# AUTHORISED

## MINUTES OF THE THIRTIETH MEETING OF POTATO COUNCIL HELD AT THE CHESFORD GRANGE HOTEL, CHESFORD BRIDGE, KENILWORTH ON 20 JULY 2011 COMMENCING AT 9.00 AM

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| * | Mr Allan Stevenson | - Chair |
| * | Mr Tony Bambridge | ) - Growers |
| * | Mr Anthony Carroll | ) |
| * | Mr Robert Doig | ) |
| * | Mr Alistair Melrose | ) |
| * | Mr Graham Nichols | ) |
| * | Mr Tim Papworth | ) |
| | Mr Fraser Scott | ) |
| | Mr Duncan Worth | ) |
| | Mr David Rankin | ) - Grower/packers |
| | Mr Nick Tapp | ) |
| * | Mr Nick Vermont | - Processor representative |
| * | Mrs Fiona Fell | ) - Independent members |
| * | Ms Zoë Henderson | ) |

* Present

By invitation: Ms Clare Dodgson, independent AHDB Board Member

In attendance: Dr Rob Clayton, PCL Director
Dr Mike Storey, Head of R&D
Ms Caroline Evans, Head of Marketing & Corporate Affairs
Dr Sharon Hall, Head of Communications
Mr Adrian Cunnington, Head of SBCSR
Mr Chris Goodwin, AHDB Finance Director
Mr Richard Cattell, AFS Head of Marketing (item 11/54)

Secretary: Mrs Inga Martin

**11/47 CHAIRMAN'S WELCOME** **ACTIONS**

The Chairman welcomed Members to the meeting, and introduced Ms Clare Dodgson, one of the independent AHDB Board members, who was attending as an observer.

**11/48 APOLOGIES FOR ABSENCE**

Apologies for absence were received from David Rankin, Fraser Scott, Nick Tapp and Duncan Worth.

**11/49 DECLARATIONS OF INTERESTS**

There were no declarations to report.

**11/50 MINUTES OF THE MEETING OF THE BOARD HELD ON 25 MAY 2011 (PCLM/11/03)**

The Minutes of the Board meeting held on 25 May 2011, which had been circulated, were approved and signed as a true record.

**11/51 MATTERS ARISING (PCLP/11/28)**

The Director reported that all action points had either been completed or were included as agenda items for this meeting.

**Finance Report (Minute 11/33)** - The Finance Director had provided an updated financial statement with adjustments relating to treatment of bad debts, which had been emailed to Board members. AHDB's policy on reserve management was discussed at the meeting; see minute 11/53.

**Marketing and Corporate Affairs (Minute 11/37) -** The Marketing Strategy Committee, in approving the *Corporate Affairs Strategy*, had emphasised that this was a long term approach and must be seen in that light. Clarity of message was agreed to be paramount. The process would commence in the autumn, and the Board would receive a detailed report in September. — Head of Marketing

**Sequencing the Potato Genome (Minute 11/39)** – Dr Storey said that, with some 16 nations involved in the project, coordinating the PR had been quite a challenge, but the outcome had been very positive, with extensive and well balanced media coverage.

**Sutton Bridge delivery on farm (Minute 11/39)** – The team was responding to the challenge of raising the SBCSR profile within the industry; there would be a strong presence at Potatoes in Practice. Approval from HRCS (HR & Corporate Services) to take on two apprentices was welcomed and would enable staff to make better use of key skills and other resources.

**Planting returns (Minute 11/39)** – Dr Clayton said that an explanation for the delay in dispatching the 2011 returns had been widely reported in PCL publications and that, subsequently, the return rate had improved so that it now exceeded those achieved in the previous two years. Mr Goodwin, apologising on behalf of FABS for their part in the debacle, said that the timetable would be revised, to ensure that similar problems were avoided in the following year; he offered to circulate this to Members. — Finance Director

Mr Bambridge felt this episode demonstrated that the levy collection function, rather than managing outcomes, was process driven and staff had failed to spot the problem in time. The matter had alienated levy payers and dented their confidence in PCL, thus weakening its position. The Chairman supported that view, which he believed was shared by other members, and said that this was only one of a number of "issues" which had been flagged up by the Board over the last two years. Despite a robust hand-over in the period leading up to the relocation and centralisation of levy collection in 2009, the team had failed to maintain the performance standards and level of control which had existed pre-transition. There had been a loss of trust, which could only be re-built by paying more attention to PCL, as an internal customer, and to levy payers. Mr Goodwin accepted these comments and promised that they would be taken on board.

**BP2011 update (Minute 11/40)** – Members were advised of steps taken to encourage attendance by young farmers. Staff reported that plans for the event were on track.

