

QUALITY MEAT SCOTLAND

Minutes of the Sixtieth Meeting of the Board
25th September 2019, 8.30am, The Crowne Plaza Hotel, Glasgow

Present:

K. Rowell (Chair)
A. Irvine
A. McGowan
C. Milne
G. Milne
G. Wallace
J. Gibson
L. Welsh
P. Sleight
S. Henderson
S. Mackie

In Attendance:

A. Clarke (Chief Executive)
D. Wilson (Sponsor Team)
H. Curran (Sponsor Team)
P. Byrne (Accountant)

Apologies:

J. Fitzpatrick

Minutes:

K. McCormack

ACTION

1. Welcome and Apologies

Kate Rowell welcomed everyone to the sixtieth QMS Board meeting.

One apology was from Julie Fitzpatrick.

2. Chairs Review on:

2.1 Board away day

Kate Rowell thanked everyone for attending the QMS away day which went very well. Kate found the visit to McCaskie butchers very interesting and said it was excellent to hear Nigel Owen's talk so passionately about the brands.

Kate expressed how great it was to see groups from different sectors working together during the QMS Red Meat Summit and to hear everyone's thoughts on how we can all communicate and progress together going forward.

2.2 Market Update – September 2019

No questions were asked by the Board on the market update.

2.3 QMS Conference Update

Alan Clarke confirmed that the conference agenda in the papers is only a draft and that along with the date and venue, Fredrick Leroy is the only speaker confirmed at the moment. Alan advised the Board that Tom Gibson will present the final agenda at the November Board meeting.

All thoughts/ suggestions on the conference agenda, please send to Alan before the end of October.

ALL

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3. Additions to the Agenda

Ann Irvine expressed that she would like an update on spot checks. Alan Clarke confirmed that due to a busy agenda, there will be an update in the papers for the November Board meeting.

4. Declaration of interests in any agenda item

There was one declaration of interest from Andy McGowan towards agenda item 19 - Presentation from Karro Food Group.

5. Minutes of Board meeting on 6th June 2019

The minutes were agreed as an accurate record of the meeting with just a small change to Alan Clarke's name on page 8 under A.O.B. This has now been changed.

6. Update on Action Points

The action points were reviewed, and all actions were noted as complete. Regarding the action for agenda Item 12.1, Charles Milne advised that he had recently met with Scottish Government to discuss swine dysentery and can confirm that it is not a legal requirement to report any cases to Scottish Government.

7. Financial Report 5 month to 31st August 2019

Paul Byrne presented the financial report for the last 5 months to the 31st August 2019. Paul stated that there were no major issues to report.

Paul gave a summary of the income and expenditure accounts highlighting that the total income and levy income is close to budget with total income at 2% below budget and 1% below budget for levy income. Grant income is below budget, this is due to an underspend on KTIF schemes.

Expenditure, External Spending is underspent by a significant amount of over £300,000. No major issues to report as this is due to timing against budget. Paul will start having budget review meetings with each department as we go into the second part of the year.

Staff costs are underspent due to the current vacancies.

A question was raised asking why there is money sitting in the over 90 days column for levy not been paid from processors. Paul advised that there are a couple of suppliers who are always late. Paul stated that the accounts department do chase payments by sending out reminder letters, calling processors and getting lawyers involved if needed. Ashley Little is new to the finance department and is still learning. Over the next couple of weeks and months, the more experience she gets in her role, the more she will keep on top of overdue levy payments.

8. Annual Review of Reserves Policy

Paul Byrne presented the QMS Reserves policy explaining the purpose of reserves to the Board. Paul advised that the QMS appetite for risk be set at medium, a level of £884,000 for 2019/ 2020 which covers approx. 6 months of budgeted costs including staff, Board, property, travel expenses and office costs.

The Board reviewed and approved the Reserves Policy.

9. Cabinet Secretary for Rural Economy, Fergus Ewing MSP

Kate Rowell welcomed Fergus Ewing MSP to the meeting and everyone around the table introduced themselves including the Executive team who were present for this session.

Mr Ewing gave a very detailed update covering many areas that were later open for discussion. These included:

- Brexit
- Agricultural bill
- Falling beef prices
- Monitor farm project
- Levy repatriation
- Farm subsidy loan payments

Two main actions that Fergus asked for QMS to do were:

1. Farming Sustainability

QMS to co-ordinate a team Scotland approach to produce a two page script of messages that shows how livestock farming in Scotland is part of the solution to climate change/environmental challenges. Not to just come from QMS but to collaborate with all bodies, NFUS, SRUC etc so that we are all saying the same consistent messages. This to be backed up with evidence/ research.

2. Retailer engagement

QMS to let Fergus know of any particular message that we would like for him to put across to any specific retailer during his retailer meetings that he has coming up.

10. Welcome Lesley Cameron, Director of Marketing & Communications

Lesley Cameron who started with QMS on the 16th September 2019, presented to the QMS Board and Executive team an introduction to who she is, where she has worked previously and what she will bring to QMS.

11. Approval of 2020 Cattle & Sheep Standards

An in-depth discussion took place regarding a few areas within the standards that the Board had concerns with. Alan Clarke asked Suzanne Woodman that we move the date for the standards going live to the 1st March 2020 instead of the 1st January 2020 with the revised papers going to the Board for approval at the November Board meeting.

Please can all thoughts/ suggestions from the Board be put into writing and sent to Suzanne Woodman. This includes items that were raised at the meeting.

