

Minutes of the Board Meeting on the 24th February 2022

Quality Meat Scotland
Minutes of the 72nd Meeting of the Board
24th February 2022
Norton House Hotel/ Remotely

Present:

K. Rowell (Chair)
A. Irvine
A. Ivory
C. Milne
G. Milne
G. Wallace
I. Bentley
N. Jeffrey
P. Brown
S. Henderson
S. Jarron

In Attendance:

A. Clarke (Chief Executive)
S. Millar (Chief Executive Designate)
H. Curran (Scot Gov Sponsor Team)
D. Phillips (Head of Corporate Services)

Minutes:

K. McCormack

Apologies:

Andy McGowan

Item No.	Detail	Action
1.0	<p>Welcome and Apologies</p> <p>Kate Rowell welcomed everyone to the meeting which was Chief Executive Designate Sarah Millar's first Board meeting. There was one apology from Andy McGowan.</p> <p>Sarah gave a brief overview of her plans for her first 6 months within the role which she takes on from the 11th April.</p>	
2.0	<p>Additions to the Agenda</p> <p>There were no additions to the agenda.</p>	
3.0	<p>Declaration of interests in any agenda item</p> <p>There were no declaration of interests in agenda items.</p>	
4.0	<p>Minutes of Board Meeting on the 11th November 2021</p> <p>The minutes were agreed as an accurate record of the meeting with one typo under agenda item 9 – QMS Committees Membership, 2nd line of the first sentence, replace "as" with "ask." Kirsty will make this change before putting a copy of the minutes onto the website.</p>	KM

5.0	<p>Commercial in Confidence – Update on Action Points</p> <p>The Board reviewed the outstanding actions, and the following updates were given:</p> <p><u>Agenda item 5.0 Update on Action Points</u> Heather Curran agreed to progress a response regarding the Cabinet Secretary attending the April Board meeting.</p> <p><u>Agenda item 9.0 QMS Committee's</u> Alan advised that a final list of committee members will be presented at the April Board meeting.</p> <p>Heather Curran agreed to check if there was any update re the progress of the Monitor Farm project after the Cabinet Secretary's public announcement.</p>	<p>HC</p> <p>AC</p> <p>HC</p>
6.0	<p>Financial Report 6 Months to 31st January 2022</p> <p>Debbie Phillips presented the financial report for the 2021/ 2022 financial year to the 30th January 2022 in Paul Byrnes absence.</p> <p>Debbie highlighted key areas from the report which included the following:</p> <ul style="list-style-type: none"> ▪ The report now includes figures showing Scottish levy and repatriated levy and shows that levy income for the month of January was significantly below budget for all 3 species. Cattle >3% Sheep >3%. Pigs – Some of the shortfall in the Scottish levy (-35%) has been recovered in the repatriated levy (+13%). Scottish levy total affected by £35k (9%) due to the pig levy holiday in November. ▪ Overall levy income 2% below budget ▪ Overall income 1% below budget ▪ External spending 28% below budget ▪ Frequent budget review meetings with Executive Team and Chief Executive are taking place. <p>A discussion was had around the challenges impacting the beef sector. It was agreed for Stuart Ashworth to share with the Board a graph showing the number of dairy beef in the supply chain over the last 3-5 years.</p>	<p>SA</p>
7.0	<p>Review of Reserves Policy</p> <p>Debbie Phillips presented the reserves policy and advised that the QMS appetite for risk be set at medium.</p> <p>The Board reviewed and approved the Reserves Policy.</p> <p>It was agreed that the reserves policy should be presented at the April Board meeting for sign off when we will have more certainty around budget for 22/23.</p>	<p>PB</p>

8.0	Draft Programme of Recurring Board Business 2022/ 2023	
	The Board approved the draft Programme of Recurring Board Business for 2022/ 2023.	
9.0	Corporate Business Plan 22-23 & Implementation Plans with Proposed Budget Alan Clarke presented the draft QMS Corporate Business Plan which included the draft Implementation Plans for 2022/ 2023. Alan highlighted that before it goes to the design stage, it will be proofread, but for the moment, he was looking for approval on the direction of travel. Alan advised that the page on committee's will be updated once the final list of members have been confirmed. The paper was reviewed thoroughly, and the Board made a number of comments and suggestions that will be taken on board: The Board approved the overall strategic direction of travel for the QMS Corporate Business Plan and Implementation Plans. The Board approved the draft budget for 2022 – 2023. Alan advised that when the plans have been professional designed and printed, they will be put onto the QMS website and sent to Scottish Government.	AC
10.0	QMS Committee Updates	
10.1	Scottish Red Meat Industry Resilience Group – 22nd Nov 2021 & 17th Jan 2022 Kate Rowell gave an update from the last two Scottish Red Meat Industry Resilience Group meetings which took place on the 22 nd November the 17 th January. Kate highlighted the main topics which were on the agenda for both meetings which were: <u>November Meeting</u> <ul style="list-style-type: none"> ▪ Key points from and agreeing further work on Good Food Nation Bill Consultation ▪ Key points from and agreeing further work on Local Food Consultation ▪ Key points from and agreeing further work on DEFRA Labelling consultation ▪ Final position paper of workplan – focusing on education <u>February Meeting</u> <ul style="list-style-type: none"> ▪ Key challenges in the Scottish beef industry – presentation from Iain MacDonald Senior Economics Analyst ▪ Update on DEFRA Welfare of Animals During Transport Consultation, highlighting the work that QMS, NFUS, SPP and others are doing to collate a Scottish evidence base together to feed into the discussion 	
10.2	Auction Market & Collection Centre Standards Setting Body – 15th December 2021 Scott Henderson gave an update from the Auction Market & Collection Centre Standards Setting Body meeting which took place on the 15 th December 2021. Scott highlighted that the meeting was for an interim review of the standards that were introduced in April	

