

**QUALITY MEAT SCOTLAND**  
**Minutes of the Twenty Third Meeting of the Board**  
**26 April, 2012 10.00am NFUS Board Room**

**Present:**

J McLaren, Chairman  
J Craig  
H Graham  
J Mackey  
G McKen  
A McNaughton  
A Peddie  
J Scott  
D Sole  
P Thomas

**In Attendance:**

S Ashworth (Items 7-9 & 11)  
P Byrne, Accountant (Items 3 & 4)  
A McGowan (Items 5-8 & 11)  
M McIntosh (Scottish Government, Item 11)  
C McLaren (Items 7-8 & 11)  
M Morgan (Sponsor Team)  
U Morton, Chief Executive  
K Peebles (Item 5)  
S Shepherd (Item 11)  
L Vernet (Items 7-8 & 11)

**Apologies**

J Gregor  
R Parker

**1**

**1.1 Declarations of Interest**

Declarations of interest on the contract discussion part of agenda item 5 were made by JC and PT.

**1.2 Minutes of the Meeting Held on 16 February, 2012**

The minutes of the meeting held on 16 February were approved and signed by the Chairman.

**2**

*Item withheld - Commercial in Confidence*

**3**

**Financial Report (paper 2-12/13)**

- 3.1 The Financial Report showed income and expenditure in line with the forecast outturn. The FPMC grant payment referred to on page 3 of the report had now been received. It was noted the marketing overspend was offset by grant income. There were no concerns regarding the Balance Sheet and debt recovery procedures were in progress for one over 90 day debt. Clarification was asked for on the negative levy debt.
- 3.2 A paper on 12/13 Budget (paper 2a-12/13) was tabled. Discussion took place on whether the 11/12 budget underspend should be carried forward to 12/13, the rate that reserves should be reduced to the agreed level, declining livestock numbers, levy income and a potential additional project.
- 3.3 It was agreed that the under-spend from the 11/12 budget would not be carried forward to the 12/13 budget. The under-spend would be held in reserves in the meantime and may be allocated to a suitable project(s) at a later date.

- 4 Bank Short Term Deposit Rates & Amounts (paper 3-12/13)**  
Following discussion on the amount to put on short-term deposit and rates on offer at a number of banks it was agreed to invest £1.75m as follows:
- £250k for 3 months, £150k for 6 months and £500k for 12 months with Bank of Scotland
  - £350k for 6 months and £500k for 12 months with Clydesdale Bank
  - The bank rates would be reviewed prior to the deposits being made and if necessary banks may be adjusted although the total of investment would remain at £1.75m
- 5 *Item withheld - Commercial in Confidence***
- 6 Beef Taste Trial Proposal (paper 5-12/13)**
- 6.1 The Beef Taste Trial proposal was reviewed by Board members. Following discussion it was agreed:
- the provider would be asked for advice on age range of animals
  - separate discussion would take place with two Board members on the methodology for the trial
- 6.2 The trial was approved subject to these further discussions.
- 7 Progress Report for Period 8 February – 31 March (paper 6-12/13)**
- 7.1 Future Progress Reports will be in the new, shorter format as agreed at the February Board.
- 7.2 Senior managers answered questions on Peta, the London consumer campaign, Royal Highland Show, monitor farms, Business Improvement Groups, pr plans for IMEQ and QMS vacancies.
- 8 Review of Completed 11/12 Management Plan – (Paper 7-12/13)**
- 8.1 Senior managers gave a brief summary of the highlights of the 11/12 year for their respective departments. The Chairman thanked them for their hard work and the Board noted the achievements in the Completed 11/12 Management Plan.
- 8.2 The Sponsor Team would update the Head of Communications on the Scottish Government Celebrity Cook activity planned at the Royal Highland Show.
- 9 Market Report (paper 8-12/13)**
- 9.1 SA answered Board member queries on live cattle exports, demand for cattle and levy income forecasts.
- 9.2 It was requested that the Market Report includes information on the following when available:
- consumption figures for each species
  - census data
- 10 Committee Updates (paper 59-11/12)**
- 10.1 *Item withheld – Commercial in Confidence*

10.2 Pig Forum – G McKen

Forum members discussed the census figures which showed a reduction in the pig herd due to financial pressures last year. The Pig Business Network was going well. Pig producer training had taken place.