ALL

Kirsty to add Approval of 2020 Cattle & Sheep Standards to the agenda for the November meeting.

KM

Kate thanked Suzanne Woodman for all of the hard work that she has put into the 2020 Cattle & Sheep Standards.

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12. Implementation Plan Highlight Report

Alan Clarke presented on this year's implementation plans which included raising a few of the highlights and challenges from each department over the last 3 months. The Executive team were present and answered questions from the Board which resulted in a brief discussion on the importance of red meat education to teachers and young chefs. Alan advised that Jennifer Robertson and Alix Ritchie are currently looking at a new strategy for the Health & Education department

It was mentioned that we could possibly look into a secondment for getting a research student in for a period of time. Sarah Millar advised that NFUS have got someone starting soon so there might be a possibility to speak to them as Martin Kennedy has expressed that he is keen for all of us to work closely together.

13. QMS Board Appraisals

Alan Clarke explained the proposed process for QMS Board appraisals going forward.

The following decisions were required from the Board:

- 1 – Having read the appraisals document are you content with its purpose and methodology?
- 2 – If not what changes/ amendments would you like to include?
- 3 – Do you agree Board appraisals should happen on an annual basis?
- 4 – If not what changes/ amendments would you suggest?

The question was asked if Board appraisals could be shared if an FOI request was received. Although that it was thought that the answer would be no, Kirsty will look into this to confirm.

KM

The Board expressed that if issues were raised from appraisals that they be dealt with quickly.

The Board agreed that they are happy with the proposed appraisal process.

Kirsty to look at diaries and set up face to face appraisal meetings for before or after Board and committee meetings or set up telephone calls if diaries do not allow for face to face.

KM

14. Review and approve draft Planning Cycle 2020/21

Alan Clarke outlined this year's Planning Cycle, the methodology for development and review was approved by the Board.

There were no further questions from the Board.

15. Chief Executive's Report

Alan Clarke highlighted that it has been another busy couple of months for all staff at QMS with many challenges. One of the main challenges continues to be changes in staff. All staff updates listed below;

Staff left

- Heather McCalman, member of Industry Development left QMS on the 30th August

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New Staff

- Maria Burton joined the Corporate Services department as Office Assistant on the 29th July
- Alix Ritchie joined the Marketing & Communications department as Health & Education manager on the 30th July, job share with Jennifer Robertson
- Kathryn Kerr joined the Brands Integrity department as Technical Specialist on the 26th August
- Ruth McClean joined the Marketing & Communications department as Corporate Communications Manager on the 26th August
- Lesley Cameron joined Marketing & Communications as Director of the department on the 16th September

Changes

- Graeme Sharp will be moving department on the 14th October to become Market Development Analyst
- Ciara Etherson, PR & Comms Exec went on maternity leave on the 13th September

Current Vacancies

- PR & Communications Executive (maternity cover), Marketing & Communications
- Digital Marketing Executive, Marketing & Communications
- Corporate Communications Executive, Marketing & Communications
- Market Development Manager, Market Development
- Beef & Lamb KE Manager, Industry Development

Alan highlighted other challenges over the last few months have been Brexit, the total uncertainty of how & exactly when the UK will leave the EU. The Agriculture Bill not progressing, the Ring Fence Fund will likely continue into 2021/ 2022. Alan advised that he has requested an increase from £2million to £4million. The Levy repatriation scheme is currently being developed. Two new Industry Development programme proposals have been submitted to Scottish Government, Monitor Farm programme and DNA Pilot programme.

16. Chair's Report

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

- Farm to fork dinner, Edinburgh – 6th June
- Shetland small abattoir visit, Shetland – 7th to 9th July
- Turriff show, Turriff – 5th August
- Harbro Visit, Aberdeenshire – 22nd August
- Scottish Land and Estates meeting, Musselburgh – 26th August
- Scotch Lamb champions meeting, Kirkliston - 18th September

17. Any Other Business

Jock Gibson asked for an update on the Scotch Butchers and Scotch Beef Clubs. Alan Clarke advised that both clubs would be managed under the new role, Brands Development Manager within the Market Development department instead of it currently being looked after by Marketing & Communications.

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Interviews for a Market Development Manager are currently in process.

Louise Welsh raised the question of whether a succession plan is in place for Stuart Ashworth as he has indicated that he is planning to retire in the next couple of years. Alan Clarke advised that we are currently developing Iain MacDonald, our Senior Economics Analyst to strengthen his red meat knowledge and the long-term plan is for Strategic Engagement & Economics Services to merge once Stuart retires.

18. **Presentation from Andy McGowan**

Kate Rowell welcomed to the meeting, Steve Ellis, Chief Executive & Nick Davies, Head of Agriculture Development at Karro Food Group.

Andy McGowan presented to the Board and QMS Executive team an update of the current pig sector in Scotland to give an introduction for Karro Group Group.

19. **Presentation from Karro Food Group**

Steve Ellis and Nick Davies gave a presentation to the Board and to the QMS Executive team with an overview of the following topics;

- Process overview
- Antibiotic use
- Farms profile
- Levy & accreditation relationships
- Disease eradication
- Support for wider farmer network
- Farm accreditation
- Slaughtering in Scotland

A couple of areas that were raised by the Board to Karro for discussion were exports and retailer marketing.

There being no further business, the meeting was closed, and the next Board meeting will be on Thursday 14th November 2019.