



# DairyCo Board Meeting Minutes

**Meeting:** DairyCo Board DSB08/03

**Date:** 1 & 2 April 2008

**Venue:** 1 April: DairyCo offices, Cirencester  
2 April: Burleigh Court Hotel, Minchinhampton

**Present:** Tim Bennett (Chair) (TB), Kevin Beaty (KB), Kenneth Campbell (KC), Neil Cutler (NC), Richard Davis (RD), Julia Hawley (JH), David Homer (DH), Stewart Jamieson (SJ), Trevor Lloyd (TL), Ian Martin (IM), Arthur Reeves, (AR) and Jonathan Vickers (JV)  
In attendance: Ken Boyns (KJB) and Lynne Wheeler (minutes)  
Partial attendance: Karl Babbington (KAB), Philippa Stagg (PS), Jeff Nicholas (JN) and Marco Winters (MW)

**Apologies:**

**Distribution:** As above plus Kevin Roberts (KR), Sue Walker (SW)

Description	Action
<b>DSB08/03/1</b> <b>Apologies</b> None.	
<b>DSB08/03/2</b> <b>Minutes from previous meeting</b> The previous minutes of the shadow dairy sector board were approved.	
<b>DSB08/03/3</b> <b>Matters Arising</b> It was agreed to send a list of names and job titles of staff to the board.  It was noted that David Homer resigned as Chairman of DairyCo Ltd. Tim Bennett was elected as Chairman of DairyCo Ltd  It was agreed that all previous decisions of the shadow Dairy	Joy Sverdloff

Description	Action
Sector Board were binding on DairyCo Ltd.	
It was agreed that Philippa Stagg would clarify the future of regional forums at the next board meeting for board decision.	PS
<b>DSB08/03/4</b> <b>Chairman's Report</b> This was taken as tabled.	
TB reported that the future structure of AHDB would be under consideration in the near future. It was agreed that the issue would be put on the next board meeting Agenda.	KJB
<b>DSB08/03/5</b> <b>Chief Executive's Report</b> This was taken as tabled	
<b>DSB08/03/6</b> <b>Revised Budget (In future – Accounts)</b> KAB was present for this item  The Board agreed that the future focus should be on delivery and accurate forecasting, whilst remaining within budget, rather than just hitting budgets. This should encourage delivery at lowest possible cost rather than just trying to hit budget.  It was agreed that each years future annual plans would be developed on the basis of the business case, with no unallocated funds in future annual plans.	
<b>DSB08/03/7</b> <b>Business Plan Update</b> KJB demonstrated work in progress by reference to the Business Plan Update and Corporate Activities prioritisation worksheets. The Plan will be improved over the coming months and will not include excessive detail.	KJB/ Amanda Ball
<b>DSB08/03/8</b> <b>Extension of Fixed Term Contract for FD and CEO</b> <i>KJB left the meeting during discussions</i>	
The Board supported the recommendation to extend the fixed term contract for the Finance Director to April 2009.	KJB
The Board supported the recommendation to extend the fixed term contract for the Chief Executive to September 2009.	TB
TB to investigate the possibility of appointing a mentor for KJB.	TB

Description	Action
<p>The Board asked TB to extend their thanks to KJB, Managers and all staff for their extensive efforts during the transition process.</p>	TB
<p><b>DSB08/03/9 Minutes of Audit Committee</b>  <i>KJB re-joined the meeting</i></p> <p>IM reviewed the Audit Committee minutes of meeting held 6/3/08.</p> <p>The litigation risk value is to be increased (item 10 Corporate Risk Register).</p> <p>The Board approved the Audit Committee Terms of Reference.</p> <p>All changes proposed by the Audit Committee were approved by the board. Revised version of Authorities Table to be distributed to the Board.</p> <p>Remuneration Committee Terms of Reference to be tabled at the next DairyCo board meeting.</p>	<p>KJB</p> <p>KJB</p> <p>Jonathan Vickers</p>
<p><b>DSB08/03/10 Capital Budget and Cashflow</b>  KAB was present for this item</p> <p>The capital budget and cashflow were reviewed. The Board approved in principle the request to spend £35k capital budget on a video conferencing facility and telephone system in 2008/9. However the expenditure will need to be justified on a cost basis before being authorised by the CEO.</p> <p>VAT  It was agreed to delay issuing invoices for two weeks due to the absence of being VAT registered. The situation will be reviewed in two weeks and the Board updated at that time by email. AHDB to be informed that if there is no progress from their side within two weeks then DairyCo will apply for its own VAT registration.</p> <p>KAB was asked to issue a brief retrospective paper to the Board outlining the four options for VAT registration as discussed at the meeting.</p> <p><i>KAB left the meeting</i></p>	<p>KJB/KAB</p> <p>TB/KJB</p> <p>KAB</p>
<p><b>DSB08/03/11 Communications Report</b></p>	

