



Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10am at Tŷ Rheidol, Aberystwyth on Thursday 7 March 2024

- Present:** Cath Smith (Chair)
Gareth Wynn Davies, John T Davies (Teams), Rhys Davies (Teams), Jack Evershed, Hugh Hesketh-Evans, Mike Humphreys, Prys Morgan, Emlyn Roberts, Caroline Sanger-Davies, Vicki Spencer-Francis
- By Invitation:** Vicky Jones, Head of Agriculture, Sustainability and Development Division, Welsh Government (Teams from 11.30am – 1.30pm)
- Executive** Heather Anstey-Myers, Interim CEO
Julie Davies-Jones, Secretariat
Pip Gill, Campaigns Executive – Item 6f
Gareth Jones, Head of Finance & Corporate Governance
Rachael Madeley-Davies, Head of Sustainability & Future Policy
Elizabeth Swancott, Research & Development Senior Officer – Item 6g

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

The Chair welcomed all to the Board meeting. In particular, a warm welcome was extended to Heather Anstey-Myers, HCC's Interim CEO, attending her first formal Board meeting.

The Chair gave an update on the key events and meetings she had attended since the previous meeting:

16 January 2024 – The Chair attended a meeting of the Welsh Government's (WG) Public Leaders Forum.

24 January 2024 – The Chair and Senior Leadership Team (SLT) virtually attended a meeting of the WG and HCC Quarterly Governance meeting. The Chair also attended the NFU Cymru Hay-on-Wye Branch meeting.

1 February 2024 – HCC Board Teams update.

6 February 2024 – WG Agri-Food Stakeholder Group meeting.

22 February 2024 – The Chair partook in an introductory meeting for the Interim CEO and Head of Finance and Corporate Governance with WG Officials / Sponsor Team.

20 & 21 February 2024 – The Chair and Head of Sustainability and Future Policy attended the annual NFU Conference, Birmingham.

26 February 2024 – The Chair met with the Minister, Lesley Griffiths, MS. During the meeting, the Minister thanked the Board and staff for the continuation of delivery on behalf of the organisation and the red meat industry in Wales during challenging times.

29 February 2024 – The Chair virtually attended a meeting of the Farming Connect Strategic Advisory Board meeting.

5 March 2024 – The Chair and Interim CEO attended a media training session.

Regular Teams meetings continued to be held with the Interim CEO.

2. **Apologies for absence**

Apologies noted from Gwyn Howells, CEO (sick leave) and Laura Pickup, Head of Strategic Marketing & Connections.

3. **Declarations of Interest**

There were no new individual Declarations of Interest declared.

A Board paper error was highlighted, which was withdrawn and re-issued. It was agreed that the Interim CEO would review the process.

Action: Interim CEO

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

a. *The Board meeting held on Thursday 11 January 2024 (HCC 1177)*

The above was taken as read and approved by the Board subject to the deletion of “Remuneration Committee Update” from the title on page 9 / Item 14 “HCC Board Closed Session – Remuneration Committee update”

b. *The Board Teams update held on Thursday 1 February 2024 (HCC 1178)*

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

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

Item 4a

It was noted that all actions from the minutes had been undertaken.

Item 4b

It was noted that there were no matters arising and all actions from the minutes had been undertaken.

The Head of Sustainability and Future Policy would represent HCC at the Senedd’s Climate Change, Environment and Infrastructure (CCEI) Committee stakeholder event to further engage on the WG proposals for a Sustainable Farming Scheme on the 13 March 2024.

6. **HCC Reports**

a. *Delivery report (HCC 1179)*

The above was taken as read.

The Board highlighted that the delivery report was useful in terms of reporting on activities that had been undertaken. However, it was felt that it would be useful to have two-way discussions in a timely manner at Board meetings and in advance of proposed large project commitments such as consumer campaign work in order to gain an understanding of associated costs, planning and return on investments etc. The Board could also offer support on specific areas of expertise where applicable.

It was agreed to update the Board work programme to set dates to have three touch points included on agendas during the financial year to allow for time and discussion as highlighted above and in particular on key areas of work such as marketing initiatives and projects. The discussions could take place as part of Board meetings or separately after. The SLT would take this forward and update the Board at the next meeting.

