

# Minutes of the Board Meeting on the 23<sup>rd</sup> February 2023

## Quality Meat Scotland Minutes of the 77<sup>th</sup> Meeting of the Board 23<sup>rd</sup> February 2023 SARDC Boardroom, The Rural Centre

### Present:

K. Rowell (Chair)  
A. Irvine  
A. Ivory  
G. Wallace  
I. Bentley  
N. Jeffrey  
P. Brown  
S. Henderson  
S. Jarron

### In Attendance:

S. Millar (Chief Executive)  
D. Phillips (Standards Officer)  
A. Cooke (Sponsor Team)  
H. Curran (Sponsor Team)

### Minutes:

K. McCormack

### Apologies:

A. McGowan  
P. Byrne (Accountant)

Detail	Action
<b>Welcome and Apologies</b>  Kate Rowell welcomed everyone to the meeting. There were two apologies from Andy McGowan and Paul Byrne.  Kate welcomed Ashley Cooke to his first in person QMS Board meeting. Introductions were made around the room with Ashley confirming his title of Deputy Director for Food & Drink which he job shares with Alice Biggins although he is the main contact for the red meat side.	
<b>Additions to the Agenda</b>  The following items were added to the agenda under AOB: <ul style="list-style-type: none"><li>▪ Levy Rates</li><li>▪ Royal Highland Show 2023</li><li>▪ Scottish Government roadmap for Agriculture Reform Programme</li></ul>	
<b>Declaration of interests in any agenda item</b>	

<p>The following Board members declared an interest as being Quality Assurance members and levy payers however these did not conflict with any agenda item:</p> <ul style="list-style-type: none"> <li>▪ Niall Jeffrey</li> <li>▪ Kate Rowell</li> <li>▪ Adrian Ivory</li> <li>▪ Ann Irvine</li> <li>▪ Scott Henderson</li> </ul> <p>Ian Bentley declared an interest in levy rates as being president of Scottish Association of Meat Wholesalers and on the Board of Scotbeef Ltd.</p>	
<p><b>Minutes of Board Meeting on the 10<sup>th</sup> November 2022</b></p> <p>The minutes were reviewed and agreed as an accurate record of the meeting.</p>	
<p><b>Commercial in Confidence – Update on Action Points</b></p> <p>The Board reviewed the actions from the previous meeting and the following updates were given:</p> <p><u>No. 1 – 2.0 Board Session with Cabinet Secretary Mairi Gougeon MSP</u> Sarah Millar advised that this is ongoing and the briefing paper for Cabinet Secretary will be prepared prior to full launch.</p> <p><u>No. 14 – 10.0 Highlight Report &amp; Imp Plans 2022/ 2023</u> A date for the rescheduled joint parliamentary reception with NFUS and SAC Consulting is still to be agreed. Sarah Millar will chase this.</p>	
<p><b>Financial Report 5 Months to 31<sup>st</sup> January 2023</b></p> <p>Debbie Phillips presented the financial report for the 2022/ 2023 financial year to the 31<sup>st</sup> January 2023.</p> <p>A discussion was had regarding the outcome of levy receipts due if a processor goes into administration. Debbie agreed to look at finance information on what happened when abattoirs closed in previous years answering if they paid outstanding levy money/ did we keep deposit payment.</p>	<b>Debbie</b>
<p><b>Review of Reserve's Policy – Discussion only if required</b></p> <p>It was agreed that going forward a Reserves Policy paper should be included in every Board pack and on the meeting agenda however it would only be discussed if required.</p> <p>The Board agreed there was nothing for discussion/ no changes to be made.</p>	

