

QUALITY MEAT SCOTLAND

Minutes of the Sixty Third Meeting of the Board
30th April 2020, 12pm – 2pm, Zoom Video Call

Present:

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

In Attendance:

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

Minutes:

- K. McCormack

		ACTION
1.0	Welcome and Apologies Kate Rowell welcomed everyone to the sixty third QMS Board meeting. There were no apologies.	
2.0	Additions to the Agenda Alan Clarke asked for the following two discussion points be added to the agenda after the QMS Committees – Remuneration Committee update: <ul style="list-style-type: none"> ▪ Staff Resources ▪ Crisis Communications 	
3.0	Declaration of interests in any agenda item There was no declaration of interests.	
4.0	Minutes of Board meeting on 20th February 2020 Agenda point 10.4 - Louise Welsh raised the question if the percentage of the Chief Executive’s salary increase should have been noted in the minutes as it was discussed at the last Board meeting that there had been an increase but the minutes did not confirm the percentage amount. Louise raised concern that if the figure is not displayed, would we be seen as hiding it for whatever reason. Alan Clarke advised that the Chief Executive’s salary is confirmed in the accounts which is available online for the public to see and that in future if a discussion is had about his salary, he has no problem with the amount being confirmed in the minutes. Alan asked for Kirsty to update the February Board minutes to state that his salary was increased by 3%. Agenda Point 10.4 - Louise Welsh raised the question if with the current Covid-19 situation, if Board appointments are going to be suspended. Derek Wilson and	KM

	<p>Heather Curran expressed that they are not aware of any suspension, but they will ask the question and report back to Alan.</p> <p>The minutes were agreed as an accurate record of the meeting with no changes to be made.</p>	HC
5.0	<p>Update on Action Points The action points were reviewed with no further updates.</p>	
6.0	<p>Financial Report 12 months to 31st March 2020 Paul Byrne presented the financial report for the 2019/ 2020 financial year to the 31st March 2020.</p> <p>Paul highlighted a few areas within the report and notified that the statutory accounts and audit papers are going to Audit Scotland on the 4th May.</p> <p>Income & Expenditure Paul advised a net deficit of £96,000 instead of the budgeted £250,000. His previous forecast showed a net deficit of £2000. The main change was an increase of funding through Marketing & Communications, approx. £100,000 for the 'Make It' campaign.</p> <p>Positively the levy income was nearly £100,000 above budget with the budget for March up by £27,000. The variance on levy for cattle was £12,500 over the year with a 2.5million budget. Paul asked for his congratulations be passed to Stuart Ashworth for his budget figures.</p> <p>Paul highlighted that in the statutory accounts we are going to reinstate last year's RFF figures as they were netted of against expenditure and it didn't appear. From a disclosure point of view, we are going to show the figures for both expenditure and RFF.</p> <p>Balance Sheet Paul expressed that there were no issues to report and no significant variances to highlight.</p> <p>Paul raised that there where a high level of creditors and accruals at the year end but this is not unexpected. The split between creditors and accruals depends on how quickly we get supplier invoices in and if they are dated in March or April.</p> <p>Sarah Mackie raised the question if we have any risk of any processors that may go out of business due to the current situation, that owe us money. Paul expressed that he is not aware of any, but we offset this risk by holding the security deposit. What we need to assess is if the security deposit amount we hold for each processor is correct for the balance they usually have with us.</p> <p>Andy McGowan highlighted that we should keep an eye on small and medium sized abattoirs that don't have a relationship with retailers.</p> <p>Alan agreed to speak with Debbie Phillips to monitor processor payment days.</p>	<p>AC</p> <p>AC</p>

	<p>Kate thanked Paul for his work on the report.</p> <p>Reserves Policy</p> <p>A discussion was had regarding money on deposits that are coming up soon, and Alan asked if we had to use some of this money at some point that we can make a decision on later on in the year but if we were to make that decision that we would have access to the cash rather than it being tied up.</p> <p>Paul advised that we are normally in a strong cash position because of Assurance Scheme memberships being paid in April and May but we pay fee's to Lloyds Register throughout the year. He highlighted that at the end of May we should be able to know if the pattern is normal or disruptive.</p> <p>Paul advised that the reserves at the end of march were sitting at £1.3 million and we budget a £240,000 deficit for this financial year which would take us to approx. the £1.1 million which is the agreed minimum reserve level.</p> <p>Alan Clarke asked the question to the Board if with the current Covid-19 situation, if we needed to as a last resort, could we use the reserves money. This would be after we looked at all other resources including Scottish Government.</p> <p>Paul advised that the latest deposit rate is 1.175% and although this may not be the rate we get again, this would be the most we would lose with releasing some of the reserves money.</p> <p>With no decisions being made on spending reserves money, the Board agreed for Paul to release some money at the next deposit into an instant access savings account.</p>	<p>PB</p>
<p>7.0</p>	<p>QMS Committees – Remuneration Committee – 28th April 2020</p> <p>George Milne gave an update from the recent meeting that was held over a video call.</p> <p>2020/21 Pay Policy</p> <p>George highlighted that at the Remuneration Committee & Board meetings in February, it was agreed that QMS would award a 2% inflationary rise. At that time, Scottish Government were yet to release their Pay Policy for 2020-21.</p> <p>It was announced that Scottish Government's Pay Policy for 2020-21 would include a 3% inflationary rise. George expressed that QMS staff pay and conditions are not subject to Scottish Government Pay Policy, however, QMS Framework Document confirms that pay awards should "take account of" Government Pay Policy.</p> <p>The committee discussed whether they were content with the previous award of 2% or if they thought it should be changed to 3% to meet the Scottish Government Pay Policy.</p> <p>The Board agreed with the Committee's decision to stay with the 2% inflationary rise.</p>	