	<p>2021.</p> <p>As well as reviewing each section of the standards, Kathryn Kerr gave a presentation on the whole supply chain Spot Check programme proposed to be introduced and how it would operate. Kathryn also gave an update on the SPECC training that QMS will be offering in spring 2022.</p>	
10.3	<p>Remuneration Committee – 16th February 2022</p> <p>George Milne gave an update from the Remuneration committee meeting which took place on the 16th February. George highlighted that it was Sarah Millar's first meeting.</p> <p>The Board approved the committees staff inflationary salary increase proposal for 2022/2023.</p> <p>Terms of reference The committee reviewed the Remuneration Committee's terms of reference.</p> <p>It was agreed that going forward there should be a Chair's closed session at the end of each meeting for the Chair and board members only to be present.</p> <p>The Chair will liaise with the Chief Executive where appropriate, on any issues that come from the closed sessions.</p> <p>New Chair of Remco With George Milne leaving the Board on the 31st March. A discussion was had on who would take up the role of Chair going forward and it was agreed that Peter Brown will take on the role of Chair of Remuneration Committee.</p>	HC
11.0	<p>Highlight Report & Implementation Plans 2021/ 2022</p> <p>Alan Clarke presented the highlight report and implementation plans for 2021/ 2022 with the Executive Team present to answer any questions the Board had.</p> <p>Kathryn Kerr updated the Board on how the relationship is going with the new assurance contractor, SAOS and agreed to keep the Board updated with any issues which may arise.</p> <p>Kathryn highlighted that the new "task and finish" Brands Integrity Advisory Committee has been set up which Pete Brown is chair of. Pete gave a brief overview of the remit of the group which is to provide support to the Brands Integrity team on the implementation of each component of the new Quality Assurance contract.</p> <p>Debbie Phillips presented to the board the new Induction video which will be shared with all new members of staff or Board members who join QMS.</p> <p>Debbie also presented the new induction portal for Board members which will be shared with any new members joining QMS and also with current members as it can be used as a '1 stop shop' to be able to access everything from policies & procedures, marketing materials and useful contacts.</p> <p>A comment was made to add previous committee meeting minutes to the portal. Debbie agreed to get this section added.</p>	DP

	<p>Tom Gibson gave an update on future trade shows that he and the team are attending which included SIAL America in Vegas and Tavola in Belgium.</p> <p>Alan thanked the Executive Team for their hard work and commitment during his time as Chief Executive of QMS.</p>	
12.0	<p>Chief Executive's Report</p> <p>Alan Clarke highlighted key information from his report which included:</p> <ul style="list-style-type: none"> ▪ Levy Repatriation ▪ Staff ▪ Office <p>With it being Alan Clarke's last Board meeting before he leaves on Friday 8th April, Alan thanked the Board for their support and hard work over the last 5 years and wished Sarah Millar the very best in her new role as Chief Executive.</p>	
13.0	<p>Chairs Report</p> <p>Kate Rowell updated the Board on the meetings and activities that she has been a part of over the past month which included:</p> <ul style="list-style-type: none"> ▪ Agriculture Reform Implementation Oversight Board Meetings ▪ Trade & Agriculture Commission Inaugural Meetings ▪ Meeting with Cabinet Secretary Ms Mairi Gougeon MSP ▪ Farming Roundtable meetings ▪ Moredun event with HRH Princess Royal ▪ Christmas Classic ▪ Agriscot Awards ▪ NFU AGM ▪ AHDB Dinner ▪ QMS Chief Executive recruitment <p>As this was Alan Clarke and George Milnes last Board meeting before they leave QMS, Kate and the Board thanked them both for all of their hard work they have done over the years at supporting QMS and the whole of the Scottish red meat industry.</p>	
14.0	<p>Any Other Business</p> <p>There was a discussion around the news that broke that morning of Russia invading Ukraine and the cost implications to the sector. Ann Irvine agreed that it should be added to the risk register which will be discussed at the committee's meeting in March. Ann asked if any Board member has anything to input to this risk, to please let Ann or Kirsty McCormack know.</p>	<p>AI</p> <p>ALL</p>
	<p>There being no further business, the meeting was closed. The next Board meeting is taking place in person on the 28th April.</p> <p>If anyone requires accommodation or travel, please get in touch with Kirsty McCormack.</p>	