<p><b>Draft Programme of Recurring Board Business 2023/ 2024</b></p> <p>Sarah Millar presented the paper listing the recurring Board business for 2023/ 2024.</p> <p>The Board reviewed and approved the recurring Board business for 2023/ 2024.</p>	
<p><b>QMS Committee Meeting Updates</b></p>	
<p><b>Auction Market Assurance Standard Setting Body – 13<sup>th</sup> December</b></p> <p>Scott Henderson gave an update to the Board from the Auction Market Assurance Standard Setting Body meeting which took place on the 13<sup>th</sup> December.</p> <p>Scott highlighted that Kathryn Kerr gave a presentation on the revised standards setting process and explained the addition of the member consultation process on any changes proposed by the committee.</p> <p>The wording of several standards was revised, the recommendation on livestock being moved of premises as soon as possible was removed and a new recommendation on welfare checks was added.</p> <p>The following 5 new standards were added.</p> <ul style="list-style-type: none"> <li>▪ <b>Adequate pest control</b> - alignment with other QMS schemes</li> <li>▪ <b>Dirty water, slurry and solid waste management</b> – commitment to environmental protection</li> <li>▪ <b>Fallen stock and carcase management</b> – site biosecurity</li> <li>▪ <b>Handling facilities for vet/id checks</b> - safety and welfare of animals and personnel</li> <li>▪ <b>Site appearance</b> – public perception of markets/red meat industry/QMS</li> </ul>	
<p><b>Red Meat Industry Resilience Group – 12<sup>th</sup> January</b></p> <p>Kate Rowell gave an update to the Board from the Red Meat Industry Resilience Group which took place on the 12<sup>th</sup> January.</p> <p>Kate highlighted the following key information from the meeting:</p> <ul style="list-style-type: none"> <li>▪ <b>Net Zero and Nature Restoration Roadmap</b> – A presentation was given by Sascha Grierson and John Farquhar of SRUC and the project steering group.</li> <li>▪ <b>Supply Chain Highlights &amp; Challenges</b> - Members of the Group highlighted key positives and challenges for their part of the supply chain.</li> </ul>	

<ul style="list-style-type: none"> <li>▪ <b>Areas of focus</b> - The Group agreed what the areas of focus should be for the next 12 months. Critical areas identified were: the potential unintended consequences of Scottish Government cross-portfolio policy work; food and energy security and; land use. It was agreed that it would be constructive to reach out to NGOs in order to discuss areas of agreement on these issues.</li> <li>▪ <b>Collaborative Action</b> - Outside the meeting there has also been some collaborative action, specifically relating to a response to Edinburgh City Council's endorsement of the Plant Based Treaty. Letters were also written to all other Scottish local authorities to emphasise the positive impact the Scottish red meat supply chain has across society and offering the opportunity to meet to discuss its benefits further. 5 responses received from 5 local authorities – all supportive.</li> </ul> <p>The Board discussed the Good Food Nation and it was mentioned that as well as getting MSP'S involved and getting on farm, it would be good for QMS to put on a specific seminar/ event. Sarah Millar agreed to speak to Lucy Ozanne about incorporating this into future activity.</p>	<p><b>Sarah</b></p>
<p><b>Processor Assurance Standards Setting Body – 24<sup>th</sup> January</b></p> <p>Ian Bentley gave an update to the Board from the Processor Assurance Standards Setting Body meeting which took place on the 24<sup>th</sup> January.</p> <p>Ian highlighted that Kathryn Kerr gave a presentation on the revised standards setting process and explained the addition of the member consultation process on any changes proposed by the committee. Everyone was happy with the proposed new process.</p> <p>There were no proposed changes to standards.</p>	
<p><b>Pig Forum – 25<sup>th</sup> January</b></p> <p>Gordon Wallace gave an update to the Board from the Pig Forum which took place on the 25<sup>th</sup> January.</p> <p>Gordon highlighted the following key information from the meeting:</p> <ul style="list-style-type: none"> <li>▪ <b>Situation update</b> - Producers and processors in the group discussed industry challenges.</li> <li>▪ <b>QMS activities</b> – Sarah Millar gave a summary of the work of QMS and reiterated the importance of committees like the Pig Forum.</li> </ul> <p><b>Pig health &amp; welfare</b> - Grace webster gave an update on pig health and welfare.</p>	

