

Confidential

QUALITY MEAT SCOTLAND
Minutes of the Forty-fifth Meeting of the Board
9 June, 2016 10.00am Rural Centre Boardroom, Ingliston

Present:

J McLaren, Chairman
R Eunson
J Gibson
S Henderson
A McNaughton
G Milne
K Rowell
J Scott
P Sleigh

In Attendance:

D Bell (Item 11)
P Byrne (Items 1-5)
C McLaren (Item 15)
U Morton (Chief Executive)
G Smith (Sponsor Team)
S Woodman (Item 12)

Apologies

J Fitzpatrick, S Mackie, L Welsh

ACTION

1 Minutes of Board meeting, 28 April, 2016

The addition of a third bullet at 5.2 was noted and the minutes of the April Board meeting were approved.

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Update on Action Points (paper 19-16/17)

There were no queries on the action points paper.

3 Financial Report 1 months to 30 April, 2016 (20-16/17)

3.1 Income and Expenditure

Income and expenditure was in line with budget.

3.2 Balance Sheet

Cash was on budget and there were no concerns about debtors.

4 Approval of Accounts for the Year Ended 31 March, 2016 (paper 21-16/17)

There were no issues arising from the audit of the accounts and no adjustments had been made by the auditor. The deficit reported in the April Board management accounts for the year end had been reduced to £178k in the final accounts due to adjustments to some accrued expenditure. The Board approved the Accounts for the Year Ended 31 March, 2016.

SS

5 Fraud, Theft and Bad Debt Report (paper 22-16/17)

The Fraud, Theft and Bad Debt Report was approved for submission to Scottish Government.

SS

6 Progress Report for Period 1 Apr to 30 May (paper 23-16/17)

6.1 Engagement with butchers and issues relating specifically to the butchery sector were discussed. There was only one abattoir in mainland Scotland used by a number of butchers that was not a member of the QMS processor scheme. A visit to this abattoir would be arranged. Also noted was that the number of butchers shops did not reflect population levels in some areas of the country and this would be discussed at the forthcoming meeting with SFMTA.

JMcL/GM

UM

- 6.2 The Communications team was thanked for its hard work at the successful Taste of Grampian event. The Press & Journal Opinion comment on Taste of Grampian would be circulated to Board members for information. **SK**
- 6.3 An analysis of cattle and sheep assurance scheme membership numbers and reasons for not renewing was requested (see action in agenda item 7). Also requested was a comparison of last year's membership renewal numbers against the current renewals. **SW**
- 7 Progress Report on Achievement of Critical Success Factors (paper 24-16/17)**
- 7.1 The progress report on achievement of critical success factors (CSF) was noted. The new CSF for assurance would, in future, include a report of scheme membership numbers with reasons for non-renewal. **SW**
- 7.2 There was a query regarding the percentage figures in the table at the bottom of page 2 which would be checked and clarified. **LV**
- 8 Market Report (paper 25-16/17)**
The market report was noted.
- 9 Committee Updates**
- 9.1 Pigs Standards Setting Body – 5 May – P Sleigh
The SSB review of the 2014 standards had been held back until the Red Tractor discussions regarding the addition of standards to maintain equivalence for Specially Selected Pork had concluded. The covering letter being issued with the updated standards would be drafted carefully to explain the background to Real Welfare requirements, antibiotic electronic recording and the requirement to sign the Health Charter.
- 9.2 SSP Marketing Strategy Group – 18 May – P Sleigh
The group received a market report. The new pork campaign was discussed which aimed to increase consumption of pork and included radio advertising. The group was planning a visit to a processor.
- 9.3 Audit & Risk Management Committee – 8 June – A McNaughton
The end of year accounts had been audited and no issues were highlighted. An explanatory sentence would be added to the accounts regarding the planned deficit. The QMS finance team was congratulated on a very good audit outcome which was in the top quartile of NDPBs. Audit Scotland has been appointed auditors for the next five years. The internal audit on the communications strategy had identified no issues and received a substantial assurance rating. Reasonable assurance had been achieved on the ID audit. The audit plan for the next period was agreed. The Terms of Reference were agreed. The Risk Register was reviewed and some changes made. Risk appetite would be discussed further with the Committee prior to discussion by the Board. The Reserves policy was reviewed and would be discussed at the September Board. Dormant companies – SQLBA and SPII would be retained. Consideration would be given to whether the Health & Safety annual report should include an environmental element. **SS**

9.4 Remuneration Committee – 8 June – R Eunson

A report on staff appraisals was received. A draft Flexible working policy was reviewed and would come to the Board for approval. Succession planning was discussed and the benefit of being aware of staff intentions to minimise the impact of any potential changes.