	<p>A discussion between the Board was had regarding the pay for the Chair and Board members and whether it should be increased.</p> <p>The Board agreed for there to be no increase to the Chair and Board member pay.</p> <p>Staff Progressions Proposals 2020/21</p> <p>George highlighted at the Remuneration Committee & Board meetings in February, an indicative maximum budget of £20,000 for potential progression rises was agreed. This progression rise would be awarded to staff who completed their stretch objective by the 31st March and would be an increase in salary and not be a bonus.</p> <p>George confirmed that 8 members of staff had met their stretch objectives and 4 members of staff had been put forward by their line manger to receive the progression rise as they had gone 'Above and Beyond'. That is 12 members of staff in total who will receive a progression rise.</p> <p>The committee were shown three different scenarios of how the progression rise could be awarded. The method for each was a percentage increase across the board but enabling a minimum progression rise of £1,000 which helps those at the lower end of the scale.</p> <p>The Board agreed with the methodology used and agreed with the committee's decision to award the relevant staff with a progression rise of 3% with a minimum of £1000.</p>	
<p>8.0</p>	<p>Addition to Agenda – Staff Resources</p> <p>Alan updated the Board on the current situation with staff resources due to everyone's normal duties not required at the moment due to Covid- 19. Alan has asked each Executive Team member to look at their teams to see what areas they need help with to possibly look at moving staff from other departments into if needed, as some are under resourced and others over resourced at the moment. Alan advised that he will be keeping a close eye on the subject of furloughing in case we need to for our staff.</p> <p>Alan also highlighted that staff's mental health is a key priority as a couple of people don't seem to be coping well and perhaps would be best for them to take a break, especially those with young kids.</p> <p>No decisions were made about any of the above points, Alan was updating the Board for information purposes.</p>	
<p>9.0</p>	<p>Addition to Agenda – Crisis Communications</p> <p>A discussion was had regarding crisis communications.</p>	
<p>10.0</p>	<p>QMS Committees – Audit & Risk Management - 4th March 2020</p> <p>Ann Irvine gave an update from the last Audit & Risk Management Committee meeting. Ann confirmed that in 2019, QMS had no GDPR breaches. Andy McGowan and the rest of the Board thanked the QMS team for their hard work last year resulting in there not being any GDPR breaches.</p>	

Ann raised something with the Board that she discussed with the committee regarding the Executive Team presenting their 2020/20 21 plans at the February Board meeting. Ann expressed her concern for the limited time that was given for each Executive Team member and hopes in future we can allow more time for them to present their plans in full as she understands the time and work that is put in to put these plans and presentations together.

Alan Clarke advised that he agrees with Ann and that he and Kate Rowell will work to make sure that adequate time is given to each agenda item in future. Meeting agenda's will be reviewed to make sure that the number of agenda items are kept to a manageable amount to help meetings keep to time.

Ann presented the following papers requesting approval:

Review QMS Risk Register

Charles Milne advised that Covid 19 is in both Risk P and Risk V however should only be in Risk P. Ann confirmed that she will ask Debbie Phillips to remove Covid-19 from Risk V.

The Board agreed to approve the Risk Register.

Review QMS Scheme of Delegation

The Board agreed to approve the Scheme of Delegation along with all of the following appendices – Committee's terms of references:

1. Board Standing Orders
2. Audit & Risk Management Committee
3. Remuneration Committee
4. Beef & Lamb Marketing Advisory Group
5. Pork Marketing Advisory Group
6. Butchers Marketing Advisory Group
7. Cattle & Sheep Industry Advisory Group
8. Pig Forum
9. Standards Co-ordinating Body
10. Pigs Assurance Standards Setting Body
11. Cattle & Sheep Assurance Standards Setting Body
12. Processors Assurance Standards Setting Body
13. Feeds Assurance Standards Setting Body
14. Auction Marts Assurance Standards Setting Body
15. Haulage Assurance Standards Setting Body
16. Scottish Red Meat Industry Resilience Group

Review QMS Policies and Procedures

Alan Clarke advised that Policies and procedures have not been kept up to date over the last couple of years. This is due to the number of staff changes. In the plan for 2020/ 2021, the Head of Corporate Services and Executive Assistant will be working with the relevant members of staff to get each policy and procedure up to date and make sure that there is a plan going forward for them to be reviewed by the agreed date. We will also look through and make sure that the correct person is down as the author/ reviewer for each policy or procedure. The person who reviews the policy or procedure will have the knowledge and understanding to do so. If not, training will be given.