Abattoir monitoring had identified a swine dysentery case at an early stage which helped the producer prevent spread to his breeding unit. The electronic movement system was working well. The Pig SSB wanted to look at improving farm tidiness. SSPCA had offered free guidance to pig units.

10.3 Standards Co-ordinating Body – J McLaren (paper 9-12/13)

The notes of the Standards Co-ordinating Body had been included in the Board papers for information.

10.4 SSP Marketing Strategy Group – A Peddie

The group noted the market for pork had increased although the average price had reduced. Market research information on processed pork was also received. Data shows consumers are trading down to lower priced products or different proteins, shopping more frequently and supporting the local economy. The Whole Hog event where chefs butchered and cooked a whole pig was very successful. Other work on pork included the Behind the Label campaign, Versatile Bacon and content for the Facebook page and pork newsletter. Following focus groups on the pork labels it has been decided to use the SSPCA label on the Behind the Label campaign but not on the product for look for the label. This activity will take place in May and June.

10.5 Audit Committee – H Graham (paper 10-12/13)

The committee reviewed the Risk Register and risk ratings, draft Fraud Policy and Bribery Act Compliance policy. The committee was pleased with the Internal Auditor rating of reasonable assurance. The external auditors had commenced the interim audit with the full audit being carried out shortly.

10.6 Item withheld – Commercial in Confidence

10.7 Feed Assurance Scheme Standard Setting Body – P Thomas

The SSB made some minor changes to the feed standards. The group discussed scheme membership, a lack of experienced nutritionists and AIC introducing a register of nutritionists.

10.8 Haulage Assurance Scheme Standard Setting Body – G McKen

A meeting had taken place with Scottish Government vets about washout facilities. The committee made minor changes to standards which would come to the June Board for approval.

**11 An Introduction to State Aids**

Miranda McIntosh, Scottish Government Senior State Aid Adviser gave a presentation and answered Board questions on State Aids.

**12 Corporate Governance**

12.1 **Risk Register (paper 11-12/13)**

The amendments to the Risk Register were reviewed by the Board and

approved. A Board Risk Workshop would be scheduled later in the year.

**12.2 Board Standing Orders (paper 12-12/13)**

The section on Authorised Signatories would be adjusted to reflect the different arrangement for bank signatories. Subject to this adjustment, the proposed amendments the Board Standing Orders were approved.

**12.3 Scheme of Delegation (paper 13-12/13)**

The Scheme of Delegation and all Appendices were approved subject to the following amendments:

Audit Committee Terms of Reference – add Freedom of Information to the Information Requirements section

Remuneration Committee Terms of Reference – add a bullet point to the Duties section on succession planning

**13 Draft Programme of Recurring Board Business 2012/13 (paper 14-12/13)**

The Programme of Recurring Board Business 2012/13 was approved. The Sponsor Team was asked to confirm the Cabinet Secretary's availability for the 14 June Board.

**14 Chief Executive's Report (paper 15-12/13)**

The Chief Executive's Report was noted.

**15 Chairman's Report**

15.1 The Chairman and Chief Executive had attended a range of events and meetings during the period. In addition the Chairman had participated in the Scotch Beef Marketing Strategy Group, Thainstone restaurant opening, sports bursary judging, Morrisons farming conference and the Scottish Government Agri-Renewables meeting.

15.2 The Chairman briefed the meeting on recent visits to auction marts. Issues discussed included how farm assurance status is identified, levy repatriation and the levy collection process at auction marts. Further meetings were planned in the coming months with key processors and larger finishers.

**16 Any Other Business**

There were no items of other business.

**17 Date of Next Meeting**

The next meeting is at 10am on Thurs, 14 June at VION/Halls, Broxburn.