



Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 9.30am at Tŷ Rheidol, Aberystwyth on Thursday 17 November 2022

- Present:** Cath Smith (Chair)
Melody Chapman (via Teams), John T Davies, Rhys Davies, Jack Evershed, Prys Morgan, Emlyn Roberts and Claire Williams
- By Invitation:** Maria Richards (Welsh Government)
- Executive in attendance:** Gwyn Howells (Chief Executive Officer - CEO)
Julie Davies-Jones (Secretariat)
Kirsten Hughes (Red Meat Executive) – Items 6 & 7
Jon Parker (Head of Supply Chain Delivery)
Laura Pickup (Head of Strategic Marketing & Connections)
Bryan Regan (Head of Finance & Corporate Governance)

1. **Welcome and Chair's Comments**

The Chair welcomed all to the Board meeting and gave an update on the key events and meetings she had recently attended:

6 October 2022 – HCC Board meeting

15 – 18 October 2022 – SIAL, Paris

24 October 2022 – FUW Annual Dairy Show Dinner, Carmarthen

26 October 2022 – HCC Board Teams update

27 October 2022 – HCC Industry Liaison Group meeting

3 November 2022 – Attendance at the NFU Cymru conference, Llandrindod Wells along with the CEO and Head of Sustainability and Future Policy

10 November 2022 – HCC Annual Conference, Members Centre, Royal Welsh Showground, Builth

Levy Conversation evening meetings:

14 November 2022 – Gelliaur College Farm, Carmarthen

15 November 2022 – The Manor Hotel, Carmarthen

16 November 2022 – HCC Board planning meeting

2. **Apologies for absence**

Apologies noted from Board Members Gareth Wynn Davies and Huw Davies and Rachael Madeley-Davies, Head of Sustainability & Future Policy.

3. **Declarations of Interest**

There were no new Declarations of Interest.

4. **To approve the minutes of:**

a. *The Board meeting held on Thursday 6 October 2022 (HCC 1097)*

The minutes of the above meeting were taken as read, approved by the Board and signed by the Chair subject to the following addition:

Page 4 Item 8 – To receive an update on the proposed Levy increase consultation process (HCC 1094):

To note that direct engagement would also be made with the key processors in Wales as part of HCC's dialogue with the industry.

b. *The Board Teams update meeting held on Wednesday 26 October 2022 (HCC 1098)*

The minutes of the above meeting were taken as read, approved by the Board and signed by the Chair.

5. **Matters arising from Items 4a and 4b above**

4a – Thursday 6 October 2022 Board meeting

Year-End Review of the HCC Operational Plan 2021 / 2022

An update was given on the above.

HCC Farmer Intentions Survey

It was noted that the analysis work continued on the survey results and these would be reported upon in due course.

Action: Head of Sustainability & Future Policy

HCC Board Evaluations

It was noted that the Board evaluations had been completed and the Chair thanked the Board for their participation.

The Chair's evaluation would be undertaken in due course.

4b Wednesday 26 October 2022 meeting

There were no matter arising from the above.

6. **To consider the 6-month review of the HCC Operational Plan 2021 / 2022 Performance against KPIs (HCC 1099)**

The above was taken as read and presented by the Red Meat Executive.

The document outlined HCC's performance against targets (where appropriate to measure) against the Key Performance Indicators (KPIs) for the first 6-months of the 2022 / 2023 financial year.

There were no major issues of concern to highlight and following discussion, the Board was content with the current situation which would be kept under ongoing review by the Executive.

7. **Planning process for the HCC Business Plan 2021 / 2026 and HCC Operational Plan 2023 / 2024**

A useful facilitated planning meeting was held between the Board and Executive on the 16 November 2022.

The CEO thanked all for their participation and highlighted that as an outcome of discussions from the initial planning meeting, the Executive would now progress with reviewing the delivery structure, core themes and outcomes ahead of drafting the plans for the Board to consider at the 12 January 2023 meeting. There was a requirement to consider how KPIs / measurements could further be aligned with outcomes in a strategic manner. Consideration would also be given on developing a new reporting structure on the Operational Plan.

This work would be taken forward by the CEO with the Executive and it was agreed to have an update Teams meeting with the Board on developments during mid-December 2022.

Action: CEO / Secretariat

The Red Meat Executive departed the meeting.

8. **HCC Reports**

a. Activities (HCC 1100)

The above was taken as read with key HCC activities highlighted by the Executive.

b. Market Bulletin Summary (HCC 1101)

The above was taken as read.

c. Financial – Income and Expenditure and Balance Sheet to 30 September 2022 (HCC 1102)

The above was taken as read by the Head of Finance and Corporate Governance.

It was noted that year to date, Levy figures were down on budget, however there were no issues of concern to highlight currently.

d. To receive an update on HCC's Levy Conversation with Stakeholders

The engagement process with Stakeholders had commenced with open meetings held at Gelli Aur College Farm (14 November 2022) and at The Manor Hotel, Crickhowell (15 November 2022).

To date, constructive discussions had taken place and there appeared to be a general acceptance and support towards the proposed change of mechanism and Levy increases.

