

QUALITY MEAT SCOTLAND
Minutes of the Twenty Eighth Meeting of the Board
18 April, 2013 10.00am NFUS Boardroom, The Rural Centre

Present:

J McLaren, Chairman
J Craig
J Mackey
A McNaughton
A Peddie
J Scott
D Sole
L Welsh

In Attendance:

P Byrne, Accountant (Items 3-5)
A McGowan (Item 12)
M Morgan (Sponsor Team)
U Morton, Chief Executive

Apologies

R Eunson
G Mcken
R Parker
P Thomas

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- 1.1 The Chairman welcomed Louise Welsh to her first QMS Board meeting.
- 1.2 **Declarations of Interest**
There were no declarations of interest.
- 1.3 **Minutes of the Meeting Held on 21 February, 2013**
The minutes of the meeting held on 21 February were approved and signed by the Chairman.

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Item Withheld - Commercial in Confidence

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Financial Report 12 months to 31 March, 2013 (paper 2-13/14)

- 3.1 The Board was asked to note that some grant claims had been submitted since the Financial Report had been prepared. Accruals had still to be finalised which could affect the overall position.
- 3.2 Income & Expenditure
The year end levy income figure was in line with the revised estimate. Assurance income was slightly below budget although feed scheme fees had increased and the reason for this rise would be confirmed. Detail was requested of the last five years' year-on-year changes to income and expenditure. Grant income was slightly above budget and would be updated once grant claims were finalised. The Sponsor Team was thanked for its assistance with the grant for strengthening the scotch labels which contributed significantly to the objective to leverage additional funds. Expenditure was below budget and there were no issues to report.
- 3.3 Balance sheet
There were no issues to report on the balance sheet with a good cash position and no bad debt provision anticipated for the year end.

4 Bank Short Term Deposit Rates & Amounts (paper 3-13/14)

A paper with cash flow information and two proposals for short term deposits was tabled. Following discussion it was agreed:

- Deposits would be made in line with proposal A and split between the two banks currently used for fixed term deposits
- The investments would be reviewed in 3 and 6 months and additional rates obtained from other banks and building societies

5 Benchmarking Report (paper 4-13/14)

A benchmarking exercise using information from annual reports had been carried out which showed QMS compared favourably with its counterparts in the UK and abroad across a range of measures.

6 Progress Report for Period 13 Feb – 31 Mar (paper 5-13/14)

Further detail was requested on the consultation on application of EU legislation relating to PGI products as ingredients.

7 Review Completed 12/13 Management Plan (paper 6-13/14)

7.1 There were a small number of activities which were not achieved mainly due to budget cuts or changes within the pig sector. The annual review of policies and procedures had been partially completed and it had been decided to break this large piece of work into sections to be reviewed quarterly. The wording in the management plan would be adjusted to reflect this change with a separate outcome recorded regarding achievement of compliance with legislation.

7.2 The Chief Executive and staff were congratulated on the level of work delivered in the Management Plan.

8 Market Report (paper 7-13/14)

On beef exports, the report showed a rise in exports to Ireland and fall in exports to Holland leading to Ireland becoming the UK's largest customer.

9 Committee Updates

9.1 Scottish Butchers Think Tank – U Morton

Henry Graham had agreed to continue to chair the Committee. Changes to the Committee included two new members– Duncan Fraser and Isobel Anne Johnston and the retirement of Alan Kennedy. The group received an update on market statistics. It had widened the average price reporting of beef, lamb and pork cuts to include some butchers outwith the committee. Scotch Butchers Club members had been surveyed on customer reaction to horsemeat with 92% reporting an increase in footfall. Four Scotch Butchers Club marketing workshops had been held in November in conjunction with the SFMTA. Excellent input had been received on butcher promotions which helped QMS develop successful point of sale campaigns. The committee reviewed its terms of reference.

The Sponsor Team asked to attend the next meeting to discuss the voluntary beef labelling scheme.

9.2 Audit Committee – A McNaughton

The committee reviewed and updated the Risk Register. The internal audit on procurement had identified three recommendations.

The auditor had noted good progress on implementation of recommendations from previous audits and a Reasonable Assurance rating had been confirmed in the Annual Report on Internal Audit. Audits in 2013/14 would cover nominal ledger and budget control, payroll and marketing. The benchmarking exercise reported at agenda item 5 would be carried out annually.

Audit Committee membership had changed as David Sole had stood down and Henry Graham had retired. Alan McNaughton would take on the role of Chair with Phil Thomas and Ronnie Eunson joining the Committee. The Chairman thanked all Audit Committee members for their contribution.

9.3 Scottish Sheep Strategy – U Morton

The group discussed R&D projects on sheep and animal health. Committee membership was under review with a number of new members being considered. Signet presented the final results of the Suffolk focus farms and the wider Signet activities planned for 2013. A presentation was given on CT scanning and events and activities for the year ahead were discussed. The development officers updated on their activities.

10 *Item Withheld - Commercial in Confidence*

11 *Item Withheld - Commercial in Confidence*

12 *Item Withheld - Commercial in Confidence*

13 Corporate Governance

13.1 Risk Register (paper 12-13/14)

The proposed changes to the Risk Register were approved subject to the retention of the wording in risk number 7 relating to destabilisation of the Eurozone.

13.2 Review Board Standing Orders (paper 13-13/14)

The Board Standing Orders were reviewed and approved.

13.3 Review Scheme of Delegation including appendices 1-4 & 23 (paper 14-13/14)

The reasons for the proposed changes were explained to Board members. Following discussion a minor amendment was agreed in respect of one proposal.

The Scheme of Delegation and associated appendices were approved subject to the amendment above.

14 Programme of Board Business 2013/14 (paper 15-13/14)

The programme of recurring Board Business was reviewed and approved.

15 Chief Executive's Report (paper 16-13/14)

The Chief Executive's report contained a record of meetings with levypayers and other stakeholders over the last year.

16 Chairman's Report

The Chairman had participated in a large number of events and meetings including the Spring Show at Thainstone, Brechin abattoir, East Coast Viners, IAAS AGM, Scottish Government climate change meeting, Easter Howgate Green Cow project, ScotHot dinner, Simon Howie provenance book launch, staff conference, HRH event, a meeting on island abattoirs, belly clipping abattoir visit, corporate plan press briefing and Scottish Government CAP stakeholder conference. Enquiries had been made regarding levy on pigs going to England and information was awaited.

17 Any Other Business - Board Participation On Committees

Papers were tabled showing Board participation on Committees from April 2013.

18 Date of Next Meeting

The next Board meeting is at 10am on Thursday, 13 June in the NFUS Board Room.