AI

	<p>A discussion was had with regards to additional policies and procedures including, Progression Rises, Home Working and Mental Illness. All of these will be added to the list.</p> <p>The Board agreed to approve the list of Policies and Procedures.</p> <p>Review QMS 2019 Health & Safety Report The Board agreed to approve the 2019 Health & Safety Report.</p> <p>Review QMS PO, Invoice & Payment Approval Process The Board agreed to approve the PO, Invoice & Payment Approval Process</p>	
<p>11.0</p>	<p>Approval of 2020 Pigs Assurance Scheme Standards Philip Sleigh and Kathryn Kerr presented the proposed 2020 Pigs Assurance Scheme Standards. The key changes that were highlighted were the micro biosecurity section and the new layout which is in the same format as the new 2020 Cattle & Sheep Assurance Scheme Standards.</p> <p>Charles Milne raised that he had a couple of questions towards the new standards however they were minor adjustments rather than changes. He highlighted that the standards were very well written and thought the new layout was great. Charles confirmed that he would send an email with the list of adjustments to Philip & Kathryn for review.</p> <p>Jock Gibson asked the question if there was anything in the new standards relating to, if a member who has been removed from the scheme if there was anything stopping from them immediately re applying. Kathryn confirmed that she is currently working on a document that will be separate to all of the Assurance Scheme Standards and will cover certain scenarios like this one and will be used across all of the Assurance Schemes. This will be issued as soon as its finalised.</p> <p>Philip Sleigh thanked Kathryn for her excellent work on the standards.</p> <p>With the adjustments that Charles had highlighted being minor, the Board agreed to approve the 2020 Pigs Assurance Scheme Standards.</p>	
<p>12.0</p>	<p>Implementation Plan 2019/ 2020 Final Highlight Report This report was put into the papers for information only. Any questions towards the paper were answered prior to the meeting.</p> <p>No further questions were asked on the day.</p>	
<p>13.0</p>	<p>Chief Executive’s Report Alan Clarke highlighted a few areas which he and the team have been working on over the last couple of months during the current Covid-19 situation. This included:</p> <ul style="list-style-type: none"> ▪ Farm Gate Prices ▪ Social distancing, PPE, testing of workers & absenteeism in processors ▪ Red meat sector recovery plan ▪ Brexit ▪ Launch of the ‘Make It’ campaign 	

	<p>Alan gave background into the new national ‘Make it’ marketing campaign followed by Lesley Cameron who gave an in depth look at what it will look like.</p> <p>Tom Gibson presented the engagement plan for the campaign and asked for the Board’s support to getting the campaign out there by sharing any social media posts, sharing recipes and giving feedback on any recipes made.</p> <p>Sarah Mackie raised the point if we should use events such as the Turriff Show’s audience as a platform for the campaign. Lesley advised that they are already looking at what events they can work with. The Royal Highland Show and Taste of Grampian are already on the radar but will look into the Turriff Show and any other event that QMS is involved in. Sarah advised that she would be happy to help in any way she can for the Turiff show.</p> <p>Kate highlight that The Royal Highland Show forum has contact with all shows around the country and advised that it may be a good idea for Lesley to look into this as a way of getting in touch with all other events.</p> <p>Kate and the rest of the Board thanked the QMS staff for all of their hard work on the new campaign especially Lesley and her team.</p> <p>Kirsty will send the presentation out along with the minutes from the meeting.</p>	<p>ALL</p> <p>KM</p>
<p>14.0</p>	<p>Chair’s Report</p> <p>Kate highlighted that over the last couple of months during the current Covid-19 situation, as well as lambing and calving, she had been in daily contact with Alan and the rest of the team though email and phone with sometimes joining the Executive Team video meetings. Twice a week there is a farming round table call which Kate is a part of and has been joining.</p> <p>Kate advised that in the industry meetings she has been a part of where they are discussing all aspects of the current crisis and how there are a lot of people who believe that things will go back to normal at some stage . Kate raised if there was anything that QMS could do to make sure that people do realise the impact that the current crisis is not only having right now but going to have on everyone and everywhere in the future and how it is going to affect the life that we knew.</p> <p>Alan agreed that he would discuss with Lesley on what QMS can do.</p>	<p>AC</p>
<p>15.0</p>	<p>Notified Key Issues from Board Members</p> <p>The Board were asked to send in any questions they had on any of the papers proper to the meeting. All of these questions were answered, and Board members received a copy of the questions and answers by email that morning.</p> <p>At the end of the meeting the Board were asked if they had any further questions. Sarah Mackie asked if there should be a crib sheet put together that answers all of the questions that QMS are currently being asked and what the background of the questions are. Alan Clarke notified the group that he and Lesley Cameron are currently working on a document that will include all key facts etc to help make sure that everyone is on message. This will be sent to the Jane Craigie Marketing agency to get their help finalising it before being issued.</p>	<p>AC</p>
	<p>There being no further business, the meeting was closed, and the next Board meeting will be on Thursday 4th June 2020.</p>	