



Minutes of a meeting of the Directors of Hybu Cig Cymru (HCC) held at 10.30am at Tŷ Rheidol, Aberystwyth on Thursday 2 March 2023

- Present:** Cath Smith (Chair)
Gareth Wynn Davies, Huw Davies, John T Davies (via Teams), Rhys Davies, Jack Evershed, Prys Morgan and Emlyn Roberts, Claire Williams
- By Invitation:** Karla Price (Welsh Government) via Teams (departed the meeting at 1.40pm)
- Executive in attendance:** Gwyn Howells (Chief Executive Officer - CEO)
Julie Davies-Jones (Secretariat)
Kirsten Hughes (Red Meat Executive) – Item 7
Rachael Madeley-Davies (Head of Sustainability & Future Policy)
Jon Parker (Head of Supply Chain Delivery)
Laura Pickup (Head of Strategic Marketing & Connections)
Bryan Regan (Head of Finance & Corporate Governance)

HCC Board Closed Session

The HCC Formal Board meeting commenced at 11:04am with the Executive and Karla Price joining.

1. Welcome and Chair's Comments

The Chair welcomed all to the Board meeting.

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

17 January 2023 – Guest speaker at Monmouthshire Agricultural Club Society meeting

23 January 2023 – Sifting exercise HCC Board appointments

24 January 2023 – Attended the annual FUW Farmhouse breakfast event, Cardiff with the CEO and Head of Sustainability and Future Policy

2 February 2023 – HCC Board Teams update followed by a virtual meeting of the Farming Connect Strategic Advisory Board. The Chair also attended the formal launch of the Institute of Export and International Trade Cymru event in Cardiff

13 February 2023 – Interview with Meat Management Magazine

15 and 16 February 2023 – Panel member on the HCC Board appointments interviews

21 and 22 February 2023 – The Chair and CEO had a meeting with AHDB counterparts and also attended the NFU conference, Birmingham

24 February – HCC Remuneration Committee meeting.

Weekly Teams catch ups continued to be held with the CEO.

2. **Apologies for absence**

Apologies were noted from Board Member, Melody Chapman and Maria Richards, Welsh Government.

3. **Declarations of Interest**

New Declarations of Interest were noted as follows:

Rhys Davies – confirmed that he had commenced employment with Rhug Estate since December 2022. A potential conflict may arise on any discussion regarding trade in the Middle East.

Claire Williams – had commenced employment with Warrendale Wagyu since January 2023.

4. **To approve the minutes of the Board meeting held on Thursday 12 January 2023 (HCC 1121)**

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

5. **Matters arising**

UK Export Certification Partnership (UKECP)

A meeting had been held between the CEO, Head of Strategic Marketing and Connections and a senior UKECP representative at HCC on the 9 February 2023.

HCC Levy Consultation exercise

It was confirmed that the Minister for Rural Affairs (the Minister) had approved HCC's recommendation with regard to increasing the Levy rates for 2023 / 2024.

The CEO informed that the Executive would now progress with notifying Levy payers (farmers and processors) and auction markets of the proposed changes so that the new Levy rates were implemented from April.

The CEO thanked the Board for their involvement and support with the process.

HCC Board Appointments process

The Chair informed that the interview process was complete and was now with the Minister for consideration.

6. **HCC Reports**

a. *Activities (HCC 1122)*

The above was taken as read with key HCC activities highlighted by the Senior Leadership Team.

b. *Market Bulletin Summary (HCC 1123)*

The above was taken as read.

- c. *Financial – Income and Expenditure and Balance Sheet to 31 December 2022 (HCC 1124)*

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

- Budgeting, forecasting and projection work had been undertaken internally and a deficit in the region of £200k for the year-end was anticipated

The Board noted the current financial situation.

- d. *Forthcoming events (HCC 1125)*

The above was taken as read.

7. **Corporate**

The Red Meat Executive joined the meeting.

- a. *To approve the summary of changes to HCC's draft Business Plan 2021 / 2026 and Operational Plan 2023 / 2024 arising from the 12 January 2023 Board meeting (HCC 1126)*

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

- b. *To approve HCC's draft Business Plan 2021 / 2026 (HCC 1127)*

- c. *To approve HCC's draft Operational Plan 2023 / 2024 (HCC 1128)*

Both documents were taken as read.

