



DairyCo Meeting Minutes

Meeting: DairyCo Board – DSB09/03
Date: 6 May 2009
Venue: DairyCo Offices, Cirencester, Glos, GL7 6JN.

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), Natasha Edwards (NE) & Julie Laaser (JL) – Minutes,
In Part: George Fisher (GF), Huw Thomas (HT), Amanda Ball (AB)

Apologies: None
Distribution: As Above plus Kevin Roberts and Sue Walker at AHDB

Description	Action
DSB09/03/1 Welcome and Apologies No apologies were given.	
DSB09/03/2 Minutes from last meeting The Board agreed the suggested changes by JV as outlined below: <ol style="list-style-type: none">1. It was agreed that it is important that the cost savings arising from the creation of AHDB and the move to Stoneleigh should be made clear, to justify to levy-payers that our £1.2m investment in transition will be more than repaid.2. The minutes should note Marco's formal declaration of interest as a director of CDI3. On governance, it was agreed that the Board did not want to set up a finance committee, as all relevant financial information should be presented to the full Board.	NE
DSB/09/03/3 Matters arising from previous minutes <u>Minutes</u> The Board requested more detailed formal minutes with	



Description	Action
<p>suggestions and decisions captured in more detail.</p> <p>Once changes have been made to the minutes of DSB09/02 they are to be re-circulated to the Board for approval.</p>	<p>NE/ KJB/ TB</p>
<p>DSB/09/03/4 Chairman's Report</p>	<p>KJB</p>
<p>Options for allocating AHDB Central Costs were discussed. There were numerous questions surrounding the accuracy of the budgetary figures and the way that levy money will be divided up with AHDB, particularly regarding central costs.</p>	<p>KJB</p>
<p>The Board were informed that Kevin Roberts will produce a further more detailed paper in June regarding AHDB costs which will be distributed to the Board when available.</p>	<p>KJB</p>
<p>Questions relating to the central cost breakdown of AHDB can be put directly to Kevin Roberts when he comes to the July board meeting</p>	<p>KJB</p>
<p>JV requested comfort that DairyCo levy would not be absorbed by excessive central costs. TB assured that auditors will review the allocation of costs and the AHDB Board would be monitoring the central AHDB costs.</p>	<p>KJB</p>
<p>It was agreed that clarification would be sought from Gordon Bennett/ Kevin Roberts about the payback timescales in the summary and conclusions section of the central cost allocation paper.</p>	<p>KJB</p>
<p>DSB/09/03/5 Directors Report</p>	<p>KJB</p>
<p>KJB presented the Directors report, making reference to the following:</p>	<p>KJB</p>
<p><u>DEFRA School Milk funding:</u> KJB has since met and discussed this with DEFRA. It appears likely it will be some time until the final decision and timescales are known. Any progress will be reported to the Board as it is received.</p>	<p>KJB</p>
<p><u>Communication to the Board</u> – It is generally felt there is a need to step up communications with the Board enabling them to be better informed. Board members</p>	<p>KJB</p>



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<p>should feel free to contact any of the managers at DairyCo should they have any queries relating to their departments. Any subsequent issues should be raised with the DairyCo Director.</p>	Board
<p><u>Transition Process</u> - The Board were informed that the moving date to Stoneleigh has been set for the evening of 25 June for staff relocating to Stoneleigh. From the 26th June Stoneleigh will be the main centre of communication. Amanda Ball will be looking after the day to day work on transition.</p>	
<p><u>Standing Instructions</u> -The new standing instructions setting out the authorities of the Sector Boards and staff were redrafted and presented to the AHDB Board last Monday (27th April). We are still awaiting the implementation plan and timetable from Kevin Roberts; this will be sent to the Board as soon as it is available. It is expected that the majority of the new authorities/ standing instructions will come in to force in September.</p>	KR/ KJB
<p><u>HR</u> - MI recruitment for the replacement of Huw Thomas is being carried out by Bernadette Garvey which could take 5-6 months to fill this role. In the short term Helen Eustace will be appointed acting Head. The Board expressed concern that Datum/MI may slip in the meantime and it must be a key priority to keep Datum on track.</p>	
<p>KJB advised the Board that appropriate paperwork to replace Brian Lindsay, Head of R&D, had gone to Kevin Roberts for approval and that adverts for the role should be published in the next 2 weeks.</p>	
<p><u>Welsh Language Scheme</u></p>	
<p>Concern was raised about costs associated with the scheme. After discussion it was agreed that this was a legal requirement and should not cause any significant problems or costs</p>	
<p><u>Risk Register (new format)</u></p>	
<p>The new DairyCo AHDB Risk Register was presented and the Board were informed that, despite the format change, the content remains largely the same. KJB confirmed to the Board that the AHDB Audit Committee is now responsible for the overall Risk Register.</p>	



