

AHDB Horticulture Board meeting
SUMMARY MINUTES OF THE MEETING
OF THE HORTICULTURE BOARD
ON 5th July 2022
Teleconference

CONFIDENTIAL

PRESENT: Peter Judge (PJ), Rob Saunders (RS), Keston Williams (KW), Robin Squance (RS), Roma Gwynn (RGw), Mark Eves (ME)

APOLOGIES – Jamie Dewhurst (JD), Michael Barker (MB)

IN ATTENDANCE:

Ken Boyns (KB) – Divisional Director – Services
Rob Clayton (RC) - Sector Director
Kate Saunders – PA, minute taker

1. Introduction / meeting objective (no formal agenda)

1.1 PJ gave a brief introduction to the meeting. He explained that the object of the meeting was to give the Board an update on the status of the Horticulture winddown together with decisions that are being looked into. Various conversations have recently been had. The main AHDB Board have met and there has been a Defra round table meeting to determine the future industry solutions around EAMU/EA activity at its core. An email had gone to the Horticulture Board with the options.

1.2 The AHDB Board have set a timetable to DEFRA to conclude the way forward by the end of July which if no solution is found will result in the formal wind down processes as we have no mandate beyond 31st March 2023.

1.3 The legacy website is now up and running and the AHDB Board discussed how to return surplus levy funds.

1.4 RC updated the Board on the Ministerial meeting Chaired by Victoria Prentis. The outcome for the preferred funding mechanism was that those who had favoured statutory levy would settle for voluntary levy. In which case some sort of voluntary mechanism for funding would need to be established (it was pointed out that industry was 50/50 split between statutory level and voluntary levy but those who had favoured statutory levy would settle for voluntary). An industry owned mechanism could be set up by September and activated by the end of 2022.

1.5 A meeting with the Defra Sponsorship team has taken place to explore what can be done in the future around the release of reserves. There is a piece of work AHDB will need to do in terms of modelling ongoing commitments and how much can be released. Devolved administrations will get involved and there was a discussion with Defra on what would need to be done in terms of communicating the way forward to industry.

1.6 Conversations with Jack Ward from British Growers have taken place. Jack is confident he has the mechanisms and would be looking to set up a budget for a CEO and some governance and setting up a working group to get everything up and running with regards to the transition. He has also seen some place for various AHDB staff in the future.

1.7 This leaves AHDB in a holding position waiting to see how the group organises itself, whether or not it decides it will be commissioning directly or via a tender and whether this will involve AHDB staff. This needs to go back to the main AHDB Board on the 26th July to establish what the appetite is to get involved as a potential bidder if invited to do so.

1.8 Questions/views from the Board:

The following comments were drawn from each board member present, it was the intention to receive feedback rather than discuss the merits of each comment as the future direction will be determined by DEFRA and the AHDB Main Board.

- The interest of the Horticulture Board is to do what is right for the industry
- From some in the industry the preference would be to continue with AHDB providing the CRD service and finding a way to continue to engage with the new working group. AHDB should continue to act in the form of a provider of that interface with CRD.
- The process of applying for an EAMU or is a standard process so what is the advantage of AHDB holding onto that work? Are we not better to have a clean break and let it go as a competitive contract?
Defra want to ensure consistency on the approval process and not deal with multiple bodies (more a one stop shop). CRD are already fielding applications from various bodies (not a single point of contact). They are there to provide a service for people who make the application so do we have a direct view from CRD as to what route they would prefer? AHDB account for about 70% of EAMU applications CRD are receiving. Do we know of any plans for the way in which CRD work to be revised?
AHDB are passive in this process and it is up to Defra and the industry to come up with a solution. AHDB can not abandon Horticulture and walk away, a solution needs to be sought which is led by Defra.
- The growers have indicated that they want to commit less money to levies. A voluntary levy is likely to collect less money than a statutory levy.
- The emergency approval of EAMUs are systems that are linked to the previous EU system to some degree. CRD are going through a regulatory review and there could be a decision that the current EAMU system no longer applies. Therefore, we are trying to make a decision for a system that may not be in place. It is hard to justify that we recommend AHDB activity on something that may not even exist in the near future. The nature of the work will change therefore it cannot be retained with AHDB.
- Concern was raised that there will be considerable resistance to pay a levy if AHDB are involved as some grower areas are very 'anti' AHDB at the moment
- The voluntary option is not a preference for the bedding plant sector. This will make for even more uncertainty.
- The EAMU team should provide some sort of insurance cover for EAMUs until the system is set up so this may need another year for them to carry on until the new group take over. The timescale from Jack Ward is unrealistic. The surplus should be used to extend the team for another year giving enough time to get the voluntary scheme up and running.
- Even a decision that may end up not being the right one is needed so there is direction finally.
- Need to preserve the knowledge of as many AHDB staff as we can for as long as possible.
- It is unknown what the Terms and Conditions are of the new organisation, and this is playing with people's lives. A clean break is needed, we should not pursue AHDB maintaining the EA and EAMU activity.

KB stressed to the Board that the Horticulture staff at AHDB have felt in limbo for a long time and need clarity. Therefore, to give more uncertainty and take longer on making decisions employees will leave. Any transition has to be to a firm outcome.

RC reminded the Board that regardless of the outcome a gentle introduction to these matters will be made to AHDB staff this week and asked members to be aware they may run into sensitivities and please feed any back.

There were no further comments from the Board.

NEXT MEETING 2nd August 2022.