

AUTHORISED

**MINUTES OF THE ELEVENTH MEETING OF POTATO
COUNCIL LTD HELD AT NASH COURT, OXFORD ON
WEDNESDAY 1 OCTOBER 2008**

- * Mr Allan Stevenson - Chair
- Mr Tony Bambridge) - Growers
- * Mr Colin Bradley)
- Mr Jim Cruickshank)
- * Mr Robert Doig)
- Mr Graham Nichols)
- * Mr Tim Papworth)
- * Mr Fraser Scott)
- * Mr Alex Stephens)
- * Mr Duncan Worth)
- Mr David Rankin) - Grower/packers
- * Mr Nick Tapp)
- * Mr Nick Vermont - Processor representative
- * Mrs Fiona Fell) - Independent members
- * Mr Dennis Heywood)
- * Present

In attendance: Mrs Helen Priestley, CEO
Mrs Inga Martin, Company Secretary
Dr Mike Storey, R&D Director
Mrs Kathryn Race, Marketing Director

ACTIONS**08/168 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Messrs Bambridge, Cruickshank, Nichols and Rankin.

08/169 DECLARATIONS OF INTERESTS

There were no declarations of interests.

08/170 MINUTES OF THE MEETING OF THE BOARD HELD ON 3 SEPTEMBER 2008 (PCLM/08/08)

The Minutes of the Board meeting held on 3 September 2008 were approved and signed as a true record.

08/171 MATTERS ARISING (PCLP/08/87)

Opportunity to Change the Statutory Instrument (Minute 08/152)

The Board noted that proposals for an amendment to the AHDB Order had been submitted on behalf of PCL, through AHDB. This related to introduction of a statutory register of Growers and Buyers.

Definition of the term “Co-operative” (Minute 08/152)

At its meeting in September, the Board had agreed that any business claiming exemption from paying tonnage levy should provide a copy of its membership agreement, together with a list of members.

That would enable PCL to verify that the business was a “Co-operative” (as defined). It would also facilitate PCL audit inspections: the auditor would be able to check that only members’ potatoes had been omitted from the monthly returns. (Tonnages bought from non-members had to be returned and levies paid.) The Secretary reported that, so far, a small number of companies had submitted documentation.

Members had suggested, at an earlier meeting, that it would be preferable to have a clearer, more specific definition of “co-operative” in the AHDB Order. Having received a report from Mrs Martin, who had discussed this with the PCL’s solicitors, the Board agreed that no action was appropriate at this time and that the matter would be revisited the following year, when more information was available. Any Members requiring further details were invited to contact the Secretary.

Members

PCL Corporate Plan 2009/12 (Minute 08/156)

Since the August meeting, preparation of the Corporate Plan had continued. The matter had been discussed at meetings of the Research & KT Committee (9 September) and the Marketing Strategy Committee (10 September). The final draft of the Plan had been circulated to Members for discussion at the Board meeting. See Minute 08/174.

Review of SBEU (Minute 08/160)

The Board noted that this was work in progress; see Minute 08/181.

Members' remuneration

DEFRA had confirmed that the daily rates paid to Chairman and Members had been increased by 2.5%, backdated to 1 April 2008. The revised rates were £307.50 and £256.25, respectively.

Members accepted the increase, which they noted was significantly below the rate of inflation. Mr Heywood, former member of the AHDB Remuneration Committee, commented that it was also well below the 4% increase in staff salaries, which had been awarded for 2008/09.

The Secretary confirmed that the new rates, including the retrospective increases, would be reflected in the October payments and there was no need for Members to complete additional claim forms.

08/172 OPERATIONAL SUMMARY: REPORT FROM THE CEO (PCLP/08/92)

The Chief Executive presented a report on a range of management and operational issues, including departmental highlights.

Stoneleigh Accommodation

Plans for providing temporary office accommodation were progressing and AHDB were confident that this would be ready to receive staff in 2009, as scheduled. As regards the new build, there was a long way to go, but a move to permanent accommodation in the summer of 2010 was still on the cards.

IT Secondment

As had been discussed previously, developing and installing suitable IT systems for AHDB, post-relocation, was a major task, not least because there was a large number of applications which needed to be replicated in the new location. PCL had particular requirements for its levy collection and area monitoring arrangements, which depended on specialised computer systems. There was concern that this area had not yet been properly considered.