**Website development (Minute 11/42)** – The Head of Comms reported that there had been some delays, mainly caused by issues related to the switch of hosting provider. However, the project was

back on target and the aim was to upload data, check content and provide preview access to members and other selected users by the end of July.

**Agri-skills (Minute 11/42)** – Members noted that AHDB was developing proposals for contributing to skills development within the industry. Consultation was ongoing; a report would be put before the AHDB Board in September; and PCL would be kept informed. They also received information about a Lantra initiative for a continuing professional development (CPD) framework. Dr Hall made the point that there would be no intention of AHDB divisions running formal classes or training sessions; instead, delivery would be routed through the sectoral KT teams, and materials could be supplied to training providers. Mr Bambridge welcomed the idea of a CPD programme. Whilst accepting the point about teaching arrangements, he felt that PCL (AHDB) should retain ownership of relevant modules; this would be a tangible way of demonstrating how levy payers' funds had been used. Head of Comms

**11/52 AHDB: REPORT FROM CHAIRMAN**

The Chairman presented a report on matters discussed by the AHDB Board on 18 July, and other relevant developments since the previous PCL Board.

**AHDB Annual Report and Accounts** – The AR&A for 2010/11 had been laid before Parliament and published, and there had been some positive press coverage; copies would be sent to Members.

**AHDB Status** - Mr Stevenson said that, as a Defra sponsored NDPB, AHDB's relationship with the Department was extremely important, but he could assure Members that there was no suggestion that the levy body might become an operating arm of Defra. It was clear that Defra remained supportive of the continuation of AHDB. However, it had now come to light that the Cabinet Office intended to issue new rules on Corporate Governance, against which any proposals on arms' length bodies had to be tested. Departments had been asked not to send through any such proposals in the meantime. There was no information about timescale or further action.

**Red Tractor Logo** – It was clear that there remained a large convergence of views on the benefits of RTL amongst AHDB sectors. Some were very supportive; others recognised the need for the assurance scheme, but questioned the merits of the promotional activities undertaken by AFS; all agreed that there was a need for better engagement. Richard Cattell of AFS, who had attended the AHDB meeting, would also meet the PCL Board (See Minute 11/54). This would be an opportunity to enquire how the funds contributed by Potato Council had been spent and to assess whether this represented value for money. Mr Carroll suggested that a useful measure would be whether the brand was sufficiently strong to encourage farmers to invest their own money.

**New Code of Conduct for Members of Public Bodies** – AHDB members were bound by the new code which had been published by the Cabinet Office. Whilst this did not apply to the members of the divisional boards, copies were available on request.

**Accommodation** – Discussions on future AHDB office accommodation at Stoneleigh Park were ongoing, and there was as yet no indication of when the matter might be finalised. The AHDB Board had made the point that they were keenly aware that current working conditions, particularly for some of the teams, were far from ideal and they were anxious to achieve a satisfactory solution as soon as possible. Concern for the staff was a key factor in their deliberations and would continue to be so. The PCL Board noted the position.

**AHDB Finance Report** – Mr Chris Goodwin, the AHDB Finance Director reported that, since the previous meeting, there had been some changes within his department. Closer integration between the finance and operational teams had been recognised as an urgent need, in seeking to remedy the problems reported previously. An interim financial controller had been appointed and was doing

an excellent job in developing better links and reporting procedures. A permanent appointment would be made with effect from 1 September.

Presenting the AHDB Management Accounts to end May 2011, Mr Goodwin said that income, at £356K, was 5% above budget. Both direct and support costs were below budget, but it was expected that the figures would get back on track as the season progressed, and there were no indications of any cause for concern. The full year forecast was for a retained surplus of £721K. Referring to the comparative figures for the previous year, which had now been introduced, Members were asked to treat these with some caution as this early stage in the year; they would become more accurate and robust in subsequent months.

**Report of Chief Scientist** - The AHDB Board had considered its policy on dealing with Intellectual Property Rights (IPRs) in the results of levy funded R&D contracts. The Board had questioned a proposal that these should be granted to the other contracting parties by default, and there had been a strong feeling amongst members that the default should be in favour of AHDB as the grant funder. Dr Storey said that Potato Council's practice had always been to retain the IPRs so that, in the event that the work proved to be of commercial value, PCL could take advantage of this. It was also important to retain control in cases where development of previous contract work led to incremental values. One of the other sectors used the same principle, whereas the remaining four AHDB divisions surrendered the rights to the research contractors. Dr Storey said that, if the proposed default system was adopted across AHDB, then PCL would wish to use the exemption provided to claim IPRs wherever appropriate.

The Board favoured retention of the method currently used by PCL and was pleased to learn that AHDB was inclined adopt that principle as its default option; that stance was strongly supported.