Description	Action
<p><i>PS joined the meeting</i></p> <p>PS briefly reviewed the Communications Update paper.</p> <p>KJB personally thanked PS and the Comms team for their achievement and professionalism in launching DairyCo in such a short space of time.</p> <p><i>PS left the meeting</i></p>	
<p><b>DSB08/03/12      Urgent AOB</b></p> <p>12.1 Trade mark applications (various) to be prioritised.</p> <p>~ Meeting closed at 6.30pm</p> <p>~ Meeting resumed at Burleigh Court, 2 April 2008 at 9am ~</p>	PS
<p><b>DSB08/03/13      Induction – Remuneration / Expenses</b></p> <p><i>JN joined the meeting</i></p> <p>The Board agreed to the basic concept of working three days per month. Initially claims will be submitted for all expenses before moving to a model of remuneration for working three days per month via payroll. Regular claiming is preferred.</p> <p>Appointment letters would be sent from Defra</p> <p>Travel TB advised that as a general rule first class rail travel is acceptable on long journeys. The expenses procedure contained in the Operations and Procedures manual will be circulated for instruction purposes.</p>	<p>Joy Sverloff</p> <p>Joy Sverloff</p>
<p><b>DSB08/03/14      Memorandum and Articles of Association of DairyCo Ltd</b></p> <p>The Board gave their approval to recommend to the member (AHDB) to adopt the new Mems and Arts.</p> <p>It was noted that DairyCo would remain completely independent, for that independence to be known throughout the dairy industry and not to be drawn in to lobbying matters.</p>	
<p><b>DSB08/03/15      AHDB Marketing Report / Proposal</b></p>	

Description	Action
<p>RD expressed a possible conflict of interest in Red Tractor.</p> <p>RD gave a presentation on Assurance Food Standards and the history behind Red Tractor.</p> <p>TB explained that the AHDB report had been included in the Board pack purely for information purposes to keep the Board informed. It was stressed that looking forward economic analysis is needed in order to fully consider new proposals.</p> <p>JN was instructed to be actively involved in working with fellow marketing directors of sector companies, together with AHDB, and report back to the Board with a synopsis of a common strategy framework for cross-sector marketing and better understanding of the cost benefit implications to dairy farmers.</p>	<p>JN</p>
<p><b>DSB08/03/16</b></p>	
<p><b>Image Management Report / Proposal</b>  <i>MW joined the meeting</i></p>	
<p>The Mems and Arts of Dairy Council need to be verified.</p>	
<p>The Board decided to continue funding Dairy Council to a maximum of £365k in the period up to 31/3/2009 provided that resolution is reached within that timeframe.</p>	<p>TB/KJB</p>
<p>The Board delegated authority to TB/KJB to negotiate terms for retaining or changing current arrangement of Dairy Council offices, subject to no net increase in costs.</p>	<p>JN</p>
<p>JN to produce a proposal paper for the next board meeting outlining the needs and how to address animal welfare and environmental issues including the role of Dairy Council and school milk.</p>	<p>KJB</p>
<p>It was agreed that CEO should spend as little time as possible on delivery of image management, and should focus more on farm competitiveness. It was noted CEO/Chairman would need to be involved in strategic decisions/negotiations on future structures.</p>	
<p><b>DSB08/03/17</b></p> <p><b>Date of November meeting</b>  The November meeting in Pembrokeshire will consist of the farm visit on the 24<sup>th</sup> and board meeting on the 25<sup>th</sup>. Joy Sverdloff to re-issue dates of boards meeting to all.</p>	<p>Joy Sverdloff</p>

Description	Action
<p><b>DSB08/03/18      Any Other Business</b></p> <p>The Board supported the idea of a board secretariat role – KJB to give proposal to the Board if internal resources cannot be easily rearranged to meet needs.</p>	KJB
<p><b>Date of next meeting 29/30 April</b>  <b>Venue St. Neot, Liskeard, Cornwall</b></p>	

**Agreed as a correct account of the meeting and signed on behalf of the DairyCo Board**

**Signed** \_\_\_\_\_ **Date** \_\_\_\_\_  
**Tim Bennett - Chairman**