AHDB had now started recruitment for an interim IT manager to assume responsibility for developing the infrastructure and

operations at Stoneleigh. The CEO said that in response to questions on whether the requisite technical and project management skills were available in-house, AHDB had indicated that they were confident that this was the case, and only internal candidates had been sought. Mrs Priestley was pleased to say that the PCL Personnel Director had been invited to take part in the selection interviews. The Chairman assured the Board that he was well aware that this was a critical issue for PCL, and he had conveyed that message to AHDB.

Branding Consultation

At its meeting in September, the Board learnt from the Chairman that AHDB had commissioned Corporate Edge to consult industry bodies, including retailers, on the merits of a common quality assurance brand for GB agriculture. The matter had been under discussion for some time and, a month earlier, PCL has received a presentation from the brand consultancy firm. The unanimous view expressed by the Board was that, whilst any collaborative marketing activities of benefit to the sector would be welcomed, they did not see that a common quality marque would help achieve that.

The AHDB consultation was confined to trade bodies, but they had agreed that PCL could also invite other stakeholders to respond. The CEO had circulated a full list of consultees to Members on 19 September.

The Board agreed that, as Members had received a presentation from Corporate Edge and been able to express their views then, it was not appropriate for PCL to submit a formal response at this point. However, it was acceptable to encourage feedback from the industry consultees.

The issue had attracted a considerable amount of media coverage and Members were concerned that the tone of this had been overly supportive, giving the impression that AHDB was in favour of a common quality marque. Mr Tapp, speaking for himself and co-members, regretted that the story had been given this positive 'spin', which suggested that the outcome was a foregone conclusion.

The Chairman who was not au fait with the press reports, having been abroad, assured Members that the Agriculture and Horticulture Development Board was entirely neutral in its consideration of the matter; it would retain an open mind, and would not take a position, for or against, until the outcome of the industry consultation was to hand. He thanked Members for bringing their concerns to his attention.

Potato Packing Sector

The CEO said that, in the course of the recent industry consultation, she had spoken to major potato packers, who had commented on the lack of an umbrella organisation within the sector. As a result, this part of the industry was more fragmented when it came to discussing issues of common concern, compared to others, such as the processing and merchant sectors, which had trade bodies.

It had been agreed that PCL would arrange a meeting of interested parties, chaired by the former BPC Chairman, David Walker, to discuss the merits of setting up such a forum. If it was agreed to go down that route, then this would be managed by the sector itself. PCL's role would be merely to facilitate the initial discussion and it would not have any further involvement. The Board approved this action.

Departmental Highlights

The CEO's summary contained reports on activities and issues from each of the PCL functions, many of which were augmented by reports from Group Chairs and staff later in the meeting.

The Board noted the report.

08/173 AHDB ISSUES: CHAIRMAN'S REPORT

The Chairman said that AHDB had not met since the previous PCL Board meeting; hence there were no new issues or decisions to report. In the intervening period staff had been engaged in developing and fine-tuning the proposals for organisational design and other relevant matters. (See item 08/176)

Mrs Fell pointed out that Members had not yet received the final version of the Delegation Agreement between AHDB and PCL. At the previous meeting they had been told that the DA was approved but not yet executed. The Chairman asked the Secretary to chase progress.

Secretary

The next AHDB Board meeting was scheduled for 17 November.

08/174 PCL CORPORATE PLAN: FINAL DRAFT (PCLP/08/93)

At its previous meeting, the Board had reaffirmed its objective, namely to develop a high quality Corporate Plan which met the needs of all parts of the potato sector. The Board was committed to addressing this through an inclusive process, with activities at staff and committee level. Preparations had continued during the

month of September and the matter had been discussed by both the Research & KT and the Marketing Strategy Committees. The final draft was now presented to the Board for review.

Overview of the Potato Sector

The Board agreed that it would be sensible to review some of the data included in this section, to test some of the assumptions, and to add explanatory notes where appropriate, to ensure that the document reflected a true picture of the market, in terms of consumption trends, the proportions of fresh and processed products, and imports v exports.

Strategy Development

At the previous meeting there had been a lengthy discussion on the relevance of sustainability, both environmental and economic, as a driver for helping to strengthen the potato sector. Whilst noting that the concept of 'sustainability' was in line with the overall remit of AHDB and its subsidiaries, Members had nevertheless expressed some concern that this might be seen as denoting a lack of ambition. The Board had agreed that its objectives should be challenging, aimed at improvements, rather than merely retaining the status quo.