Action: SLT

b. Market Bulletin Summary (HCC 1180)

The above and paper HCC 1189 were taken as read.

The Board agreed that the percentage readings and the impact on increased costs to farming businesses highlighted in paper HCC 1189 was extremely worrying. The future for farming businesses and families was not sustainable and concerning and would also have a significant impact across the supply chain.

The information paper would be shared with WG and key stakeholders. It was noted that an updated paper would be prepared for the Board in six-month's time.

Action: Head of Sustainability and Future Policy

c. Forthcoming events (HCC 1181)

The above was taken as read.

d. Financial Out-turn Forecast 2023 – 2024 and Budget Forecast 2024 – 2025 (HCC 1182)

See under Item 6e below.

e. Management Accounts to 31 December 2023 (HCC 1183)

Copies of revised papers HCC 1182 and HCC 1183 were tabled and presented by the Head of Finance and Corporate Governance.

A summary of the projected out-turn for 2023 – 2024 was provided and it was noted that the original budget forecast for the year-end was a break-even position.

Key matters for the Board to be aware of were highlighted and noted

In terms of the Budget Forecast for 2024 / 2025 detailed information in terms of the draft Budget for 2024 / 2025, key assumptions, summary Income and Expenditure and financials, Sensitivity of Analysis and Risk Management were presented to the Board within paper HCC 1182.

It was noted that HCC had in place a number of measures to mitigate the uncertainties going forward. The budgets had been prepared on a conservative basis with contingencies identified to mitigate variation. Cash reserves were currently adequate, allowing for any short-term immaterial deficits to be absorbed in-year. The SLT would continue to identify opportunities to deliver efficiencies by reducing expenditure where appropriate and increasing and maximising income. An efficiency programme was currently in the process of being developed internally.

f. *To receive a presentation on the evaluation of the Welsh Lamb campaign 2023*

The Campaigns Executive presented on the above:

It was highlighted that in previous years, England and Wales had been evaluated together. This year, it was decided to evaluate them separately to better inform on future delivery.

The Board congratulated the team on the work undertaken on the Lamb campaign and the positive results achieved.

It was agreed to provide an information paper to the Board for the next meeting on consumer awareness trends. In addition, an update would be given on the evaluation exercise based on HCC's work on advocacy and defence.

Action: Head of Strategic Marketing and Connections

The evaluation for the Beef campaign was currently underway and would be reported on at the 2 May 2024 Board meeting.

Action: Head of Strategic Marketing and Connections

g. *To receive a presentation on HCC's Young Persons Group*

The Research & Development Senior Officer presented on the above:

The idea of an HCC Young Persons Group (actual name to be agreed) was taken forward following engagement at the HCC student events at the agriculture colleges, with students showing interest in HCC's work and in particular on the research and development area. Feedback on working with the younger generation was also received at the HCC annual conference and through the HCC Scholarship. Discussions had taken place internally and it was agreed to progress with the creation of a Young Persons Group to engage with and highlight HCC's work to the younger generation within the industry and enhance exposure to the wider Welsh red meat supply chain.

It was planned to appoint in the region of 10 members who work for or are involved in the Welsh red meat supply chain between the ages of 21 – 35. The programme would run initially for 12 months and reviewed thereafter.

Action: Secretariat

7. **To receive an update on the proposed Welsh Red Meat Levy Rates for 2024 / 2025**

It was noted that email communication had been received on the 7 March 2024 from WG confirming that the Minister for Rural Affairs, North Wales and Trefnydd, Lesley Griffiths MS had agreed to the proposed increase in Red Meat Levy Rates 2024 / 2025.

8. **Corporate**

a. **To consider HCC's final draft Business Plan 2022 / 2026 (HCC 1184)**

The latest draft Business Plan was taken as read and presented by the Head of Sustainability and Future Policy.

Following in depth discussion, suggested minor changes were noted and the Plan would be updated accordingly. In addition, it was agreed to provide further information in the draft Business Plan to include top level budget information and the insertion of term of Government KPIs.

Action: SLT

b. **To consider HCC's final draft Operational Plan 2024 / 2025 (HCC 1185)**

The above was taken as read and presented by the Head of Sustainability and Future Policy.

