

Confidential

QUALITY MEAT SCOTLAND
Minutes of the Forty-third Meeting of the Board
23 February, 2017 10.00am Rural Centre Boardroom, Ingliston

Present:

J McLaren, Chairman
R Eunson
J Fitzpatrick (Items 1-8, 10)
J Gibson
S Henderson
S Mackie (Items 5-15)
A McNaughton
G Milne
K Rowell
J Scott
P Sleight
L Welsh

In Attendance:

S Ashworth (Items 6, 9, 10 and 11)
D Bell (Item 6)
P Byrne (Items 4 and 5)
C McLaren (Item 6)
U Morton (Chief Executive)
H Curran (Sponsor Team)
L Vernet (Item 6)
S Woodman (Item 6)
S Shepherd (Item 1)
L Wilson (LWi for benefit of action points)

Apologies

None

To note congratulations to Professor Julie Fitzpatrick who was recently awarded the Royal Smithfield Club Bicentenary Trophy by HRH Princess Anne and to Louise Welsh and Ronnie Eunson on reappointment to the Board

1 Brian Taylor (Senior Risk Manager, Scottish Government) – ACTION
Presentation on Risk Appetite

Brian Taylor gave a presentation and answered questions from the Board.

The following points were noted:

- To revisit this topic in a smaller group with Audit & RM committee.
- Circulate slides and Board Challenge Questions

SS
LWi

2 Minutes of Board meeting, 17 November, 2016 and
Notes of Board Planning Session, 8 December, 2016

The minutes of the 17 November Board meeting were approved however corrected spelling of Andrea Leadsom name. The record of the Board Planning session on 8 December was also noted.

LWi

3 Commercial in Confidence
Update on Action Points (paper 64-16/17)

There were no queries on action points to note. General comment on Euro bank account – final programme EU 4 finishes at end of June 2017 and no confirmation as yet regarding whether a future grant will be awarded.

4 Financial Report 10 months to 31 January, 2017 (65-16/17)

5 Budget 17/18 – for approval (paper 66-16/17)

5.1 For the 17/18 Financial Year a budget deficit of £166k is planned, total income is expected to decrease by 6%, with the levy income forecast to increase by 0.1% and external expenditure to decrease by 8%.

5.2 The following points were noted:

- Additional analysis as requested at November Board meeting shows staffing costs by department.
- Remainder of Brands strengthening grant to be spent the 17/18 financial year.

The Budget for 2017/18 was approved.

6 Corporate & Business Plan 17/18–19/20 (paper 67-16/17)

6.1 The Board approved the 17/18-19/20 Corporate and Business Plan.

The following points were noted:

- Update red meat Industry contribution in Chairman's Foreword on page 3 from £2b to £2.43b, source Moxey Report "Assessment of the Economic Contribution of Scotland's Red Meat Supply Chain". **LWi**
- Third paragraph on page 11 to be reviewed due to Scotland opting not to progress with ANC. **SA**
- Page 24 to be updated with figure from SG of £9.13m **LWi**
- Appointment dates of Board Members to be added to page 32 **LWi**

6.2 17/18 Activity Plans and Performance Measures (paper 68-16/17)

Senior managers gave presentations on their respective activity plans. In discussion the following points were noted:

Corporate Services

- There were no queries on the Corporate Services plan.

Economics Services

- There were no queries on the Economics Services plan.

Brands Integrity

- The remaining brands strengthening budget may be used to fund a Brands Integrity project pending discussion at agenda point 14.
- Suggestion that information leaflet be prepared that abattoirs can send out to promote use of SPECC. **SW**
- Investigate potential for butchers and food service providers to use SPECC to ensure beef they receive is Scotch Beef. **SW**

Communications

- There were no queries on the Communications plan.

Industry Development

- Positive feedback on Monitor Farm meetings as QMS are seen as trusted and impartial.
- ID team to participate in an SRUC co-ordinated events calendar combining all events from other organisations. **DB**

Marketing

- Marketing team to explore working with AHDB/HCC to secure additional funding from levy repatriation pot. **LV/UM**
- Continue to explore opportunities to link with other Scottish organisations to work jointly on campaigns for example, Surf & Turf with Seafood Scotland. **LV**

The Board approved the 17/18 Activity Plans and Performance Measures.

