

QUALITY MEAT SCOTLAND

Minutes of the Sixty-first Meeting of the Board
14th November 2019, 10.00am, The Rural Centre

Present:

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

In Attendance:

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

Apologies:

J. Fitzpatrick
P. Sleigh

Minutes:

D. Phillips

ACTION

1. Welcome and Apologies

Kate Rowell welcomed everyone to the sixty-first QMS Board meeting.

Two apologies were from Julie Fitzpatrick and Philip Sleigh

2. Additions to the Agenda

Sarah Mackie expressed that she would like to discuss the new Tesco Advert, the Chair accepted the addition.

3. Declaration of interests in any agenda item

There was no declaration of interests in any agenda item.

4. Minutes of Board meeting on 6th June 2019

The minutes were agreed as an accurate record of the meeting with two points raised from Charles Milne.

Charles Milne raised a point regarding the capturing of the Cabinet Secretary's address to us, as his 2 actions were not captured on our action list. Alan Clarke updated the Board on the progress to these actions which was regarding our retailer engagement strategy and we have sent the Cabinet Secretary the notes of meetings that we have had with retailers. The second point was regarding sustainable messaging which is proving more challenging, but the Cabinet Secretary will have key messages by Christmas.

5. Update on Action Points

The action points were reviewed, and all actions were noted as complete. The Chair advised there were two appraisal meetings still to be put in the diary.

6. Financial Report 7 months to 31st October 2019

Paul Byrne presented the financial report for the last 7 months to the 31st October 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 is 4% over budget and levy income 1% over budget. Grant income is over budget, this is due to an unbudgeted additional grant off £200k from Scottish Government towards our Lamb Campaign.

Expenditure, External Spending is underspent by a significant amount of over £530k. No major issues to report as this is due to timing against budget. Paul and Debbie have had initial budget meetings with all departments and sees no issues regarding the budget forecast.

Staff costs are underspent due to the current vacancies and the timing of when positions have been filled.

7. Levy Organisation Benchmarking Report

Paul Byrne presented the Benchmarking paper and advised it was based on 2 years figures from the other organisations.

Paul Byrne asked if there were any other organisations the board would like to see on the paper, the Chair mentioned adding Bord Bia to the paper.

Paul Byrne to add Bord Bia to the next benchmarking paper. PB

Paul Byrne mentioned the benchmarking of admin costs could be slightly skewed as all organisations may class administration costs differently. Ann Irvine asked if we have senior staff doing admin duties, Alan Clarke explained we may have from time to time as our year runs in peaks and troughs.

Ann Irvine questioned whether we should review the reserves policy more regularly. It was agreed by the Board to review this twice a year.

Kirsty to put the Review of Reserves Policy on an agenda item for the Board meeting in the month of February. KM

8. Market update – October 2019

The chair commented this was a very comprehensive report from Stuart Ashworth and Iain Macdonald. It was noted that Derek Wilson, Scottish Government wanted to congratulate them on a superb report and the Cabinet Secretary reads this document regularly.

There were no questions in relation to the report, but Ann Irvine wanted to congratulate Stuart Ashworth on his performance at the Thainstone NFUS meeting, stating that he put the whole meeting into context and calmed the room.

9. Membership of Committees

There is now a board member on each of our newly structured advisory committees;

- QMS Beef & Lamb Marketing Advisory Group
- QMS Pork Marketing Advisory Group

- QMS Butchers Marketing Advisory Group.
- QMS Cattle & Sheep Industry Advisory Group
- QMS Pig Forum

Committee names have been changed to show consistency between them all. The new Terms of Reference have now been sent to all committee members.

Additions to committees: -

- Gordon Wallace is a new addition to the QMS Butchers Marketing Advisory Group
- Charley Walker is a new addition to the QMS Cattle & Sheep Industry Advisory Group
- Ann Irvine and Charles Milne are new additions to the Cattle & Sheep Standards Setting Body.

10. QMS Committees

10.1 Pig Forum

Andy McGowan gave an update from the last meeting which took place on 2nd October which received good attendance. Key points that were discussed at the meeting included African Swine Fever (ASF) and the impact on the pig industry, also the risk of it entering the UK. A well-timed biosecurity workshop is to take place in the coming weeks. It was also mentioned that we could be on the verge of a colossal price rise for pork due to ASF.

Concerns were raised regarding SEPA's lack of consistent approach to pollution prevention and control (PPC).

The new structure of the Pig Forum and Health Group was discussed, and the merging of the two groups has now begun with letters sent out to members with new terms of reference.

10.2 Beef & Lamb Marketing Advisory Group

George Milne gave an update from the first merged meeting which took place on 10th October. Lesley Cameron was introduced to the group and Iain MacDonald presented marketing trends to the group, George Milne congratulated Iain on his presentation. The group was advised that QMS are currently reviewing its current market and consumer data providers.

The Meat with Integrity concept was shared with the group, Kirsty Fox then shared Key dates for activity.

Plant based alternatives were discussed and Lesley Cameron advised that QMS are planning research into the ingredients used in plant-based alternatives and developing analysis of these against fresh red meat.

George Milne has suggested that there should be links between each of the groups and the QMS Scottish Red Meat Industry Resilience Group. Doug Bell, Director of

Strategic Engagement will attend the Marketing Advisory Group and Industry Advisory Group meetings to capture key issues to be addressed by the Resilience Group.

Audit & Risk Management Committee

- 10.3** Ann Irvine gave an update from the last meeting which took place on 23rd October. Due to IT security it was agreed all board members would have a QMS email address and this would live from 2nd December, following this date all QMS communications will go through these emails.