<ul style="list-style-type: none"> <li>▪ <b>Industry Development</b> – Bruce McConachie gave the group an overview of Industry Development work in the pig sector by theme and work package, and the budget share of each project.</li> </ul> <p>The group was then divided in two and asked to evaluate the value for money of current projects and undertake a K.I.S.S. analysis.</p>	
<p><b>Haulage Assurance Standards Setting Body – 31<sup>st</sup> January</b></p> <p>Adrian Ivory gave an update to the Board from the Haulage Assurance Standards Setting Body meeting which took place on the 31<sup>st</sup> January.</p> <p>Adrian highlighted the following key information from the meeting:</p> <ul style="list-style-type: none"> <li>▪ <b>Revised standards setting process</b> - Kathryn Kerr gave a presentation on the revised standards setting process and explained the addition of the member consultation process on any changes proposed by the committee.</li> <li>▪ <b>Livestock Transport Approval Scheme (LTAS)</b> - It was raised that no certification body in Scotland does the assessments for the (LTAS), historically this was done by Acoura/SFQC. Gordon added that he and QMS are in discussions about this. Brands integrity team are going to ensure this is picked up.</li> </ul> <p>Sarah Millar took an action to speak to Bruce McConachie about getting a haulage industry advisory group meeting in the diary.</p>	<p><b>Sarah</b></p>
<p><b>Cattle &amp; Sheep Assurance Standards Setting Body – 15<sup>th</sup> November &amp; 7<sup>th</sup> February</b></p> <p>Niall Jeffrey gave an update to the Board from the Cattle &amp; Sheep Assurance Standards Setting Body meetings which took place on the 15<sup>th</sup> November and the 7<sup>th</sup> February.</p> <p>Niall highlighted the following key information from the meetings:</p> <ul style="list-style-type: none"> <li>▪ <b>Clipfitter™ system</b> - Eadie bros &amp; co ltd presented on their Clipfitter™ system</li> <li>▪ <b>Scheme renewal fees</b> – Scheme renewal fees were debated by the committee and a paper was shared reminding the committee they had been frozen since 2020. The committee reviewed the current fees against what they would be for all 9 bands at a 4.5% and 9.0% increase. The possibility of having to use the levy to support the scheme as costs increase if the fees did not was discussed. It was agreed by the committee to put the 4.5% increase to the board for approval.</li> <li>▪ <b>Health plan dispensation</b> – A proposal to extend the dispensation to vet involvement for the health plan standards 3.3 and 3.4 was actively debated by the committee. The challenges of getting vets in some areas and the risk to</li> </ul>	

<p>exports (DEFRA export health certificates) was noted and the potential for our scheme to be seen as a lower standard vs the rest of the UK schemes was acknowledged as a real threat. All the farmers on the committee agreed that in their case Health Plans had been beneficial to their business. The conclusion was that the dispensation should not be extended again and should end on 31st March 2023. It was agreed that this be put to the Board for approval.</p> <p>Niall asked for the Board to review the following proposals:</p> <ol style="list-style-type: none"> <li>1. The C&amp;S renewals are increased by 4.5% rather than the average CPI inflation of 9.1%</li> <li>2. Health plan dispensation ends on 31<sup>st</sup> of March</li> </ol> <p>The Board discussed and agreed to approve proposals.</p> <p>It was highlighted that regarding the health plan dispensation we need to make sure we get the communications correct for this and to include selling the benefits and highlight the risks to the members they represent, with a united communication strategy</p> <p>Sarah Millar took an action to speak to Kathryn Kerr around implementing the end of the health plan dispensation.</p>	<p><b>Sarah</b></p>
<p><b>Standards Chair Committee &amp; Brands Integrity Advisory Group – 14<sup>th</sup> February</b></p> <p>Kate Rowell, Chair of the Standards Chair committee and Pete Brown, Chair of the Brands Integrity Advisory Group updated the Board from their recent joint meeting which took place on the 14<sup>th</sup> February.</p> <p>They highlighted that the two committees were brought together for the first time as the project of QA Scheme Rules &amp; Governance required input from both committees.</p> <p>The following was agreed at the meeting:</p> <ul style="list-style-type: none"> <li>▪ Rules need to be clear to leave no doubt with members.</li> <li>▪ Processes should be outlined in a process flow diagram.</li> <li>▪ To note the difference between membership and certification as the two are very different.</li> <li>▪ Governance of scheme rules should have some impartiality from the QMS Board.</li> <li>▪ The Appeals panel will have an independent chair and a member of the QMS Board.</li> </ul>	