Mr Vermont suggested that competitiveness should be the driver for developing a strong and vibrant industry, building on the good work which had already been done. Profitability at individual business level was a feature of a successful industry but would not by itself create that environment. The Board agreed.

The Chairman, summing up the debate, said that the Board's vision was an industry which was strong, competitive, vibrant and dynamic, ready to take advantage of opportunities for growth and innovation. PCL, whose remit was to work for the benefit of all parts of the British potato industry, had an important role in providing leadership. It was essential to adopt a holistic and inclusive approach to service delivery, with due regard to sectoral needs and relative levels of levy investment. These precepts, which were consistent with AHDB's mission, should be given prominence in the Corporate Plan.

Objectives

The CEO suggested that the prerequisites for achieving the agreed aims, which had been developed over time and had been well tested, could be summed up as "*to encourage people to eat more potatoes*"; and "*to ensure that these are British grown potatoes*". The Board agreed.

As regards activities to achieve the vision, three areas had been identified where action could help influence the outcome:

- the market, where the response was assisting the industry to grow the domestic and overseas market for GB potatoes;
- the product, where the response was largely an agronomic one, aimed at helping the industry improve its competitiveness; and
- environmental, skills related & regulatory constraints. The response here was to help the industry to influence (initially) and manage these constraints.

Members agreed that it was important to focus on priorities and to include quantifiable and meaningful measurements, particularly related to changes in behaviour, e.g. *encouraging consumers to eat one (or two) more potato based meal every week.*

The Board discussed the merits of PCL involvement in supply chain activities and agreed that, within the overall principle of providing services across the industry, there was a role for PCL to help with information, education and tools.

In agreeing that it was correct to identify the response to the various constraints mentioned earlier, as a separate objective, members suggested that this was an area where providing a leadership role was particularly relevant, and that this should be stated in the text. This led to a debate on whether climate change was a subject where PCL should be directly involved. It was agreed that the most constructive way of addressing this would be to concentrate on those parts of the topic which were directly relevant to the industry and where PCL could do something meaningful; examples were work on soil and water. Mr Papworth asked that collaborative activities be highlighted in the Plan.

Finance information

The draft Plan contained financial projections for the period ending 2011/12, and incorporated the PCL financial strategy which had been presented by the Chairman at the previous Board meeting. The CEO explained that a breakdown of the budget was also included in the paper, distinguishing that part of the spend which would remain under direct PCL control post-reorganisation – i.e. available to fund front line activities - and that part (the majority) which would in future come within the centralised part of AHDB.

Mr Worth made the point that, notwithstanding the change in structure, PCL would still be responsible to its levy payers for the

entire amount contributed by them. The Board agreed that this had to be reflected in new arrangements for management and control of the support functions, such as cross-functional service agreements. It had to be recognised that there would be some lack of flexibility. Mr Doig pointed out that one of the stated reasons for the levy body reform was a reduction in support costs, and achievement of that would be a measurement of success. Mrs Priestley reported that the CEO project board would consider the subject of cross charging/cost allocation at its forthcoming meeting.

Mr Tapp felt that the budget breakdown table, which would not form part of the Corporate Plan, contained very useful and informative management data. He asked that arrangements be made to present such statements in future, as a tool for the Board to assess progress against targets.

CEO

Mrs Fell asked for a detailed breakdown of the SBEU finances, distinguishing the levy funded aspects from those related to the commercial contract work.

CEO

The Chairman, bringing the discussion to a close, said that it was important for Members to have a clear understanding of both the current situation and future changes - which would bring their own challenges - so that they could pass information on and help to manage expectations. He added that, once the Corporate Plan went out for industry consultation, it was likely that questions would be raised about the reference to projected levy rate increases in future years. Members should be prepared to respond to such questions, making it clear that these were not commitments. The point was made that the levy rates required Ministerial approval, on an annual basis. A note to that effect would be included in the Plan.

CEO

Next step

The Chairman said that he would meet with the CEO the following Monday (6 October) to prepare the final version of the PCL's Corporate Plan, in preparation for presentation to AHDB. The points raised at the meeting would be taken into account, as would any feedback received after the meeting. Members wishing to comment further were asked to do so urgently.