Middle Management Training has been arranged for Mid December and Audit & Risk Management Committee training has been recognised for committee members.

A list of the current committees and members will be on the QMS website by the end of December.

LC

Ann went through our prior payroll audit and advised the committee was happy with the results and QMS have now done one month using electronic payments. Ann also covered up coming audits, firstly we have an Industry Development Audit on 16th – 17th December, we were due to have a GDPR audit in February but Ann raised concerns at the meeting of the amount of paperwork that was required, the committee recommended moving the GDPR back to Jun / Jul time and replace it with an Income Streams audit. The board were in full agreement.

The Terms of Reference were gone through in detail and will be presented to the April board for approval.

Risk Register

The table of amendments were agreed with a slight amendment of the wording in risk 16.

Charles Milne raised an issue suggesting we should add an independence referendum risk to our register.

The Audit & Risk Management Committee will review Charles Milne's suggestion at the next meeting.

AI

Cattle & Sheep Industry Advisory Group

- 10.4** Scott Henderson gave an update from the first merged meeting which took place on 6th November which received good attendance.

During the meeting discussions were had over short-term and long-term challenges, as well as opportunities. It was agreed that industry development projects can make significant differences to those involved with them, however we need to ensure all new projects going forward have clear and well scoped outcomes, outputs and returns to our industry that can be quantified.

Remuneration Committee

- 10.5** George Milne gave an update from the last meeting, which was held on 13th November, he advised that the trial with our home worker is going well. All midterm appraisals are due to be completed by the end of November 2019.

Discussions were had regarding the introduction of a Director salary band and the proposed was agreed by the Board.

Alan Clarke discussed new additions to the Marketing and Communications department and the board agreed with his proposal.

Debbie Phillips discussed the benefits of the Employee Assistance Programme and the costs, the board agreed to implement the Employee Assistance Programme through the Scottish Government Framework.

11. Review of Strategic Impact Indicators

Stuart Ashworth commented that this document is a consolidation of comments from all exec team members.

Jock Gibson asked if we could compare lamb and pork in this report and Stuart replied by saying we didn't have accurate enough data as the Kantar sample in Scotland isn't robust enough.

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 7 months. The Executive team were present and answered questions from the Board.

The Chair added Sarah Mackie's additional agenda point regarding the Tesco Advert to this section, Sarah Mackie asked Tom Gibson and Lesley Cameron's opinion on the advert, Lesley replied by saying that Tesco aren't looking to attack our industry, they are trying to penetrate the vegan market, Lesley also mentioned Tesco understand their customer demographic and have changed stores in accordance with regional demographics. Sarah asked if we can work alongside Tesco, Tom replied by saying the person he had met with no longer works there and there has been no replacement appointed so communication is proving difficult at the moment.

Sarah has offered to assist with setting up a meeting with Tesco at senior Level.

SM

13. QMS Conference

Tom presented the "Meat the Future" conference agenda, giving insight into the speakers and their expertise.

Alan Clarke raised a question to see if we as an NDPB can accept sponsorship from banks. It was agreed to establish a sponsorship model available to all potential sponsors.

It was clarified that the conference would be free of charge to attend and save the date notifications will be going out as soon as possible. The event will also be managed through Eventbrite. The Chair and the board commented it will be a really good event and they are looking forward to it.

Tom Gibson to send out conference save the date emails.

TG

14. Approval of 2020 Cattle & Sheep Standards

Suzanne provided the board with the changes from the clean document originally presented at the September Board meeting.

Charles Milne raised concerns he still had over the medicine section and the contingency planning section which is un-auditable. He also thanked Suzanne for taking on his comments from the prior board meeting.

Scott Henderson raised a point about the wording in section 8.1 regarding the word “incoming” is was agreed to remove it as reading that statement is ambiguous.

Spot-checks were raised in relation to the standards and Suzanne mentioned that spot-checks are over and above the Cattle and Sheep Standards and they will be rolled out over the next 12 months once the new standards are implemented in March 2020.

The Board then agreed the Standards.

15. Chief Executive’s Report

Alan Clarke highlighted our parliamentary reception to the board and mentioned to save the date Tuesday 14th January 2020, 6pm – 8pm.

Alan also explained that the Levy Repatriation Model scheme which identifies exactly how much levy will be repatriated to each country by species, has been agreed in principle and this will now be going to all levy boards for approval.

Alan also shared our Friday shout out from the Marketing and Comms team and explained how we could modify it to be a full industry communication piece, allowing everyone to see what QMS is doing and be proud of it. The board really liked the idea and are looking forward to receiving the first edition.

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;

- Aunga, Cologne – 7th to 9th October
- HRH Princess Anne visit to Moredun and Damn Delicious – 21st October
- NFUS Annual Conference – 25th October
- Key Finishers meeting, UA Stirling – 30th October
- QMS & NFUS Spot-checks meeting – 1st November
- SRUC Elmwood – 8th November
- Mr Ewing Cab Sec for the Rural Economy meeting – 13th November

17. Any Other Business

Confidential

It was discussed that the board try and have a meeting with Rod Polkinghorne prior to our conference, the suggestion was to have the board planning day on 5th December start in the afternoon, with an overnight stay and a meeting with Rod Polkinghorne on the morning of 6th December.

Kirsty / Alan to see if this arrangement will work and make the relevant arrangements. **KM / AC**

18. Planning Process

Due to the ambitious agenda this overview will be carried over to the planning day on 5th December.

- 19.** There being no further business, the meeting was closed, and the next Board planning meeting will be on Thursday 5th December 2019.