



DairyCo

Board Meeting Minutes

Meeting: DairyCo Board **DSB08/04**
Date: 29 April 2008
Venue: Lostwithiel Golf & Country Club, Nr Liskeard,
Cornwall

Present: Tim Bennett (Chair) (TB), Kevin Beaty (KB), Kenneth Campbell (KC), Neil Cutler (NC), Julia Hawley (JH), David Homer (DH), Stewart Jamieson (SJ), Trevor Lloyd (TL), Ian Martin (IM), and Jonathan Vickers (JV), John Bridge – Chairman of AHDB (JB)

In attendance: Ken Boyns (KJB) and Philippa Stagg (minutes)
Partial attendance: Jeff Nicholas (JN), Stuart Goodinson (SG), Brian Lindsay (BL) and Marco Winters (MW)

Apologies: Arthur Reeves, Richard Davis

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

Description	Action
DSB08/04/1 Apologies Apologies were received from Arthur Reeves and Richard Davis	
DSB08/04/2 Minutes from last meeting It was noted that the expenditure for a video conferencing system needed to be justified on a cost benefit basis before it was agreed to by the Chief Executive. It was agreed to change the minute to reflect this. The minutes will then be signed as a true record of the meeting.	TB
DSB08/04/3 Matters Arising It was confirmed that appointment letters for the Board have still not been received at DairyCo – this is being investigated.	Joy Sverdlhoff
DSB08/04/4 Chairman's Report Julia Hawley declared an interest as undertaking some work for Year of Food and Farming.	



Description	Action
<p>There was agreement not to provide any more funds to the Year of Food and Farming.</p> <p>JV and IM questioned the TORs for the AHDB Audit and Remuneration Committees. It was agreed that the TORs would be compared to DairyCo TORs to ensure compatibility.</p> <p>It was noted that the Board had agreed via e-mail that Thring Townsend Lee & Pembertons' company secretarial services (Forum Secretarial Services Limited) had been appointed as DairyCo's Company Secretary, upon the resignation of Karl Babbington as Company Secretary.</p> <p>This rest of the report was taken as tabled.</p>	<p>PS / FD</p>
<p>DSB08/04/5</p> <p>Chief Executive's Report</p> <p>KJB had circulated the draft DairyCo Farmer Intention Survey which will be featured in Farmers Weekly this week.</p> <p>There was some discussion around the launch of the Supply Chain Road Map.</p> <p>It was noted that all positions that were filled should consider future succession needs where possible. The board supported the CEO's approach to the current finance team position, and proposed that the CEO should strongly consider a straight replacement for the outgoing FD.</p> <p>The rest of the report was taken as tabled.</p>	<p>All Managers/ KJB</p>
<p>DSB08/04/6</p> <p>Business Plan Update</p> <p>KJB reported on progress on the business plan. KJB asked for comments and feedback on the latest version. It was generally agreed it is developing towards a clearer document.</p> <p>Clear measurement of value for all projects was requested – particularly those requiring high levels of expenditure. It was noted that KPIs would appear for the first time in the next month's update</p> <p>There appears to be some confusion over the targets for Extension Officers. KJB commented SG is currently setting</p>	<p>A Ball</p> <p>SG</p>



Description		Action
	<p>individual objectives for the EOs. This was confirmed at a later point in the meeting.</p>	
<p>DSB08/04/7</p>	<p>Management Accounts None for this meeting.</p>	
<p>DSB08/04/8</p>	<p>AHDB Developments and Future AHDB Corporate Structure John Bridge was welcomed to the Board meeting.</p> <p>JB gave a brief overview of the outcome of the Radcliffe Report.</p> <p>JB commented that the transition period had been a challenge and had included the delay to the Statutory Instrument and State Aid notification and issues around taxation and VAT.</p> <p>He commented on the business case and the opportunities for shared services – not only ‘back office’ services but also R&D and cross-sector marketing. There are some concerns over single quality marks which have still to be addressed.</p> <p>The AHDB board has asked the six sector Chief Executives to come together as a group and shape the structure of the organisation going forward with each CE taking the lead in one area.</p> <p>In the meantime there is a need to carry on business as levy payers expect but the challenge will be to carry on with the pace of transition while still delivering our services.</p> <p>The timeline for the build at Stoneleigh is around 21 months but to allow the transition to carry on temporary accommodation is being arranged from September 2008. Dependent on the work of the Chief Executive group, some services could be moved to Stoneleigh sooner than others.</p> <p>It was confirmed that the timeline for the organisational structure is being ‘divorced’ from that of the building work.</p> <p>JV asked for clarification of the relationship of the DairyCo board to the AHDB board.</p> <p>AHDB, as the levy collector, is accountable to Government but</p>	<p>KJB</p>