Members

08/175 DIALOGUE: EXECUTIVE SUMMARY (PCLP/08/96)

When considering the outcome of the Levy Payer Dialogue, at its August meeting, the Board had agreed that an executive summary report on the project should be produced, including feedback from respondents (both positive and negative). This report had now been completed and was submitted for Members'

information and comment. The importance of this in providing evidential input to the Corporate Plan was reiterated.

It was decided that the report would be sent by email to the respondents, as a thank you for taking part; it would be posted on the PCL website, and included in Update. The report would be passed to AHDB.

Benchmark Survey

The Board had commissioned a telephone survey, to obtain quantitative data for use in conjunction with the Dialogue project, which was to a large extent subjective. Mr Steve Wellbeloved of CEMS had presented interim results to the Board in August. The final results were now to hand and these were included in Paper 08/96. The CEO felt that there were some practical applications for the communications activity and suggested that the issue be considered in more detail at the next meeting. The Board agreed.

CEO

08/176 AHDB ORGANISATIONAL DESIGN POST RESTRUCTURING

The Board received two Papers, a draft AHDB Organisational Chart showing the position following the reorganisation (**PCLP/08/94**); and an update on procedures for handling staff matters in this context (**PCLP/08/98**).

The Board noted that the matter was subject to formal staff consultation.

08/177 TRANSITIONAL ISSUES: RISK ASSESSMENT (PCLP/08/91)

Shortly after the company was set up, the Board had carried out a risk assessment for the AHDB transition, following the PCL's established model. This had identified a number of risks with high scores. The Board had agreed that, now that the project was well underway, it would be sensible to revisit the issue, to test the scores and review the controls/remedies. To facilitate this process, staff had updated the analysis report, which was presented to the Board for consideration.

The Chairman said that he had suggested to the CEO some changes to the presentation of the analysis report and he asked that the document be revised accordingly and re-presented at the next meeting. In the meantime, he invited Members to submit any comments, which would then be included in the revised version.

Members

08/178 FINANCE REPORT TO 31 AUGUST 2008 (PCLP/08/88)

The Board received a financial report for the five months ended 31 August 2008. This included a detailed commentary from the

Head of Finance & IT. In summary, the income forecast was increased by £38K, to £6,148K; the forecast spend was increased by £15K, to £6,440K; and the overall position remained unchanged: after taking into account the effects of taxation, the forecast showed a draw down from reserves of £181K, which was an improvement of £26K compared to the original budget. This would leave the general reserve at £2,977K at the end of the year.

The Head of Finance & IT had resigned, following eight years' service with BPC/PCL and would be leaving before the end of the year. The intention was to fill the post by an interim manager, for the period leading up to the relocation. There were no concerns about being able to manage the situation on this basis. The Chairman said that he had worked with the CEO to revise the job specification, in line with current requirements.

The Board noted the report.

08/179 LEVY PAYER RECORDS & COLLECTION REPORT (PCLP/08/89)

The Board received a report showing matters dealt with and matters still to be resolved, in terms of levy collection and chasing defaulters. *Details are at Annex 1.*

08/180 LEVY RATE PROPOSALS FOR 2009/10

On the proposal of Mr Bradley, seconded by Mr Papworth, the Board agreed to recommend the following unchanged levy rates for 2009/10:

Area levy -

- £39 per hectare for payments received by the due date;
- £44 per hectare for payments received after the due date.

Tonnage levy -

- 17 pence per tonne for payments received by the due date;
- 19 pence per tonne for payments received after the due date.

The higher levy rates would also be applied where it was necessary to charge levy based on estimated plantings or tonnages, i.e. where returns had not been submitted.

These recommendations would now be forwarded to AHDB, who would make a formal submission for Ministerial approval.

Secretary

08/181 RESEARCH & KT ISSUES

Mrs Fell, the Chair of the R&KT Committee, presented a report on the meeting of the Committee held on 9 September 2008. She thanked the PCL Chairman for attending the meeting.

R&D and KT strategy

The Committee had discussed its strategy and agreed activities had been incorporated in the draft PCL Corporate Plan – see 08/174.

