

QUALITY MEAT SCOTLAND
Minutes of the Twenty Fifth Meeting of the Board
27 September, 2012 9.00am NFUS Boardroom, The Rural Centre

Present:

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

In Attendance:

P Byrne, Accountant (Item 3)
G Ingram (Item 19)
A McGowan (Items 11-13)
M Morgan (Sponsor Team)
U Morton, Chief Executive
K Peebles (Item 13)
H Walls, SAOS (Item 11)

Apologies

None

1

1.1 Declarations of Interest

A McNaughton declared an interest in any discussion relating to Vion.

1.2 Minutes of the Meeting Held on 14 June, 2012

The minutes of the meeting held on 14 June were approved and signed by the Chairman.

2

Commercial in Confidence - item withheld

3

Financial Report 5 months to 31 August, 2012 (paper 29-12/13)

3.1 Changes to Budget

Two changes to the budget on allocated reserves and budget income were explained.

3.2 Income & Expenditure

The main point to note was the potential reduction in pig levy income and the position would be clearer in the coming months. There were no issues to highlight in relation to expenditure.

3.3 Balance Sheet

The Balance Sheet showed a strong cash position and no debtor issues.

4

Review and Approve Draft Fraud Policy (paper 30-12/13)

The draft Fraud Policy had been reviewed and revised by the Audit Committee and was recommended for Board approval.
The Board approved the Fraud Policy Statement and Fraud Response Plan.

5

Review and Approve Draft Bribery Policy (paper 31-12/13)

The Bribery Act 2010 Compliance Policy was approved by the Board and would be issued to relevant parties for signature.

6 Progress Report for Period 7 Jun – 18 Sep (paper 32-12/13)

The Marketing and Communications Teams were developing sustainability messages which were noted as important activity. Work across the organisation was progressing well with no areas of particular concern.

7 Market Report (paper 33-12/13)

There were no queries on the Market Report.

8 Committee Updates

8.1 Scottish Butchers Think Tank – H Graham

The group reported information on prices of different cuts which it found useful. QMS promotional activity survey results were discussed which showed all seven campaigns were viewed as beneficial with 91% of butchers recording an increase in sales. The QMS marketing team would participate in joint meetings with SFMTA to increase contact with butchers that are not currently Scotch Butchers Club members and this would be discussed further at the next meeting. Group membership was reviewed and new members were currently being sought to replace those that had left as well as extending the group to include a food writer. The group also wanted to look at ways to help butchers improve point of sale displays and communication of information from this year's marketing conference.

8.2 Eating Quality Committee – R Parker

The Eating Quality Committee meeting report would be covered by discussions at agenda items 11 and 12.

8.3 Specially Selected Pork Marketing Strategy Group – A Peddie

The meeting had been postponed until November and an update would be received at the November Board meeting. The Sponsor Team asked to be kept up to date on any discussion with retailers on pork issues.

8.4 R&D Committee – P Thomas

A number of project proposals had been received for the Link scheme. Some of the projects were in areas that were not priority for QMS and QMS would not participate in these. Presentations on progress of Paraban and Cryptobeef were received. The press launch of the R&D report and Monitor Farm report had achieved good media coverage.

8.5 Scotch Beef Marketing Strategy Group – A McNaughton

The group received an update on action points and a report on market information including sustainability of supplies, sales volumes and prices. The committee noted the next beef marketing campaign would start with light weight activity in October/November with the main activity following in February/March. Airport advertising had been explored but not progressed due to cost.

8.6 Audit Committee Minutes and Remuneration Committee Minutes (papers 34-12/13 and 35-12/13)

The minutes of the June Audit Committee and June Remuneration Committee were included in the Board papers for information. The Remuneration Committee had approved an update to the Chief Executive's terms and conditions by e-mail.

The reason for the update was to incorporate the changes to staff contracts (October 2011) and this approval would be formally recorded in the minutes of the next Remuneration Committee meeting.