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<p><u>Comparison of main budget</u></p> <p>KJB presented the end of year financial position noting that there was particular under spend in the R&D and KT departments, as predicted throughout the year. It is likely that the surplus from the 08/09 accounts will cover transition costs. It was requested that AHDB Central costs be accounted for in a transparent way to the DairyCo Board.</p> <p>It was noted that we had been informed that the first set of DairyCo management accounts will be processed by the AHDB central finance team in June and will take on a new format.</p>	
<p>DSB/09/03/6 Business Plan Update</p> <p>KJB presented the business plan update which has been revised for the 2009/2010 year. The most notable changes are that the traffic light system threshold has been made more challenging which has been highlighted in the Exception Report. The following areas were discussed:</p> <p><u>CRM Database</u> - this is currently red, PS has been investigating ways in which to clean the current system, however, independent advice is that it would be more cost effective to start with a new system instead of cleansing the current system. PS is also liaising with the rest of AHDB to look at the possibilities of a central CRM database. The Board agreed to support this course of action.</p> <p><u>Website</u> - it was queried as to why there are no timings for the completion of the new DairyCo website. It was explained that the website is close to completion but the transition will disrupt its finalising. It should be finalised very soon after the transition and a precise timetable is being reviewed at present.</p> <p><u>Mastitis</u> - The Board noted that there was no detailed update on the Mastitis plan training meetings. The board were informed that the first course had gone very well. A detailed update will be provided at the next Board and Board attendance at the training courses would be examined as a matter of priority.</p>	<p>PS</p> <p>PS</p> <p>GF</p>



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<p>DSB/09/03/7 Business Plan Prioritisation</p> <p>KJB presented the management proposal for delivering the 2009/10 Business Plan during the transition process. The board agreed.</p> <p>Comms - Outsource several areas of work to reduce pressure on team. Paid for from cost savings.</p> <p>I&I - Outsource production of issues statements and other areas of activity. Within original budget.</p> <p>R&D - Focus on A priority projects, only commission B priority projects if time available. Possibly under spend in the R&D budget as a result.</p> <p>KT - Cut targets from 30 to 10 for open meetings. Milkbench – see later. Cut impact groups from 10 to 5. Discussion groups to increase frequency of meeting at their own pace.</p> <p>MI - No change to targets, but principle of focusing on core activity to a high standard rather than wider activity to a poor standard accepted. Agreed to outsource work where possible, costs to be offset against lower staff costs where there are vacancies.</p> <p><u>Lobbying</u> – DairyCo is still being approached to respond to industry issues in a lobbying capacity. It was agreed that this must stay with the trade associations and DairyCo should continue to only provide impartial information either through trade associations or directly as appropriate. It was agreed that this was not a focus for DairyCo at this time.</p> <p><u>Extension Officers</u> – It was noted that there are still some areas that are not covered by Extension Officer representation. Their work is a key part of knowledge transfer engaging with farmers so it is essential that the un-covered areas are covered by existing EO's until people are appointed.</p> <p>Richard Davis left the meeting</p> <p><u>Outsourcing</u> – Due to staff vacancies, more work this year will be outsourced to third parties. It was noted that the organisation has significant experience in</p>	<p>PS</p> <p>AB</p> <p>BL</p> <p>GF</p> <p>KJB</p> <p>GF</p>