Taking into account matters discussed under Items 6d and 6e, Following discussion, it was agreed that further work was required in order to deliver a balanced budget. This would be taken forward by the SLT and would need to be turned around swiftly to meet timelines

The Board would be notified by email when this work had been undertaken and the revised Plans uploaded to Sharepoint for approval.

Action: SLT

c. **To consider HCC's draft Board programme for 2024 / 2025 (HCC 1186)**

The above was taken as read and approved by the Board

9. **HCC Committees**

Audit and Risk Committee

a. **To receive a verbal update of the Audit and Risk Committee meeting held on Monday 26 February 2024**

The Chair of the Committee, Gareth Davies, gave a verbal update on key areas from the meeting.

- HCC's VAT status - There was currently no update to report. It was agreed that external communication lines would need to be prepared on this matter. This would be taken forward by the SLT.

Action: SLT

- HCC Risk Register – Two actions were ongoing and would be carried forward and actioned in due course when the new framework was in place. These actions were noted - Risk S4, public perception of red meat, it was queried why the residual risk was not reducing when there are mitigations within HCC's control and O10 consideration to be given as to whether individual fraud risks can be more clearly defined.
- Internal Audit – HCC Internal Auditors updated the meeting. A draft report for the Statutory and Regulatory Requirements audit had been issued with a limited opinion.

An update was provided on actions followed up from previous audits over the past two years. There was a limited number of actions outstanding and the Internal Auditors were content that a plan was in place to address these.

- An action plan was in place to address matters identified from the audit of the IT Function and IT Resilience exercise. A review would be undertaken in 6 months.
- External Audit – An update was given by Audit Wales on the Year-End Plan 2023 / 2024. A full plan would be presented to the Committee at the meeting of 11 June 2024 and the Board would be updated accordingly.
- Risk Appetite Statement Risk Management Policy – The Committee reviewed and approved both documents with the recommendation to present to the Board for approval – Items 9b and 9c refers.
- The Chair of the Committee and Head of Finance and Corporate Governance virtually attended a meeting of the Central Government ARAC Chairs and Heads of Resources on the 29 February 2024 facilitated by Audit Wales.
- An update was given on Credit Control with no issues to highlight.
- Information Governance – Following the completion of the WG annual security questionnaire for 2022 / 2023, it was pleasing to note that HCC had been assessed as demonstrating a high level of compliance with the security standards.
- The Committee's Terms of Reference was in the process of being reviewed by the Interim CEO and Head of Finance and Corporate Governance.

b. To approve the HCC Risk Management Policy (HCC 1187)

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

c. To approve the HCC Risk Appetite Statement (HCC 1188)

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

Sustainable Innovation and Research Group

d. To receive a verbal update of the first HCC Sustainable Innovation and Research Group held on Tuesday 27 February 2024

The Chair of the Group, Emlyn Roberts, gave a verbal update:

The first meeting of the Group had been extremely positive with all bar one of the members in attendance at HCC. Frank and broad conversations had taken place on industry challenges. Proposed opportunities and priority key areas were also discussed and would be considered going forward.

A presentation was given on HCC's strategic direction in terms of sustainability and on HCC's current R&D activity.

The Group would meet 3 times year and the next meeting would be virtually on the 16 May 2024.

10. **Paper for discussion: Supply chain inflation (HCC 1189)**

Covered under Item 6b above.

11. **Paper for information: Changes to Bovine Tuberculosis (bTB) rules (HCC1190)**

The above was taken as read.

12. **Any other business**

Board Expenses

The Board were reminded to submit expenses claims to the Head of Finance and Corporate Governance as soon as possible.

Action: Board

Chair matters

The Chair informed that she had taken up a new job within the regeneration team with the Vale of Glamorgan local authority.

It was noted that there was currently no update on the Chair's position in terms of reappointment.

The Chair suggested that Board Member Vicki Spencer-Francis would give a short presentation at a future Board meeting about her work with the Future Generations Commission in relation to EDI, to see what lessons could be learnt from her experience and share best practise. This was agreed.

13. **Dates of forthcoming meetings**

Board Teams update - Thursday 4 April 2024 at 9.30am
HCC Board meeting – Thursday 2 May 2024 at 10am

HCC Board Closed Session

A separate and confidential meeting of the Board followed to discuss the following agenda items.

Signed.....
Chair of HCC