8.7 Succession Planning for Industry Committees

A review of industry committee membership would be carried out. A proposal for Board consideration would be prepared including recommendations on length of appointment to assist succession planning as well as a facility to send a substitute where relevant to maximise committee attendance.

9 Formal Feedback to Committees

9.1 Review of Board Healthcheck Report and Formal Feedback to Board Members (paper 36-12/13)

The analysis of the responses to the Board self-evaluation questionnaire was discussed and the questionnaire would be reviewed prior to the next self-evaluation.

9.2 Review of Audit Committee Healthcheck Report and Formal Feedback to Board Members (paper 37-12/13)

Some of the areas that the self-evaluation highlighted as requiring improvement were in progress when the questionnaire was issued and had since been completed. The Audit Committee's annual report was noted. The Chairman, on behalf of the Board, thanked the Audit Committee for its important work undertaken throughout the year. The Accountable Officer formally thanked the Audit Committee for its valuable work on behalf of Quality Meat Scotland.

9.3 Review of Remuneration Committee Healthcheck Report and Formal Feedback to Board Members (paper 38-12/13)

There were no areas of concern in the self-evaluation to highlight. The Remuneration Committee presented its annual report to the Board. The Accountable Officer formally thanked the Remuneration Committee members for their contribution on behalf of the organisation. The Chairman also recorded his thanks on behalf of the Board to the Remuneration Committee.

10 Approve Risk Register (paper 39-12/13)

The risk register was reviewed and approved.

11 *Commercial in Confidence - item withheld*

12 *Commercial in Confidence – item withheld*

13 QMS Cattle & Sheep Assurance Scheme Standards (paper 42-12/13)

- 13.1 The proposed amendments to the QMS Cattle & Sheep Assurance Scheme standards were considered. Board members also noted that the standards would be issued with a covering letter from the SSB Chairman highlighting key areas. A guidance sheet on injection sites was tabled for Board comment.

13.2 Following discussion it was agreed:

- The standard on fallen stock and the wording relating to burial of stock within the remote areas would be reviewed in next year's standard setting cycle.
- Standard 2.1.6 – it was felt the standard regarding water should be more specific. Revised wording would be circulated to the Board for approval by e-mail.
- Board members approved the QMS Cattle & Sheep Assurance Scheme standards subject to e-mail agreement of standard 2.1.6.

14 Review and Approve Draft Planning Process 2013/14 (paper 43-12/13)

14.1 The proposed planning process for 2013/14 was more streamlined than the 2012/13 year when wider discussions took place on enablers and barriers. This wider activity would be included in the planning process on a three year cycle or to coincide with new board member appointments.

14.2 The Planning Process 2013/14 was approved.

15 Review and Agree KEIs (paper 44-12/13)

The KEIs had been updated and were agreed.

16 Chief Executive's Report (paper 45-12/13)

The Scottish Sheep Strategy Development Officer interviews had taken place and two part-time appointments made.

17 Chairman's Report including update on Vion/Hall's consultation situation and pig industry

The Chairman reported on activity since the last Board meeting including the Royal Highland Show, Board member appraisals, meetings with the Cabinet Secretary, auction market visits and monitor farm visits. He had also participated in the Vion/Hall's of Broxburn Taskforce meetings.

18 Any Other Business

Nuffield Scholarship Trust

A Board member asked if QMS would consider sponsoring a Nuffield Scholar. It was agreed a paper on sponsorship benefits would be prepared for discussion at the November Board.

19 Flocks to Mobs

Gregor Ingram, winner of the NSA Scotland Young shepherd competition and supported by a number of sponsors including NSA and QMS, participated in the first Young Shepherd World Championship final in New Zealand. He gave a presentation and answered Board questions on his experience.

20 Date of Next Meeting

The next Board meeting is at 10am on Tuesday, 27 November in the NFUS Board Room.