



HGCA BOARD MEETING
3 November 2010
Woodside Conference Centre, Kenilworth, Warwickshire

SUMMARY MINUTES

Matters Arising

Confirmation of travel insurance cover for Board and committee members had been circulated.

A draft "Consortium Agreement" had been produced to incorporate CEL into HGCA by the end of the financial year.

Cross-sector collaboration work was currently in progress across AHDB.

KPIs are to be in place by the beginning of the next financial year.

A paper by Grant Thornton, looking at cross sector working, had been taken to the AHDB Audit Committee meeting.

Chairman's Report

John Bridge would be standing down as Chairman of AHDB from March 2011. An open process to appoint a new Chairman was expected to commence in the near future.

AHDB would be retained under the recently announced Government spending review. Defra would like to find a way to move AHDB away from being an arm's length public body.

Clearance for AHDB negotiations for new accommodation to begin with Defra had been received from Caroline Spelman, MP. Ministerial intervention may be sought for Tom Taylor to negotiate directly. Defra were also querying their liability for AHDB in the event that AHDB were to be dissolved; this would have implications on price negotiations for any building considered.

The Trustees of the HGCA Pension Scheme had made a request for AHDB-HGCA to confirm the level of recovery funding of the pension scheme but no agreement was deferred until the decision on whether to use RPI or CPI had been made by Government.

Meetings had been held with the NFUS, NFU and UFU Seeds and Cereals Committee regarding the business case for an increase in the levy rate. All of these bodies had agreed that HGCA had a strong business case for a levy increase. Numerous open meetings with stakeholders around the country were planned running up to Christmas. The responses received so far had been positive.

Sector Director's Report

Funding had been confirmed for two new monitor farms in Scotland.

There was a significant demand for members of HGCA's MI team to attend and speak at various events and meetings around the country.

Finance and Strategy

AHDB's deficit had reduced and costs had reduced significantly since AHDB was formed, although transition costs had been considerable.

Revenue and income had fallen significantly, both in terms of Commercial Services income and

grant income. Plans to extend the procurement department were in progress and the model used for central cost allocations was under review. There could be unknown additional transition costs to facilitate the move to new accommodation.

The Chairman stated that only EBLEX and BPEX should carry financial responsibility for Winterhill House.

An amount continued to be accrued for the conditioning issue at Caledonia House, which was still unresolved.

Discussion of a re-drafted paper of Management Accounts for September 2010 was postponed until it could be studied; however, it was agreed that any re-forecast of figures must bring R&D in on budget at year end. The Board approved changes to the format of the Management Accounts.

Provision had been made in the budget envelope for 2011/12 for the future pension fund deficit. Administration costs for the scheme were currently higher than forecast, mainly due to additional work on the valuation and the change in investment strategy. The Board noted the revised forecast but with grave concern. Auditors for the scheme were currently under review.

Levy discussion

A business case to support an increase in the levy rate was presented to the meeting. The case included a rounding up of an oilseeds increase, a distinction between Defra and BBSRC Link money and inclusion of levy depreciation graphs. If approved, the increase would be implemented from 1 July 2011.

An updated paper on communications gave details of plans for forthcoming open meetings with stakeholders. Details of a campaign on 'Managing Your Mycotoxin Risk' were also given.

R&D Update

An R&D Strategy review was presented to the meeting. R&D research would suffer cuts in the future as a result of the end of Defra funding and some detail of the 150 projects that had been funded during the previous 3-year strategy was given. The findings of the DTZ evaluation project, which had established amongst other things the value of the Recommended List, were given. Results of consultations had produced some key priorities for new Research and KT. Details of the structure re-organisation of the R&D and KT department were presented.

British Cereals Exports

An update on BCE was postponed until the January 2011 Board meeting.

HGCA Working Groups

A progress report was presented. A number of cross-sector working groups had been set up; these included Risk Management, Arable Business Groups, Nutrition, Education, Consumer Insight and Health and Nutrition. The Committee Review Group planned to meet around March/April 2011 to assess the effectiveness of the new working groups and would report back to May's Board meeting.

Membership of Advisory Committees

The Board approved 3 appointments to the BCE committee.

Any other relevant business

The damage being done to AHDB by on-line blogs was brought to the Board's attention and would be fed back to AHDB Communications.

Date of next meeting

The next meeting of the HGCA Board would be held on 18 January 2011 at Woodside Hotel and Conference Centre, Kenilworth, Warwickshire.