

QUALITY MEAT SCOTLAND
Minutes of the Thirty-First Meeting of the Board
14 November, 2013 10.00am NFUS Boardroom, The Rural Centre

Present:

J McLaren, Chairman
J Craig
R Eunson
J Mackey
G McKen
A McNaughton
R Parker
A Peddie
J Scott
D Sole
P Thomas
L Welsh

In Attendance:

T Bailey (Item 16)
P Byrne, Accountant (Items 3-4)
C McLaren (Item 11)
M Morgan (Sponsor Team)
U Morton, Chief Executive
K Peebles (Items 10 & 16)
J Robertson (Item 11)

Apologies

None

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1.1 Declarations of Interest

John Craig declared an interest in relation to agenda item 10.

1.2 Minutes of the Meeting Held on 26 September, 2013

The minutes of the meeting held on 26 September were approved and signed by the Chairman.

2 *Commercial in Confidence – item withheld*

3 Financial Report 7 months to 31 October, 2013 (paper 52-13/14)

3.1 Income & Expenditure

Levy income was below budget and the situation would continue to be closely monitored. The assurance scheme fees had been reconciled and there were no issues to report. Grant income was behind budget and marketing expenditure was underspent both due to timing issues.

3.2 Balance sheet

There were no concerns to report on the balance sheet. It was noted that other debtors were high against budget which was due to accrued grants.

3.3 A query was raised on how to more accurately phase budgeted expenditure to avoid a high underspend. This area would be considered at a future internal audit to see if there were methods to improve this situation.

4 Annual Review of Reserves Policy (paper 53-13/14)

4.1 As requested at the September Board meeting, the Audit Committee had reviewed the reserves policy on 7 November. A paper with the Audit Committee's recommendations was tabled for Board discussion.

4.2 The Board approved the updated Reserves Policy subject to the correction of the totals in the table on page two of the paper.

- 5 Progress Report for Period 27 Sep – 4 Nov (paper 54-13/14)**
- 5.1 The Board noted Champions in Schools activity involved training 20 athletes from a range of disciplines, to carry out the cooking demonstrations.
- 5.2 A new section in the report contained an explanation of the reporting of the various categories (red, amber, green, achieved).
- 6 Market Report (paper 55-13/14)**
- There was a short discussion on price differentials, the critical mass issue in the beef sector and the use of benchmarking to show what changes can be made to increase profitability. It was agreed future market reports would include reference to the UK deadweight prices compared to the rest of Europe.
- 7 Committee Updates**
- 7.1 Pig Forum – G McKen
The Forum discussed major retailers' support for the SSP and SSPCA labels, pig prices, looking at the positive environmental effects of intensive pig systems, a salmonella testing system, blood sampling of all pig herds for disease testing and concerns about producers south of the border asking for food waste to be fed to pigs. Also discussed was suspected TB in non-bovine animals with 9 pig units in Scotland currently under a restricted movement licence. It is thought likely this will be avian TB however the testing process takes 14 weeks.
- 7.2 Audit Committee – A McNaughton
The committee reviewed the Risk Register and made some amendments and one addition which would come forward to the February Board for approval. The Terms of Reference had been reviewed and the Board agreed the committee would be renamed the Audit & Risk Management Committee. Internal audits had taken place on payroll and marketing with substantial assurance given on both audits. The next internal audit would be on nominal ledger and budgetary control. The external audit plan was reviewed with fraud identified as the main area to cover. Changes to the presentation of the Reserves Policy were put forward for Board consideration and approval (see agenda item 4). The committee noted that QMS was a participating employer in the MLC Pension Scheme with no active members. It was agreed to remain a participating employer rather than incur the costs of exiting the scheme.
- 7.3 Scottish Butchers Think Tank – U Morton
The meeting discussed the market update, average price report for various cuts, IGD research, marketing toolkit (copy tabled) for Scotch Butchers Club members and a draft table of contents for a media toolkit. The group also reviewed recent campaigns; Wham Bam Thank You Lamb; Make More of Mince; Make the Most of the Whole Roast and discussed future campaigns.
- 8 *Commercial in Confidence – item withheld***

- 9 *Confidential – Personnel Issue*
- 10 *Commercial in Confidence – item withheld*
- 11 **Discussion on Health Messages in Relation to Red Meat Consumption (paper 59-13/14)**
Carol McLaren and Jennifer Robertson gave a presentation and answered questions on QMS activities to counter anti-red meat messages. There was concern about the “Supporting Healthy Choices” food list and the fact that FSAS were of the view that lean red meat should not be included. This did not support the FSAS recommendation that adults should eat 70g of red meat per day as part of healthy diet. It was believed some of the nutritional research being used by FSA was outdated. It was agreed FSAS would be contacted regarding this issue.
- 12 **Chief Executive’s Report (paper 60-13/14)**
There were no queries regarding the Chief Executive’s report.
- 13 **Chairman’s Report**
As well as the activity identified in the Chief Executive’s report, the Chairman had participated in the assurance scheme tender interviews, Scotch Beef Farm of the Year competition judging, Planning 4 Profit press launch, spoke at the Norvite conference and was on the panel for the Head of ID interviews. The Chairman also updated the Board on a meeting with the Cabinet Secretary.
- 14 **Achievement of Critical Success Factors (paper 61-13/14)**
The progress report on achievement of critical success factors was noted for reference in relation to the start of the planning cycle.
- 15 **Any Other Business**
The Chairman noted the appointment of Johnny Mackey as QMS Head of Industry Development and thanked him for his contribution to the Board. It was proposed that appointment of a new Board member to fill the vacancy be postponed until April 2015 subject to review of the skills matrix.
- 16 **SFOC Annual Feedback on Research on Assurance Schemes**
Tim Bailey gave a presentation on the SFOC research on assurance schemes. Questions were answered on scheme leavers and joiners, IT developments and other assurance schemes such as Red Tractor. The Chairman thanked TB for his presentation.
- 17 **Date of Next Meeting**
The next Board meeting is at 10am on Thurs, 20 Feb in the NFUS Board Room. There is also a full day Planning session on Thurs, 16 Jan.