The remainder of the meetings were as follows:

22 November 2022 – Glynllifon Agricultural College, Caernarfon
28 – 29 November 2022 – Engagement at the Winter Fair
5 December 2022 – Coleg Cambrian, Ruthin
7 December 2022 – Online via Zoom.

An analysis report from the engagement process would be prepared and shared with the Board in due course.

Action: Head of Sustainability & Future Policy

e. To receive feedback on HCC's Annual Conference 2022

The Head of Strategic Marketing and Connections reported that extremely positive feedback had been received in relation to HCC's conference.

The Chair and Board congratulated the Executive on the execution of this year's conference.

f. To receive an update on HCC's presence at the Winter Fair 2022

Arrangements were in hand for HCC's presence at this year's Winter Fair.

A programme of activities was currently in the process of being prepared which included the annual breakfast at Hafod a Hendre with the Minister in attendance.

Planned on stand activities included butchery demonstrations, results and tasters from the RMDP Welsh Lamb Meat Quality Project, a number of cooking demonstrations, sharing of results from the BeefQ project and a carcass cutting demonstration.

g. Forthcoming events (HCC 1103)

The above was taken as read.

9. **HCC Committees**

Audit and Risk Committee

a. To receive a verbal report and adopt the minutes of the Audit and Risk Committee meeting held on Wednesday 2 November 2022 (HCC 1104)

The above was taken as read and key points summarized by Board Member Jack Evershed in the absence of Gareth Wynn Davies, Chair of the Audit & Risk Committee.

- The Committee's Terms of Reference was reviewed with no changes proposed.

- HCC's refined Governance document was presented to the Committee. The revised document was now clearer and more concise and provided more information on understanding the legal and regulatory requirements of HCC and the policies in place. A summary of the document would be prepared and shared with the Board.

Action: Head of Finance & Corporate Governance

- Audit Wales presented on the findings of the audit of HCC's Annual Report and Accounts for 2021 / 2022. Two misstatements had been identified both of which would be corrected and were not of a concern. It was noted that Audit Wales intended to issue an unqualified audit to HCC which was commended by the Board.
- The Risk Register was reviewed by the Committee with no amendments proposed. Discussion had taken place with regard to risk O1 relating to HCC's VAT status. The CEO informed the Board that ongoing discussions were happening with the HMRC on this matter. An initial face to face meeting was held between HMRC Officials, the CEO and the Head of Finance and Corporate Governance on the 15 November 2022. The CEO had requested that HMRC provide HCC with a proposal for the rationale of HCC not being able to claim VAT on its activities
- The Board would be kept updated on developments.
- The appointed internal auditors presented to the Committee on the Internal Audit report.
- There were no issues to report in terms of Credit Control.

b. To receive a summary of the key points in the Financial Statements 2021 / 2022 (HCC 1105)

The above was taken as read and summarized by the Head of Finance and Corporate Governance.

c. To receive and approve the Annual Report and Financial Statements for 2021 / 2022 (HCC 1106)

The above was taken as read.

On the basis of the above and the recommendation for approval by the Audit and Risk Committee, the Board was content with approving the Annual Report and Financial Statements for 2021 / 2022 and thanked Welsh Government for their assistance on matters.

In addition to the above and for Governance purposes, the Board, appointed as Non-Executive Directors confirmed that the detail contained within the Financial Statements in relation to their individual declarations was accurate with no changes to make.

The Executive would progress with filing a letter of representation and the Annual Report and Financial Statements for 2021 / 2022 with Audit Wales.

Action: Head of Finance & Corporate Governance

Flock and Herd Health Working Group (FHHWG)

- d. To receive a verbal report and adopt the minutes of the FHHWG Group meeting held on Wednesday 26 October 2022 (HCC 1107)

The above was taken as read and adopted by the Board.

The minutes were utilized as a report to the Board with no matters raised.

Industry Liaison Group

- e. To receive a verbal report and adopt the minutes of the ILG meeting held on Thursday 27 October 2022 (HCC 1108)

The above was taken as read and adopted by the Board.

The minutes were utilized as a report to the Board with no matters raised.

Research and Development and Knowledge Exchange Committee (R&D&KE)

- f. To receive a verbal report of the R&D&KE Committee meeting held on Wednesday 16 November 2022

The Chair of the Committee summarised on the above.

A review of HCC's Committees structure would be undertaken by the Chair and CEO in the new year and would take into account the changes to the Business and Operational plans and new Board appointments.

Action: Chair & CEO

10. **Paper for information: EIDCymru Financial Statements year ended 31 March 202 (HCC 1109)**

The above was taken as read.

11. **Any other business**

Update on changes to pre-export requirements effective from 13 December 2022 – current status of discussions with DEFRA and implications

It was noted that a temporary solution for a 12 month extension to the above had been announced to allow Defra sufficient time to comply with the EU export requirements.

UK Export Certification Partnership (UKECP)

The Board were update on the terms of service provided.

12. **Dates of forthcoming meetings**

HCC Board planning update meeting via Teams – schedule for mid-December 2022

Action: Secretariat

2023

HCC Board meeting - Thursday 12 January 2023.

HCC Board Teams update – Thursday 2 February 2023 at 9.30am.

Signed.....
Chair of HCC