

QUALITY MEAT SCOTLAND

Minutes of the Fifty Eighth Meeting of the Board
25th April 2019, 10:00am, The Rural Centre Board Room, Ingliston

Present:

K. Rowell, Chair
J. Gibson
S. Henderson
P Sleigh
A. McGowan
J. Fitzpatrick
L. Welsh
G. Milne
S. Mackie
A. Irvine
G. Wallace

In Attendance:

D. Wilson (Sponsor Team)
H. Curran (Sponsor Team)
A. Clarke (Chief Executive)
P. Byrne
Minutes K. McCormack

Apologies:

C. Milne

ACTION

1.0 Minutes of Board meeting on 21st February 2019

1.1 The Minutes were agreed as an accurate record of the meeting.

2.0 Update on Action Points

2.1 The agreed proposals from the Remuneration Committee were put out to all staff and after the consultation we received 100% positive feedback with everyone agreeing to proceed with the changes to the following;

- Changes to QMS Contract of Employment & Handbook
- Changes to the QMS Maternity / Adoption & Parental Leave Pay policy
- Changes to our Travel & Expenses policies
- The introduction of salary bands for each Job within the organisation

2.2 Following on from the meeting that we had with the Managing Director and Sales Director of Karro, it was agreed that QMS will invite Karro to the next board meeting on the 6th June.

AC

3.0 Financial Report 12 months to 31st March 2019

3.1 Paul Byrne presented the financial report for the 12 months to the end of March 2019. The report shows our draft accounts which will be subject to audit commencing on the 6th May 2019. March accounts are currently showing a £24,000 deficit against a budgeted deficit of £150,000 of the year. We are hopeful that this shouldn't change by much once the accounts are audited.

3.2 Levy income came in 1.5% below budget. Kate Rowell and the Board thanked Paul Byrne and Stuart Ashworth for their incredible work and knowledge setting a budget that was within 1.5% of actual figures.

3.3 Paul Byrne ran through the finance report in detail and several areas were discussed including: the income figures for The Scotch Butchers and Scotch Beef club, the overspend in Economics. Alan Clarke explained that a review of the Scotch Butchers Club and Scotch Beef Club is taking place this year to strengthen our services. This will be done in tandem with a review of our Brands Licencing Scheme.

3.4 The Economics department overspend was due to our Enterprise Costings publication. It is a very popular and widely used publication within the industry and it was suggested that we could approach SRUC to help contribute to it. Alan Clarke to speak with Stuart Ashworth on having a discussion with SRUC.

AC

4.0 19/20 Budget

4.1 Paul Byrne presented the budget, which included a £100,000 Brexit contingency. The overall budgeted deficit for the year 2019/2020 is £250,000. This was agreed by the Board.

5.0 Interim Standards Reviews Updates

Suzanne Woodman gave a presentation with updates on the following committees;

- Pigs Standard Setting Committee
- Cattle & Sheep Standard Setting Committee

5.1 The introduction of spot checks for our cattle and sheep schemes has been agreed and we will do a significant PR campaign to the industry including a piece going out in The Scottish Farmer on Friday 3rd May along with it being on the QMS website.

5.2 There was a discussion on the feedback that we may receive by introducing spot checks and how important that it is for us to highlight that this has been agreed with our committees and is a significant action to help protect the industry from the current onslaught of negative feedback.

6.0 Levy Repatriation & Market Update

6.1 Stuart Ashworth presented to the board the work that he has led on, in partnership with HCC and AHDB to identify a scheme for the long-term repatriation of levy, that the 3 levy boards can recommend firstly to their Boards and then to the UK Minister for Environment, Food and Rural Affairs. Using Stuart's calculations, QMS could receive a net contribution of £1.4M per year from AHDB.

Having a long-term solution is also dependent on the current Agricultural Bill successfully being passed into law. If both things happen in 2019, we could see the new long-term solution being in place from April 2020.

7.0 18/19 Implementation Plan

7.1 Alan Clarke presented on this year's implementation plan and the Executive Team answered questions from the Board. 95% of planned activities were achieved and others were on-going and would be included in this year's implementation plans. Kate Rowell and the Board thanked the team for all their hard work during an exceptional year where we developed 3 new marketing campaigns and combatted a sustained anti red meat campaign.

8.0 19/20 Business Plan

8.1 Alan Clarke presented this year's business plan, and this was signed off by the Board.

9.0 19/20 Implementation Plan

9.1 Alan Clarke presented on this year's implementation plan and the Executive team answered questions from the Board. The implementation plans this year has been separated into Projects and Business as Usual. Reporting back will be on Projects. The Board agreed this year's implementation plans.

10.0 Committee Updates

10.1 Audit & Risk Management Committee – 27th March

Ann Irvine, Chair of the Audit & Risk committee, thanked Ronnie Eunson for following up on outstanding Island Abattoir levy. Mull have now completed theirs and Uist's are currently doing theirs.

10.2 We passed the Internal Audit for Marketing & Communications. Ann Irvine and Alan Clarke thanked Carol McLaren and her team as it was the longest list of examples of best practice in an audit report that they had seen.