<ul style="list-style-type: none"> <li>▪ QMS team will start to pull together a list of people that could sit on this panel</li> <li>▪ Board to agree on Chair of the panel.</li> </ul> <p>Under agenda item 12, Kathryn Kerr presented to the Board to get their thoughts on the QA Scheme rules and Governance.</p>	
<p><b>Remuneration Committee – 9<sup>th</sup> February</b></p> <p>Peter Brown gave an update to the Board from the Remuneration committee meeting which took place on the 9<sup>th</sup> February.</p> <p><u>Report on Mid-Term Appraisals</u></p> <p>Mid-term appraisals are complete. They incorporated the new QMS values and followed a different process to previous years. Initial feedback is positive however we will get a full note of feedback and comments on how the process was and how we can improve when Corporate Services issue an anonymous survey to all staff.</p> <p><u>Review of Terms of Reference</u></p> <p>The committee agreed that it should state that the membership is 3 Board members plus the Chair which means bringing on 1 more Board member to the committee.</p> <p>Kate Rowell will ask the Board at the April Board meeting of who would like to join. We will hopefully have 3 new Board members by then. Kirsty McCormack to put this onto the agenda for the April meeting.</p> <p>Debbie Phillips agreed to check if there are any governance reasons on who can and cannot sit on the committee.</p> <p>The committee also agreed that it should state that the Chair of QMS should be a member.</p> <p><u>Remuneration Options Paper</u></p> <p>Details from was given under agenda item no. 11.</p>	<p><b>Kate/ Kirsty</b></p> <p><b>Debbie</b></p>
<p><b>Remuneration Options Paper</b></p> <p>Pete Brown highlighted the three papers that the committee reviewed and are now asking for the Board to review.</p>	
<p><b>QA Scheme Rules &amp; Governance</b></p> <p>Kathryn Kerr presented to the Board the work that she is currently doing on QMS Quality Assurance scheme rules &amp; Governance which was on the agenda for the shared Brands Integrity Advisory Group/ Standards Chairs meeting on the 14<sup>th</sup> February.</p>	

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<p>Resilience Group.</p> <ul style="list-style-type: none"> <li>▪ <b>Market Development</b> – Plans going well for HRH visit which will be to the Kelso monitor farm on 23/3/23, showcasing how the programme drives change at farm level to align with wider outcomes for the Scotch Beef Club.</li> <li>▪ <b>Marketing &amp; Communications</b> – January 2023 4 week period volume figures comparing against 2022:beef down 1.1%, pork down 6.2%, lamb down 19.07%. Trend impacted plant based as well</li> </ul> <p>Lesley Cameron agreed to send to Scott Jarron data on the spend and on the volume of red meat in January 2023.</p> <p>Sarah Millar agreed to share with the Board the response received from FIA in relation to the letter we sent to them raising concerns on a number of critical issues.</p> <p>Kate Rowell asked Debbie Phipps to update the Board Induction portal ahead of the new Board members joining on the 1<sup>st</sup> April.</p>	<p><b>Lesley</b></p> <p><b>Sarah</b></p> <p><b>Debbie</b></p>
<p><b>Proposed Budget 2023 - 2024</b></p> <p>Sarah Millar presented the proposed budget for 2023 – 2024 and highlighted the following key information:</p> <ul style="list-style-type: none"> <li>▪ Budgeting to a deficit position of 59K</li> <li>▪ Estimated income from repatriated levy of £1.339m</li> <li>▪ Budgeted change of 1% in total income from the 2022/23 expected outturn</li> <li>▪ Balance Sheet reserves (page 8) budgeted to increase by Mar-24 to £1.45m. This would take the level of reserves above the £1.3m required by the Board approved Reserves Policy (Sep-22)</li> <li>▪ Cash reserves are budgeted to slightly increase (£42k) over the 2023/24 year</li> </ul> <p>The Board reviewed and approved the 23/24 proposed budget.</p>	
<p><b>Implementation Plans 2023 - 2024</b></p> <p>Sarah Millar and the Executive Team presented their final implementation plans for 2023/ 2024 highlighting key projects and outcomes. Some of those key outcomes are:</p> <p><b>Corporate Services</b></p> <ul style="list-style-type: none"> <li>▪ Develop a QMS sustainability policy</li> <li>▪ Implement our new CRM system, provided training and future development of the system.</li> </ul>	