**Anti-bribery Legislation** – AHDB Board members had received thorough training on the Bribery Act 2010, which had now come into force. This legislation did apply to sector boards and the Chairman recommended members to familiarise themselves with the terms of the Act.

**11/53 FINANCE REPORT (PCLP/11/29)**

The AHDB Finance Director presented the paper which comprised a management report to end May 2011 in respect of PCL, with comparative figures for AHDB as a whole, as well as performance summaries, analyses of support costs, and a brief summary of overdue debts. Revised details for SBCSR had been circulated separately.

As mentioned earlier in the meeting, steps had been taken to improve the links between the finance and operational teams. Senior PCL managers, asked for their views, said that there had been a few 'hiccups' and some of the reporting lines needed to be strengthened, so everyone knew when something had been done. Generally, however, they were happy about progress and agreed that the situation was greatly improved. The Board was pleased to hear this. Mr Goodwin added that the levy collectors would be trained across the sectors, to improve the work flow and help optimise resources.

Mr Bambridge asked how robust the projected levy income for the year (£6.2m compared to £6m in 2010) was. The Director said staff were confident in the figure which was based on a 48% return rate, using a tried and tested formula. It would be recalculated as more returns came in; the rate of receipt was now over 70%. The overall forecast for the year was a surplus of £24K, which would result in a closing reserve of £1m (£980K in 2010/11). Dr Clayton said that he had taken an overview of the commentary, incorporating comments from the executive team, and confirmed, in response to a question from Fiona Fell, that the text would be fleshed out to cover any particular issues. Referring to the question of what debtor information could be divulged, Mr Goodwin said that he was working closely with the PCL Director on this.

**Reserve Policy** – The AHDB Board had reviewed its policy on reserve management and agreed that a total of £18m would be a target level. (Currently the funds stood at ca. £13.5m.) Factors considered in reaching this decision were: projected working capital requirements; cover for potential crises in the industry; and a contingency fund to cater for specific sector needs by engaging in projects not budgeted for. The figure of £18m was smaller than the aggregate of the reserve figures previously agreed by the individual sector boards. This demonstrated the benefits of operating within the context of AHDB, where peaks and troughs of income and expenditure could be smoothed over time; some divisions held reserves above, others below, their target level.

In the case of PCL, the reserve level in the AHDB scenario was just under £2.1m, compared to the previously agreed level of £2.3m in "stand-alone" mode. Currently, the fund stood at below £1m, due to the reduction caused by the relocation costs, the abortive building project and the consequent loss of grant funding. However, this was budgeted to rise to £1.8m over the next three years. Mr Goodwin said that he was comfortable with the situation, for the reasons explained, and confident that there was no cause for concern. Furthermore, the AHDB Board's position regarding recouping of target levels was one of indication rather than edict. The divisions were not required to achieve this within three years. Mr Bambridge felt that Members did not have sufficient information to judge the position properly. Mrs Fell concurred, making the point that the PCL Board would shortly be required to decide on future activities and spend, as part of the strategy planning and levy rate proposals, and this would include consideration of reserves. Hence it was important for Members to have a clear understanding of the matter. The Chairman summarised the position as follows:

- The forecast for 2011/12 was a positive balance of £721K;
- Hence, AHDB would for the first time since its formation deliver a surplus, which would have a positive effect on the reserves;
- The Board had agreed that the reserve required for AHDB as a whole was less than the aggregate reserves agreed by the individual sectors;
- This was due to the different time scales of sectoral income and expenditure, allowing peaks and troughs to be smoothed;
- The impact on PCL was a reduction from £2.3m to £2.1m;
- Currently the fund stood at £980K, i.e. there was a gap of just over £1m;
- PCL had already agreed it was feasible to accumulate £650K over the next three years;
- AHDB had indicated that the sectors would <u>not</u> be obliged to reach their target levels within three years, so there was some flexibility and scope for reducing the gap further;
- The FD had confirmed that there was no cause for concern;
- In the course of the strategic planning review, the Board would be able to consider whether it was appropriate to change the cost basis or modify levy proposals.

**11/54 RED TRACTOR LOGO (RTL)**

Richard Cattell, Head of Marketing at AFS, attended and reported on progress of the RTL marketing initiative, which was partly funded by AHDB. The presentation included the RTL business plan, arrangements for marketing and communications in 2011/12, as well as some information about achievements to date. The business plan was reviewed at bi-monthly meetings of the AFS Board - which included AHDB representation - and by the management team; it was closely monitored, and updated on a regular basis. KPIs used for assessing success included the %age of UK production involved in the scheme and the value of labelled product, as well as consumer recognition, shopping behaviour and utilisation of the logo at point-of-sale. In terms of consumer recognition, the current level was 55% and the target was to increase this to 58% (720K extra UK shoppers) within three years. An industry where there were major opportunities for activity was the food service sector – caterers, pubs, restaurants and wholesalers. Mr Cattell gave some examples of recent successes in that area. He also provided information about the arrangements with

suppliers and licensees, giving details of services, costs and benefits.

