richard Lowe, Helen Priestley and Mick Sloyan a sector model.

Having heard both presentations from the CEOs, the Board agreed the following points:-

- It was agreed that AHDB should be one organisation arranged in a divisional structure including a range of centralised activities.
- The optimum solution that best delivers the needs of the business is a matrix model.
- The business functions of R&D, KT, Marketing and Stakeholder Communication will be managed through the sector lines.
- It was agreed that Market Intelligence would be conducted on a central basis.
- There will be two lead functional roles; one in Marketing and a Chief Scientist, recruited to enhance the quality of output and foster better collaboration.
- The Chief Scientist should be recruited as a matter of priority and the functional lead for Marketing should be recruited when the investigation into branding is concluded.
- There will be a single senior executive team headed up by the AHDB CEO including sector heads and functional leads.

AGENDA ITEM 13 – ANY OTHER BUSINESS

There was no further business discussed.

AGENDA ITEM 14 – DATE OF NEXT MEETING

The next meeting will take place on Monday 1 September at Stoneleigh.