<p><b>Industry Development</b></p> <ul style="list-style-type: none"> <li>▪ Employ a new Cattle &amp; Sheep Specialist / Animal Health &amp; Welfare Specialist</li> <li>▪ Delivering a new programme of activity Meat Eating Quality</li> </ul> <p><b>Brands Integrity</b></p> <ul style="list-style-type: none"> <li>▪ Roll out of the membership rules to members</li> <li>▪ Creation of the Governance committee/appeals panel for the governance of these rules</li> </ul> <p><b>Market Intelligence &amp; External Affairs</b></p> <ul style="list-style-type: none"> <li>▪ Development and launch of new QMS strategy</li> <li>▪ Growth of public affairs work across Holyrood and Westminster</li> </ul> <p><b>Market Development</b></p> <ul style="list-style-type: none"> <li>▪ Increased awareness of Scotch brands and QA schemes to trainee chefs, apprentice butchers.</li> <li>▪ New international market access opportunities</li> </ul> <p><b>Marketing &amp; Communications</b></p> <ul style="list-style-type: none"> <li>▪ Grow brand awareness in the UK</li> <li>▪ The building of QMS's reputation with Industry through effective communications and engagement</li> </ul>	
<p><b>Chief Executives Report</b></p> <p>Sarah Millar highlighted key information from her report which included the following areas:</p> <ul style="list-style-type: none"> <li>▪ <b>General</b> – The Monitor Farm Programme has held the first on farm meetings with attendance of 60+ at each. HRH visit planned to the Borders Monitor Farm in March</li> <li>▪ <b>Staff</b> – Category Manager within Marketing &amp; Communications will be leaving at the end of March. This provides an opportunity to do some internal restructures to this team, with a solution found in Project Officer within Market Intelligence &amp; External Affairs being given a promotion opportunity to build in the key aspects of the consumer insight work to her role.</li> <li>▪ <b>Stakeholder Engagement</b> – Successful QMS parliamentary Reception held on the 17<sup>th</sup> January with Alice Stanton. Well received with significant follow up press as a result.</li> </ul>	
<p><b>Chairs Report</b></p> <p>Kate Rowell updated the Board on the meetings and activities that she has been a part of over the past few months which included:</p> <ul style="list-style-type: none"> <li>▪ Farming Roundtable meetings</li> </ul>	

<ul style="list-style-type: none"> <li>▪ Farmers Guardian Column</li> <li>▪ ARIOB Meetings</li> <li>▪ Thainstone Christmas Classic</li> <li>▪ RSABI Dinner</li> <li>▪ Agri Tourism Conference</li> <li>▪ Meeting with John Gilliland and Cab Sec Mairi Gougeon</li> <li>▪ Trees on Farm meeting</li> <li>▪ SAOS Conference</li> <li>▪ Edward Mountain MSP meeting</li> <li>▪ Farmstrong Event</li> </ul> <p>Kate notified the Board that there is a new NFUS presidential team who we hope will be able to join us at the April Board meeting.</p> <p>Kate gave an update on recruitment for QMS Board members. She highlighted we had received 24 applications which 12 have been shortlisted. Interviews are taking place w/c 27th February. Decisions will be put to Cabinet Secretary for approval. Start date from 1<sup>st</sup> April.</p> <p>Kate highlighted that this was Scott Henderson's last QMS Board meeting and on behalf of the Board, thanked him for his contribution, support and guidance he has given over the last 8 years not only to QMS, but to the whole of the Scottish red meat industry.</p>	
<p><b>Any Other Business</b></p> <p><u>The Royal Highland Show 2023</u></p> <p>The Board discussed potential speakers for this years show and Sarah agreed on the following:</p> <p>We will send an invite to Cabinet Secretary to speak on the Thursday.</p> <p>We will draft an invite to First Minister to speak on the Friday.</p> <p>We will get in touch with Frank Mitloehner, Professor at the University of California, Department of animal science. Ask him to potentially speak on the Friday if not the first minister. To also ask for his help at different times over the day.</p> <p><u>Agriculture Reform Programme</u></p> <p>The Board discussed the route map that Scottish Government launched at the NFUS AGM and highlighted the issues and how they impact the red meat industry.</p>	<p><b>Sarah</b></p> <p><b>Sarah</b></p> <p><b>Sarah</b></p>
<p>There being no further business, the meeting was closed.</p> <p>The next key date is Thursday 27<sup>th</sup> April for the QMS Board meeting which is in person at, The Rural Centre in the SARDC Boardroom</p>	

If you require any travel or accommodation for this date, please contact Kirsty McCormack.	
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