SS

It was agreed any future salary sacrifice (more appropriately called salary exchange) for additional pension contributions would benefit from the Employer's NI contribution savings. Employees considering this option would be advised to seek independent financial advice. The Gifts and Hospitality Register was noted. The policy on Bereavement leave was amended to include arrangements for employees in co-habiting/civil partnership situations.

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Discussion on EU membership in/out vote and the implications for the Scottish red meat industry(paper 26-16/17)

The Board was asked for a view on whether the internal briefing note should be circulated to a wider audience. The Sponsor Team was asked for guidance on any restrictions for QMS regarding the briefing and it was confirmed that as the pre-referendum Purdah period had already commenced QMS could not make the information available to others.

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Proposal on Most Effective Way to Deliver Future Industry Development Activity

11.1 The Head of Industry Development gave a presentation on the most effective way to deliver future Industry Development activity.

11.3 A summary of delegate feedback from the Rising to the Challenges conference was tabled for information.

12 **Assurance Schemes (papers 27-16/17, 28-16/17, 29-16/17, 30-16/17)**

12.1 Pigs Assurance Scheme Standards

Red Tractor had confirmed that the updated QMS standards document met their equivalence requirements. There was one additional sentence to standard 3.4 "any recommendations following a real welfare assessment must be included in the veterinary health plan". The Brands Integrity Manager was thanked for her input to the review of the standards. The changes to the Pigs Assurance Scheme standards were approved.

SW

12.2 SPECC Backdating

The Board agreed to continue with the current rules and review the situation again at the November Board meeting.

SW

12.3 Proposed Review of Acoura Technical Advisory Committees

The Board discussed the three options outlined in the paper. It was agreed to progress Option 3 – continue TACS for the Pigs, Processor and Cattle & Sheep schemes and set up a new Industry Consultation Group.

SW

12.4 Parameters of Assurance Contract Tender

The contract term was discussed and it was agreed the term for the new

contract would be five years. It was also agreed that the tender document would include provision of Beef Efficiency Scheme (BES) farm inspections may be an additional separate element of the assurance contract. Further detail on the BES farm inspection requirements would be provided prior to the tendering process.

SW

**SW
GS/SW**

13 Draft Board Meeting Dates 17/18 (paper 31-16/17)

The Board meeting dates for 17/18 were noted.

SK

14 Draft 17/18 Planning Process (paper 32-16/17)

The Planning Process for 17/18 was approved.

15 Royal Highland Show Briefing

The Head of Communications gave a presentation on the Royal Highland Show and was congratulated on the wide range of activities planned.

16 Chief Executive's Report (paper 33-16/17)

The Chief Executive updated Board members on the Scottish Leaders Forum and the First Minister's speech at the 8 June event.

17 Chairman's Report

Since the last Board meeting the Chairman had attended a number of meetings which were detailed in the Chief Executive's report. In addition he had attended a Royal Bank of Scotland lunch, Beef Efficiency Scheme meetings, met with C&D auction marts in Dumfries and gave a presentation to the Scottish Beef Association.

18 Annual Board Healthcheck (paper 34-16/17)

Board members were asked to complete and return a questionnaire which would be evaluated and results reported to the September Board.

PB

19 Any Other Business

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NSA meeting with Defra Minister

20 Date of Next Meeting

The next Board meeting would be held on Thursday, 15 September at **9am** in the Rural Centre Boardroom and would be preceded by the Board Away Day and dinner with the Cabinet Secretary on Wednesday, 14 September.