Project proposals and reviews

The Committee had approved the following proposals:

A recommendation to support **CIPC research on box storage** at Glasgow and Sutton Bridge had been approved at the Committee meeting in May and it had been agreed to investigate the possibility of PSD funding, prior to the work commencing. It was now clear that this funding was not available and the Committee had confirmed support for the project at a cost of £332K for Glasgow and £172K for Sutton Bridge, over three years.

The Committee agreed to support a study with ADAS, to evaluate impacts and develop a management matrix for updating information when legislative decisions are made, so as to support both research planning and KT. The context of this was the high profile **EU pesticides review** and recognition of the need for information to support lobbying and related activities. The amount was a maximum of £18K.

The interim report on the study was due by end November 2008, with the final report by end February 2009. The approach was similar to that adopted in a parallel project with HGCA, so cross-sector/rotational implications of pesticide changes could be extracted.

The Committee had also agreed to commit £41K for the third year of the **Grower collaborations** with CUF. The work was core to the KT activities and at this stage the focus was on the collection of data which would be discussed at a Spring conference; further roll out of the programme would be considered thereafter. A meeting had been held with CUF to discuss conference plans and ensure that additional growers could visit sites and start to engage in the process.

The feedback on ongoing projects included a report on the **Dickeya project** presented earlier to the Seed & Export Committee by Dr Elphinstone. The work had gone well and the

results had been reported at Potatoes in Practice; they would be included at the forthcoming Seed Event in Crieff.

The Board ratified these decisions.

Acrylamide

An update had been provided on the publication of the FSA report on process contaminants. There had been some press interest but this had focused on brands. PCL was in discussion with the major businesses (McCain & UB) to ensure messages from the industry were aligned, in case of approaches from the media.

Pesticides Residues Committee Annual and Qtr 1 (2008)

The reports had been published the previous week. CIPC exceedance in 2007 was mentioned in the text, as were 3 MRL exceedances for nemathorin and one finding of DDT in a potato crop. This was found to be due to previous environmental contamination.

CIPC Stewardship

Discussions had been held with Assured Produce auditors on enhanced monitoring to provide independent assurance to PSD and ACP on activities that the industry group was undertaking.

Mr Papworth asked about work with contractors who apply the chemical. Dr Storey responded that they had been brought up to date and were on the circulation list for information.

Presentation of KT materials

Two refinements to how KT materials are presented were currently being developed and would address the balance of electronic vs. paper users and whether materials are identifiable by user-type within businesses. PCL's water and soil communications were being modified (to include prominent identifiers) and uploaded onto Pagesuite (easy access online library and print software). This pilot would be available for review in November before other material was transferred to the new system.

The Board noted the report.

GM Policy

In response to a question from Mr Papworth, the Chairman said that finalising the Corporate Plan had to be the first priority but,

once that had been completed, this issue of a PCL policy on GM would be discussed by the Board.

Proposed Regulation For Plant Protection Products (PPPs)

The Board had received a comprehensive report on this subject at its previous meeting. The R&D Director gave a brief update on recent activities.

On 23 September PCL had issued a briefing to describe the timescales for the new Directive; this followed a report from Sean Rickard who predicted a 100% increase in potato prices.

A number of stakeholders had published a request to meet the Prime Minister, with a view to seeking his intervention. PCL had been asked by the Food & Drinks Federation to provide case studies in preparation for this.

Commissioner Vassiliou had published an open response to an EU Parliamentary Question, stating that the Commission still did not know what pesticides would be affected by the legislation and that was why there had been no impact assessment. Furthermore, the Commissioner still considered PSD's assessment as a worst case.

SBEU

At its meeting in September the Board had received an interim report on the Review of SBEU and decided that the next stage should be exploring opportunities for commissioning work at one or more research institutes as an alternative to carrying out work in house, as well as opportunities for joint ventures or other collaborative activities with one or more potential academic partners. It had been agreed that consultants should be engaged to take the matter forward.

The CEO said that, since that meeting, her time had been devoted to preparing the Corporate Plan. She would now prepare a plan for the next phase of the Review, as requested, in time for the next Board meeting.

CEO

The Chairman wondered whether the R&KT Committee had a role to play in this project. Mrs Fell said that it had been confirmed that the industry supported the continued provision of potato storage research. The Committee's brief was to establish the industry's needs for research, develop a strategy to meet those needs, and identify projects to match the requirements. The SBEU Review and the issues raised in that connection were matters of PCL policy and, thus, for the Board to determine. Mr Worth, who had chaired the industry review supported these

comments; he said the R&KT Committee had made its views clear when reporting to the Board.