10.3 The Risk Register worked well in the past but after feedback from the board and staff its perhaps not presented in the best format. It has been suggested by the committee that perhaps splitting it into sections with a traffic light system may be a good way going forward.

Debbie Phillips to do a draft version of what it could be, present it to the Audit & Risk Committee in June. This draft would then be reviewed at the June Board Meeting.

Confidential

10.4 The proposal on staff & board accommodation and subsistence rates where all agreed by the board. It was also agreed that these new rates must be adhered to, so that we have a full audit trail. Any deviation from these rates must be agreed in writing by the Head of Corporate Services. Ann Irvine thanked Debbie Phillips on pulling all the information together and benchmarking against similar organisations to get these new rates.

10.5 Ann Irvine highlighted that Julie Fitzpatrick would join the Audit & Risk Management Committee and the Quorum would stay at 2 members.

10.6 The external audit is scheduled for 6-17 May and the final audit is scheduled to be signed off at the next board meeting on 6 June. The internal audit plan for 2019 -20 was agreed, with Payroll, GDPR and Industry Development being the 3 areas audited this year.

Ann Irvine highlighted that we would review our Governance structure and that the executive team would draft suggested changes to our current committee structure. This would be considered at the next ARC (5 June) and present to the Board (6 June). Any ideas, suggestions &/or comments from board members regarding the committees to be forwarded to Ann Irvine or Alan Clarke.

ALL

10.7 The Board agreed approval of documents revised by the ARC, including, Board Standing Orders, Scheme of Delegation and List of QMS Policies and Procedures.

10.8 **Pork Marketing Strategy Group -11th April**

Philip Sleigh gave a short update on the meeting. He said the meeting was positive and thanked Scottish Government for providing additional funding for the new campaign as it has really boosted the brand and the feedback within the industry has been very positive with everyone loving the 'quirky' video and radio adverts.

We have received positive feedback from Lidl and Aldi as the two main supermarket retailers supporting the Specially Selected Pork brand and we are currently planning follow up activities in June and July.

12.0 **Chief Executives Report**

Alan Clarke highlighted that we have had a busy time with the development and delivery of our marketing campaigns and helping to embed our new Strategic Engagement department. We have been reviewing our strategy, completing our implementation plans for 2018-19 and developing our new implementation plans for 2019-20.

Alan discussed the time that has been spent working with Scottish Government and agencies in relation to planning for Brexit, especially for the sheep industry and how we have been looking at ways that we can plan for increasing resilience within the red meat industry.

Alan and Doug Bell had a meeting with the Managing Director and Sales Director of Karro who have expressed concern in relation to the long-term repatriation of levy. QMS have agreed to look at a strategic partnership agreement and plan to have then presenting to the Board at our June meeting.

Confidential

Alan and the Executive Team have been reviewing the stakeholder groups and have suggestions on how these could be developed going forward.

A conference for later this year is in the planning stages with currently the team identifying speakers and venues.

Alan and Sarah Millar met with Scottish Government and SRUC to start to look at future programmes and sources of funding. This is building on the presentation that Sarah gave to the last Board meeting.

Two new team members have been recruited, Laura Strang as Project Officer for the Industry Development department who is a previous winner of the QMS Bright Sparks award and Beth Alexander as Project Officer within the Strategic Engagement department supporting Doug Bell. Currently there are 2 live adverts for a Senior Education Manager to work alongside Jennifer Robertson in the Heath & Education Department and for a Technical Specialist to work with Suzanne Woodman.

Over the last couple of weeks, Debbie Phillips has been piloting the new version of POMAS which is called APS (Accounting Procurement System). The new CRM system will be piloted during May 2019.

DNA Feasibility Study

A further meeting of the DNA Feasibility Steering Group took place on the 28th March 2019 and it was agreed to move to a further stage of research which will include details of how it could work in practice, indicative costs and benefits to each stakeholder group.

13.0

Chairs Report

Kate Rowell provided a report of activities that she has undertaken to engage with the Scottish red meat industry.

14.0

A.O.B

Kate Rowell highlighted that she and Alan Clarke had been approached to help establish a new UK wide Ruminant Health & Welfare Group to replace the current Cattle and Sheep groups. Kate advised we would circulate details to the Board. **AC**

A discussion took place on how we protect our industry and it was agreed to put this on as an agenda item at the next Board meeting. **AC**

AHDB Meeting

At this point in the meeting, Kate Rowell welcomed Peter Kendall Chairman, Jane King Chief Executive, Adam Quinney Chairman Beef & Lamb Board, Paul Flanagan Strategy Director Dairy for Scotland and Tom Hinds Chief Strategy Officer to the meeting.

Confidential

A detailed discussion took place of how the two levy Boards could work closer on issues of mutual interest. AHDB invited Kate Rowell and Alan Clarke to present to their Board later in the year.

There being no further business the meeting was closed, and the next Board meeting will take place on Thursday 6th June 2019