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<p>outsourcing and one of the existing managers who has key competencies in project managing outsourced work would be identified as a mentor for any other staff outsourcing work for the first time.</p> <p>It was agreed that the total amount of activity that DairyCo does must form a key part of the discussion in the July strategy setting meeting.</p>	KJB
<p>DSB/09/03/8 <u>Approval of projects</u></p> <p>Milkbench+ George Fisher presented the Milkbench+ paper. The Board agreed by majority of 10 to 2 to:</p> <ul style="list-style-type: none">• reduce the 2009/10 target from 250 to 150 data sets• to resource Milkbench+ in the 2010/11 year with a team of 7 (net increase of 5) and £0.5m budget to achieve 350 data sets and a full report into the economics of milk production.• Implementation of the structure would be discussed with Kevin Roberts, but control of the new team should remain within DairyCo until new MI structure is up and running successfully.• Increase staffing immediately in preparation for 2010/11• Additional costs for this of c. £142k to be met from savings elsewhere in the KT budget.• A target of 500 data sets in 2011/12. <p>It was agreed that, if the target of 350 is not reached by the end of March 2011, Milkbench+ will cease.</p> <p>Trevor Lloyd & Ian Martin left the meeting</p> <p>Huw Thomas (HT) entered the meeting</p> <p>Wales HT presented a paper on the current situation with the Dairy Manager Wales and the proposed Supply Chain Efficiency grant application, highlighting the responsibilities that DairyCo will be undertaking in Wales. The Board agreed to:</p> <ul style="list-style-type: none">• Progress with the agreement with the Welsh Assembly Government,• the appointment of the KT Manager Wales,	



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<ul style="list-style-type: none">• the SCE grant application• and the use of an interim until the permanent KT Manager Wales is appointed. <p>The Chairman expressed thanks to Huw Thomas on behalf of the Board for the great job that he has done during his time with DairyCo and wished him all the best for his future career.</p> <p>Huw Thomas left the meeting.</p> <p>Amanda Ball (AB) joined the meeting</p>	KJB	
DSB/09/03/09 Issues and Image Management		
<p>AB updated the Board on activities that have been undertaken since her appointment as Head of I&I, as reported in the Board Pack. The Board were informed that AB will also be working on Transition until the move the Stoneleigh; however, the Board were assured that the I&I plan will continue moving forward, albeit slightly slower that would otherwise be the case. Background issue statements will be produced and work will be outsourced in several areas. AB was thanked for a very useful update.</p> <p>Amanda Ball left the meeting</p>		
DSB/09/03/10 Audit Committee Update		
<p>The Audit Committee update was postponed to the next meeting due to Ian Martin having left the meeting.</p>		
DSB/09/03/11 MDCEL		
<p>Declarations of interest were noted by the following Board members: SJ, DH, JH, KC, NC, TL as members of the Holstein UK. Interests were also declared on behalf of Marco Winters, as a Director of CDI, and Trevor Lloyd as a director of NMR</p> <p>The proposal paper was outlined and it was requested that the Board respect the confidentiality of the paper.</p> <p>The board agreed to continue down a two pronged approach investigating: 1) continuing on the current basis and 2) Handing genetic evaluations over to a third party.</p>		



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<p>The Board agreed that an impartial working group should oversee the process due to the sensitivities involved. It was proposed that the members of the DairyCo Audit Committee should take on the working group responsibilities – the Board agreed subject to the terms of reference for the working group.</p>	KJB/ IM
DSB/09/03/12 Research Advisory Forum	
<p>KC provided an update to the Board. The application forms have been released and KC asked all Board members to highlight this at their Regional Forum meetings to encourage members to apply. Once the groups have been formed, the first meeting will be held at Reading University. TB thanked KC for his involvement with the project.</p>	
DSB/09/03/13 AOB	
<p>KJB outlined the letter as supplied in the AOB section of the pack. The Board agreed that that they were happy with the response and for it to be sent on behalf of the Board.</p>	TB/ NE
<p>There being no other business, the meeting was closed.</p>	
<p>Signed..... Date..... Tim Bennett – Chairman</p>	
<u>Details of next meeting:</u>	
Board Meeting – 8 & 9 July 2009 Venue: Stoneleigh – TBA – 12pm	
Board Dinner – 8 July 2009 Venue: Stoneleigh – TBA – 7:30pm	