Description	Action
<p>will develop protocols and systems which will allow the individual sectors to perform in the most efficient way possible. It is the Sector Boards' responsibility to agree their own strategies – with consideration to be given to the savings to be made by sharing services and collaborating as sector bodies.</p> <p>NC asked about working to alleviate 'market failure' and how strongly this ethos is demonstrated by all sector bodies to communicate this to levy payers. JB agreed market failure is an important criterion for all levy boards.</p> <p>DH expressed his concern that the Executive teams of the levy boards still have two roles – to collect levy and deliver to levy payers on the business plan plus manage a long transition period and that it was important to minimise this period.</p> <p>TB thanked John Bridge for attending the meeting.</p>	
<p>DSB08/04/9</p> <p>KT Strategy Stuart Goodinson and Brian Lindsay joined the meeting.</p> <p>SG gave a brief summary of meetings with Co-ops and processors on the Dairy Business Group initiative.</p> <p>He also explained the rationale around the request for more Extension officers bearing in mind the technical aspects of delivery required moving forward with e.g. feeding campaign later this year.</p> <p>It was agreed that the use of part time EOs would be considered where appropriate, e.g. in areas with few farmers.</p> <p>There was a lengthy discussion around the facilitation and content of discussion groups and measurement of KPIs and agreement that these would need to continue to be developed.</p> <p>It was noted that with KT (and all other areas) the second year DairyCo plan would have to specifically address how market failure could be reduced in that area.</p>	<p>Head of KT</p>



Description	Action
<p>It was agreed there was an urgent need for communication to the EOs of their specific targets and the continued importance of the Business Group initiative.</p> <p>The Board agreed the proposed short term KT strategy with a total budget of £1,032K for staff and overhead costs, and appointment of five more extension officers.</p> <p>Stuart Goodinson and Brian Lindsay left the meeting.</p>	SG
<p>DSB08/04/10 Board Secretariat</p> <p>The Board approved the proposal to split the role of HR and Corporate Governance into two roles, but to also put a moratorium on further administrative recruitment (including filling vacated posts) until after a review of administrative support had been carried out.</p>	KJB
<p>DSB08/04/11 Research Projects</p> <p>Brian Lindsay, Jeff Nicholas and Marco Winters joined the meeting.</p> <p>Julia Hawley declared an interest, and stated that she had had no involvement and would have no future involvement in any tenders from ADAS into Climate Change research funded by DairyCo.</p> <p>BL gave background to the request for R&D funding.</p> <p>DSB08/04/11.1 – Desktop review of GHG emissions</p> <p>There was challenge over the budgeted cost and the priority for the project.</p> <p>DSB08/04/11.2 – Modelling greenhouse gas emissions.</p> <p>There was challenge over the expenditure required and BL confirmed that the tender process would result in best value tender being selected.</p> <p>DSB08/04/11.3 – Improving labour productivity by developing KPI targets by different system.</p>	BL



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<p>The projects were all approved up to the maximum budget as stated in the proposals. The Board will be informed of the resulting contracted costs. TB to sign PAF forms.</p> <p>While it was agreed that all projects proposed were approved, the Board insisted that in future more rigor be applied to project proposals, particularly regarding budgets, before being put before the Board.</p>	
<p>DSB08/04/12 Image Management JN updated the Board on progress towards a final strategy.</p> <p>He updated the meeting with news that the Milk Marketing Forum's application for EU funding has been rejected.</p> <p>There was a lengthy discussion around The Dairy Council and the previous decisions were reaffirmed.</p>	
<p>DSB08/04/13 Regional Forums The Board acknowledge receipt of the paper – there was some concern over the geographical split of groups in Scotland – SJ and KC to discuss with PS. PS was asked to review the maximum number of members per forum to ensure there was a range of production systems in each Forum.</p> <p>Jeff Nicholas left the meeting.</p>	PS
<p>DSB08/04/14 TOR Remuneration Committee These were approved by the board.</p> <p>The board agreed that in head of department level appointments, the Chairman and Chairman of Remuneration committee (or a substitute board member appointed by the respective Chairman) will represent the board on the interview panel with the Chief Executive.</p>	
<p>DSB08/04/15 Vice-Chairman It was agreed to appoint a Vice Chair for administrative purposes. The Vice Chair would also be TB's representative at AHDB meetings if he was unable to attend.</p> <p>The Board agreed to use a ballot process, unless there were no candidates, in which case random selection would be used.</p>	Joy Sverdloff



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<p>DSB08/04/16 Board Member Payment The proposal was agreed by the board. It was agreed that each Board member would keep a diary for the year to monitor days done. This new process will need to be included in the DairyCo Ops and Props. It was agreed the Audit Committee would agree the procedure.</p>	<p>Board IM</p>
<p>DSB08/04/17 Genetics Background Marco Winters gave a presentation on DairyCo <i>breeding+</i>.</p> <p>It was noted that Stewart Jamieson would join the board of MDC Evaluations Ltd.</p>	
<p>DSB08/04/18 Any other business TB asked the Board members if they want to attend the UK IDF conference in June to tell Joy Sverdloff by the end of the week.</p> <p>TB also asked for as many Board members as possible to attend the Dairy Event at Stoneleigh on 17/18 September.</p> <p>SJ asked for the Boards thanks to be passed to the Communications team for the publication of the first issue of DairyCo's newsletter.</p> <p>Date of next meeting Scheduled for 28 May 2008 at Cirencester</p>	<p>Board Board</p>

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

Signed _____ Date _____
 Tim Bennett - Chairman