08/182 MARKETING ISSUES

Mr Vermont, who chaired the Marketing Strategy Committee, said that the Committee meeting on 10 September had been very positive, with good dynamics and meaningful debate.

Consumer Research

The Committee had reviewed the findings from the latest research, agreeing that the key issue was to ensure that the results were used, and that they determined future strategy.

Dialogue feedback

The Committee had received a report on the feedback, noting in particular, the range of views on National Chip Week. It had been agreed to consider the future of this project at the next Committee meeting.

EU Potato Promotion

The Committee had been interested to learn of the possible availability of an EU grant, providing 50/50 match funding of £250K per annum for three years. The marketing budget had been revised accordingly. The group had given some thought to how the money could best be spent, favouring online and viral advertising as having greatest impact on the target audience. The next step would be presentations from the agencies bidding for the work.

Evolving issues

The Committee had received a report on evolving issues, including CIPC, Acrylamide and pesticides, as well as the FSA saturated fat campaign and the WRAP report on food waste.

All participants agreed that this had been a very successful meeting.

08/183 SEED & EXPORT ISSUES

The most recent meeting of the Seed & Export Committee was held on 28 August and the Chairman, Mr Doig, had already given a full report of the proceedings.

One additional issue to note was that, following a period of consultation, new requirements for statutory notification of

imports of seed and ware potatoes from other EU member states had been introduced by DEFRA and the Scottish Government, effective from 1 October 2008. For England and Wales, the requirement was that all seed potatoes from other EU member states must be notified but there was no longer any need to notify ware; for Scotland all seed (including that from England and Wales), as well as ware potatoes from Poland, had to be notified.

08/184 BP2009 (PCLP/08/95)

The Board received a report on the plans for the 2009 event, which would be held at the Great Yorkshire Showground, Harrogate on 25 and 26 November. Contracts had been signed and publicity would start in the new year.

In reply to a question from Mr Bradley as to whether there would be a stand for European exhibitors, the CEO said that this was intended to be an event promoting the GB potato industry. However, there were no restrictions on participation and visitors from other countries were welcomed.

The Board was happy with the plans and proposals, apart from the price for attending the industry dinner which should be increased from £47.50 to £50.00 per ticket.

CEO

08/185 PCL: CRITICAL TIMINGS (PCLP/08/90)

The Board received the updated reference document, which showed that all actions had been achieved on target. It was agreed to add key dates for matters related to the reorganisation and staff relocation. See *Annex 2 to these minutes*.

08/186 BOARD MEETINGS: DATES AND VENUES IN 2009 (PCLP/08/97)

The Board agreed the following details:

<u>Date</u>	<u>Venue</u>	<u>Time</u>
21 January	Oxford	8.30 - 14.00
4 March	Stoneleigh (NFU hosting)	8.30 - 14.00
30 April	London	8.30 - 14.00
17 June	Edinburgh (PCL office)	8.30 - 14.00
9 September	Stoneleigh	8.30 - 14.00
24 November	Majestic Hotel, Harrogate	13.00 start

These formal meetings would be augmented with conference calls to discuss any specific issues which may arise.

08/187 ANY OTHER BUSINESS

The Board noted that Mr Walter Simon had been invited to attend the next pre-meeting gathering of the Board (for date see next item). Mr Simon, a former member of the British Potato Council, was the Vice-Chair of the NFU Horticulture Board, and a member of the potatoes sub-committee.

08/188 DATE OF NEXT MEETING

It was agreed that there was insufficient business to justify going ahead with the meeting scheduled for 5 November. That would be cancelled and the next Board meeting of Potato Council Ltd would now be held in Oxford, at 8.30 AM on Wednesday 3 December 2008. Mr Simon would be advised of this change and invited to attend the December meeting.

Meeting 1 Oct 2008



LEVY PAYER RECORDS AND COLLECTION REPORT

Civil Matters

This relates to levy collection/ pursuing overdue debts

Historical

During the BPC's tenure, a total of 6,225 overdue debts were collected, amounting to £6.25m

Current

We have met the target of collecting at least 99% of all due debts, for each year including 2007 (area levy) and Q3 - Jan to March 08 (tonnage levy).