7 Progress Report for Period 1 Nov – 13Feb (paper 69-16/17)

The Progress Report for the period was reviewed with no comments to note

8 Neil McGowan – Nuffield Scholarship Project Presentation

Neil McGowan gave a presentation and answered questions from the Board.

The action arising from the presentation is for Head of ID to meet with Neil to discuss further QMS potential involvement in relevant points made.

DB

9 Market Report (paper 70-16/17)

The Head of Economics Services gave a presentation on beef consumption, retail pricing trends and trade figures and answered Board questions.

10 Brexit Issues for the Industry/QMS (paper 71-16/17)

The Board discussed the updated paper and there were no issues to note.

11 Regional Lamb Slaughter Capacity (paper 72-16/17)

The Head of Economics Services gave a presentation and answered Board questions on Regional Lamb Slaughter Capacity.

A Board member noted concern that some of the numbers did not correspond with the seasonal variance in supply which had been experienced.

12 Committee Updates

12.1 Remuneration Committee – 23 Nov – R Eunson (paper 73-16/17)

The Remuneration Committee minutes were noted.

The following point was noted:

- To insert “for board members” after rate in the last paragraph in section 4.

SS

12.2 Recommendation on Pay Award

The Board approved the Remuneration Committee’s pay award recommendations.

12.3 Processor Standard Setting Meeting – 24 Nov – A McNaughton

The main point to note is that CCTV will become a mandatory requirement for members and will be written into the processor standards which will be presented to the April Board for approval.

12.4 Audit & Risk Management Committee (paper 74-16/17)

The minutes of the 26 October meeting of the Audit & Risk Management Committee were noted.

The following point was noted:

- The Chairman brought to the attention of the Board that the internal auditors had provided a “substantial assurance” score on the corporate governance internal audit. He asked the CE to congratulate the Corporate Services team on this achievement.

**13 *Commercial in Confidence*
Update on Levy Repatriation (verbal report)**

14 Chief Executive’s Report (paper 75-16/17)

- 14.1** SG Consultation on unconventional oil & gas (Fracking) – after discussion the Board decided there were no strong views and a response from QMS is not required.

14.2 ***Commercial in Confidence***

Short Life Brands Integrity Sub Committee Update

The Chief Executive gave a presentation on the progress to date of three Sub Committee meetings.

The following points were noted:

- Concern as to where the costs would sit within the industry and the need to look at the cost benefit scenario.
- It was noted that if a DNA sample was taken at birth with an ear tag, SG would need to ensure this is included within the scope of the legislation.

The Board discussed and agreed in principle to progress the feasibility of DNA authentication for beef. The next stage would be to discuss the concept with key stakeholders to assess industry support.

UM

15 Chairman's Report

- 15.1 Since the November Board, in addition the meetings noted in the CE report, the Chairman had attended the Scottish Feed Compounders Dinner, Farming and Food Summit, NFU Scotland Planning Meeting, Taste of Grampian Launch event, and the NFU AGM in Birmingham. He had a meeting with George Eustice on levy repatriation and chaired a Beef 2020 meeting.

16 Any Other Business.

Kate Rowell had attended an SAOS workshop on Developing Member Relations and commented favourably on the survey techniques used.

17 Date of Next Meeting

The next Board meeting would be held on Thursday, 27 April at 10am in the Rural Centre Boardroom.

18 *Commercial in confidence*

The Chief Executive withdrew from the meeting. The Chairman provided an update on the recruitment process which had been initiated following the January email from the Chairman to Board Members informing them of the intention of the CE to step down from his role at the end of June. The Chairman reported progress to date and applications were due to close on 3 March. Interviews were scheduled for w/c 27 March and a selection panel would be appointed. The Board agreed with the Chairman's sentiment that this would be an effective process.