



HGCA BOARD MEETING
10 March 2010
Woodland Grange Conference Centre, Leamington Spa

SUMMARY MINUTES

Matters Arising

Ian Crute's report looking at strategy across AHDB was currently being drafted.

The headcount for the AHDB central cost allocation drivers had been corrected.

The two HGCA pension scheme service providers of professional fees had been asked to review their costs for next year.

Chairman's Report

Tom Taylor, newly appointed CEO of AHDB starts on the 4 May.

AHDB would host a Sector Board Conference on the 26 March.

Planning permission for the new building had been granted. The tender was likely to be awarded at end of March and work commence in May. All tenders received were considerably under budget.

The Chairman received feedback from the Board on the follow up Strategy Day held on 3 March. It was agreed that these days had moved the whole organisation forward.

Sector Director's Report

Key points of Rebecca Geraghty's sector report included:

Defra were seeking greater input from HGCA into the cereals balance sheet. The written proposal, received a week ago, would call for an additional 20 days analyst's time to meet this requirement.

HGCA now had a total headcount of 61 staff, full time equivalent; this had reduced from 71 in London. The final round of redundancies from HGCA would see four people leaving at the end of March.

The deadline for expressions of interest for the TSB programme was 25 February. Susannah Bolton had been working with colleagues to get an AHDB overall picture.

Finance and Strategy

Shaun Tillery and Hannah Dumper joined the meeting. Stewart Vernon presented the report from the Finance Committee of 9 March, which detailed a recovery plan to rebuild reserves as agreed in October 2009.

Hannah Dumper presented the financial summary for period 10 with no major changes from the Q3 accounts. Levy figures had improved since the last Board meeting.

Shaun Tillery explained that all AHDB recharge calculations would be fully audited by Grant Thornton this year and explained that the expected deficit in HGCA reserves would appear in the Statutory Accounts in

July.

Rebecca Geraghty presented the budget envelope reflecting the medium range budget forecast that had been agreed at November's Board meeting and presented three options to reach the target operating deficit for 2010/11. Ian Douglas stated that the Finance Committee had worked within the strategy set by the Board to save costs.

Approval of the Finance Committee's recommendation to accept the budget envelope was proposed, seconded and carried.

Approval was given by the Board for the mortgage method of funding the new building detailed by Shaun Tillery.

MI Presentation and Biofuels review

Martin Grantley-Smith, Charlotte Smyth and Myles Barker joined the meeting to give their presentations as part of the continuing updates given to the HGCA Board on departmental activity. A copy of the presentations is available.

Pension update

Kevin Roberts joined the meeting to provide an update on the current situation regarding the legacy pension scheme. Proposed changes currently being consulted on included introduction of an actuarial reduction for people retiring between 60 and 65, introduction of an actuarial reduction for active members with 25 years' service wishing to retire from the age of 55 years onward, removing the enhancement of service between 50 and 60 for those who are made redundant and introducing employee contributions.

The 60-day consultation period started on 1 April and feedback would be given to the Pension Trustees. The consultation would be handled by Richard Lowe and Rebecca Geraghty. A consultation letter would be issued to all active members, followed by a group meeting and 1:2:1 meetings during April. Kevin Roberts left the meeting.

Minutes of the Board and Advisory Committees were received and approved by the Board.

Approval of Committee Expenditure

The Chairman had attended the R&D meeting on 18 February. He stated that Susannah Bolton and Martin Grantley-Smith were currently reviewing strategies for evaluating projects going forward.

Rebecca Geraghty confirmed that all 120 projects were to be reviewed as part of the development of the new R&D strategy and also highlighted that there was a thorough programme of project assessment in place which included annual reporting and progress review meetings.

RECOMMENDATION: the Board deferred approval of funding for new research projects until the next Board meeting on 26 May 2010, with the exception of any projects which would be compromised by the deferral.

Any Other Business

There was no any other business.

The next HGCA Board meeting would be held on 26 May 2010.