The outstanding debts total ca £48.2K (growers) and £4.3K (buyers). It is possible that some of these matters will result in Court hearings, as a few growers have indicated that they will seek to defend our claims.

Criminal Matters

This covers failure to register, failure to make returns or provide information, making false statements

Historical

During the period from 2001, when such matters were brought in-house:

- 2,200 cases have been dealt with
- 307 levy payers have been summonsed
- 37 have been convicted **

Current

There are just over 200 outstanding planting returns for 2008; the statutory return date was 1 June.

There are some 30 Buyer businesses with one or more outstanding tonnage returns

** Fines totalling £20,845 have been applied; and the Courts have ordered costs totalling £8,540 to be paid.

Under the previous legislation the maximum fine for most offences was £1000. Under the new Order, all offences carry a maximum fine of £5,000.



Potato Council Limited Critical Timings

This timetable was adopted by the Board at its meeting on 9 January 2008. It will be reviewed at subsequent meetings, to check progress against plans, and to add items as the process develops.

Levy Payer Dialogue refers to the process of consulting the industry on the PCL Corporate Plan.

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| January 08 | <ul style="list-style-type: none"> ▪ Working Groups set up – Agree terms of reference and set out plans. ✓ ▪ PCL makes decision regarding formal committees on R&D, Marketing, MI, SSG and audit. ✓ |
| February 08 | <ul style="list-style-type: none"> ▪ Working Groups report back to PCL Board. ✓ ▪ PCL Branding is agreed. ✓ |
| March 08 | <ul style="list-style-type: none"> ▪ Working Groups submit final inputs regarding Levy Payer Dialogue to Board. ✓ ▪ Dialogue plan documentation finalised. ✓ |
| April 08 | <ul style="list-style-type: none"> ▪ Statutory transfer to AHDB and start of PCL. ✓ ▪ PCL Business Plan 08/09 starts. ✓ ▪ Levy Payer communication regarding PCL can begin. ✓ |
| May 08 | <ul style="list-style-type: none"> ▪ PCL Levy Payer Dialogue commences. ✓ ▪ PCL Board members take active role in Levy Payer Dialogue (May to July). ✓ |
| Jul 08 | <ul style="list-style-type: none"> ▪ PCL Levy Payer Dialogue ends. ✓ |
| Aug 08 | <ul style="list-style-type: none"> ▪ PCL considers results of the project. ✓ |

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| September 2008 | <ul style="list-style-type: none"> ▪ Outcome of the Dialogue project. ✓ ▪ Publish results: Executive Summary ✓ ▪ Marketing / MI Working Groups fold. ✓ (April 08) ▪ R&D Working Group folds. ✓ ▪ The other Working Groups (Finance & General Purpose, Staff and Communications) fold ✓ ▪ Corporate plan for 09/12 prepared ✓ |
| 1 October 2008 | <ul style="list-style-type: none"> ▪ Corporate plan (draft) presented to PCL Board and AHDB sub-group ✓ ▪ Consider levy rate proposals & make recommendations to AHDB ✓ ▪ Agree proposals for sector specific staff complement ✓ |
| October/November 2008 | <ul style="list-style-type: none"> ▪ Formal staff consultation commences: collective and individual (“at risk”) meetings |
| 17 November 2008 | <ul style="list-style-type: none"> ▪ Corporate plan cleared by AHDB Board |
| 18 Nov to 22 Dec 2008 | <ul style="list-style-type: none"> • Industry Consultation on Corporate plan |
| January 2009 | <ul style="list-style-type: none"> • Corporate Plan submitted to Ministers |
| February 2009 | <ul style="list-style-type: none"> • Plan cleared by Ministers |
| February/March 2009 | <ul style="list-style-type: none"> • Potato sector specific staff consultation on proposed redundancies – collective and individual |
| March 2009 | <ul style="list-style-type: none"> • Levy rates confirmed |
| 1 April 2009 | <ul style="list-style-type: none"> • Effective date of levy rates for 2009/10 |
| April 09 | <ul style="list-style-type: none"> ▪ Some functions may co-locate. ▪ Business Plan for 09/10 commences. |
| Summer/autumn 09 | <ul style="list-style-type: none"> ▪ Co- and re-location into temporary Stoneleigh accommodation |