The Senior Leadership Team confirmed that they were content with the revised budgets as presented and that delivery of targets were achievable with the resources available. It was likely that some factors would change during the period but these would be kept under review by the Executive and reported to the Board accordingly.

Following discussion and taking into account the incorporated changes to the budgets and KPIs presented, the Board agreed to the following additional changes to the documents:

Business Plan 2021 / 2026

Updated Summary Income and Expenditure (*page 25*)

Operational Plan 2023 / 2024

Inclusion of KPIs within the outcomes of the Strategic Marketing and Connections section

(*Welsh Beef – page 14*)

(*Pork from Wales – KPIs populated on page 15*)

Amended KPIs within the Supply Chain Delivery – Market Development section - (*outcomes and impact populated - page 18*)

Budget Summary

Updated graphical presentation of financial summary - (budgeted expenditure graph – updated on page 43)

Action: Head of Sustainability and Future Policy

Both documents would be taken as approved by the Board if no further feedback was received by the Executive by the deadline of Wednesday 8 March 2023.

8. **HCC Committees**

a. **To discuss the review of HCC's Committees**

Roundtable discussion took place with regard to a review of HCC's Committee structure going forward in line with the new organisational structure and to reflect the ongoing changes amongst the industry such as the environment, sustainability and climate change.

It was noted that the HCC Audit and Risk and Remuneration Committees would remain as these were Statutory Committees and were required to undertake specific duties for the organisation governance structure.

The other established HCC Committees were:

Communications Advisory Committee
Flock and Herd Health and Welfare Working Committee (FHHWWC)
Industry Liaison Group (ILG)
Marketing Advisory Committee

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

The Board felt that it was important to take time with this review and consider the business needs around Committee topics and select the relevant skills set to serve on Committees. There was the possibility of establishing specific start and finish groups on an ad-hoc and subject basis.

The Board's feedback was noted and it was agreed for the Executive to engage with the Chair on this item outside the meeting and ahead of the 4 May 2023 Board meeting.

Action: Chair and Executive

Communications Advisory Committee

b. **To adopt the minutes of the Communications Advisory Committee meeting held on Thursday 12 January 2023 (HCC 1129)**

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

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

c. **To receive a verbal report and adopt the minutes of the R&D&KE Committee meeting held on Wednesday 1 February 2023 (HCC 1130)**

The minutes were taken as read and utilised as a report to the Board.

Audit and Risk Committee

d. To receive a verbal report of the Audit and Risk Committee meeting held on Thursday 2 March 2023

The Chair of the Committee reported on the key matters raised at the Audit and Risk Committee meeting of 2 March 2023.

- The issue in relation to HCC's VAT status was ongoing with the HMRC.
- HCC's Risk Register was reviewed by the Committee with no revisions raised.
- Azets presented on the Internal Audit Report for 2022 / 2023. The Head of Finance and Corporate Governance would continue dialogue on this matter directly with Azets and the A&R would be kept informed on developments.
- Azets presented a proposed audit plan for 2023 / 2024 which included an increase in contracted days. Azets felt that the additional days would provide sufficient assurance to be able to provide an annual opinion for the year. This would be discussed further with Azets and the Executive.
- Audit Wales presented on arrangements for the year-end Audit Wales plan for 2022 / 2023. The timetable for the audit process was scheduled for later than in previous years which meant that it was unlikely that an audit opinion would be provided for the 6 July 2023 Board meeting. This matter would be reviewed by Audit Wales and further discussion with the Head of Finance and Corporate Governance.
- The Chair of the Committee commended the Executive on the current situation with Credit Control with no issues to highlight.

9. **Paper for information: Calf Throughput in the UK (HCC 1131)**

The above was taken as read.

10. **Any other business**

There was no other formal business raised.

The Chair on behalf of the Board and the Executive, thanked departing Board Members, Melody Chapman, Huw Davies and Claire Williams for their efforts and commitment to the Board and for representing the Welsh red meat industry during their tenure and wished them well for the future.

11. **Dates of forthcoming meetings**

HCC Board Teams update – Thursday 20 April 2023 at 9.30am
HCC Board meeting - Thursday 4 May 2023 time tbc.

Signed.....
Chair of HCC