Mr Vermont commented that, whilst there was universal agreement on the merits of food standards, some had doubts about the benefits of the promotional aspects of the initiative, questioning whether it was possible to achieve real "traction" with the relatively limited funds available. Mr Cattell responded that there were synergies, which enabled the money to go further; all the major retailers had signed up to RTL and their investment was a major factor in this. One of the perceived benefits for them was product differentiation. Mr Cattell confirmed that the annual RTL budget amounted to £649K (£450K net of staff costs), of which AHDB contributed £350K. This was a tapered funding model of three year duration. He assured the meeting that a future funding plan would be in place before the current arrangement came to an end.

The Chairman said that one cause of concern for members had been an apparent lack of engagement with AHDB-PCL, and a shortage of information. Mr Cattell had helped to put this right. The Chairman thanked him for his helpful presentation, encouraged him to keep in regular contact and provide as much information as possible, and asked him to forward copies of his slides to the Board via Caroline Evans. Mr Cattell then left the meeting. Head of Marketing to follow up

**11/55 REVIEW OF PCL COMMITTEES (PCLP/11/30)**

At the previous Board meeting, it had been agreed to review the rules applying to membership of PCL committees as well as procedures to be followed in meetings. There was some concern that these might get in the way of performance. The paper, which gave full details of all committees, was supplemented with a tabled list of *core recommendations*, all of which were approved by the Board (see below). The point was made that the committees were advisory in nature, without executive or decision-making powers. Ms Dodgson commented that any legislative aspects, e.g. anti-discrimination law, as well as matters of corporate governance, if relevant, should be taken into account. She suggested, however, that any issues could most likely be resolved by common sense and practical judgement.

Potato Council had a strong tradition of working closely with the industry and levy payers it served, and there was an ethos of levy fund stewardship; this was reflected in the comparatively large number of its committees. It was also relevant that PCL was funded by both growers and buyers. The openness and inclusivity which was a fundamental part of PCL was something that Members valued and did not want to lose. They also recognised that engagement from the industry was of paramount importance and every effort must be made to avoid disenfranchising organisations or individuals. This was a matter of sensitive communications and clarity of message.

Ms Fell, who chaired the RKT Committee, said she had severe concerns that if the membership limit of two terms was strictly applied, the committee stood to lose people with very valuable experience and special skills; this was particularly acute in the case of scientific and technical knowledge. Mr Bambridge felt that rotation of members was important, to avoid stagnation and encourage new ideas, and it was helpful to have a formula for this. He conceded, however, that the committee chair should have a measure of discretion; the chair's own tenure provided a safeguard against abuse. All agreed. Mr Vermont sought views on whether there should be a distinction between representatives of industry bodies and other members. The Chairman said that no organisation should be entitled to a seat, but all sectors must be represented and have a voice. In other respects, the normal rules would apply. The following *core recommendations* were then approved:

**Reappointment** – Where a member had resigned from a committee, having served two terms, he or she would be eligible for re-appointment after a gap of no less than 3 years.

**Finance Committee** – In December 2011 the Board would consider whether the rationale for this committee still applied, failing which it would be abolished.

**Quorums** – The Board member constituent of the quorum for each committee would be reduced to two members (including the Chair).

**Attendance at Committee meetings** – The eligibility factor for reappointment would change from "minimum 50% attendance" to "target over 50% of attendance".

**MI Committee Chair** – The Board approved the nomination of Mr Nick Tapp as Chair of the MI Committee, in place of Mr Fraser Scott who was leaving the PCL Board to take up employment abroad. Mr Tapp was connected with Bidwells (recorded in register of interests).To avoid any potential conflict, the work commissioned to Bidwells as part of the business improvement programme would be managed through the research and KT function.

It was noted that where a committee chair wished to vary any terms of the TOR for PCL committees, approval would need to be sought from the PCL Board. There were already examples of where this would be desirable and these would be brought to the next Board for review. PCL Director

It was agreed that the paper would be amended to include an overarching statement of policy, referring to matters such as the advisory nature of the committees and the discretionary power of the chairs; the wording would be softened where appropriate; and the core decisions listed above would be included. The committee membership charts would also be updated, with planned retirement dates, in line with agreed rotation policy, and sector interests noted, e.g. grower, processor etc. These would then be re-presented for further debate in September before the matter was finalised by the Board. PCL Director

**11/56 WORLD POTATO CONGRESS (WPC) 2012: UPDATE (PCLP/11/31)**

The Board received a brief update on the preparations for this event and noted that the plans were on target. The revised section on *alignment with PCL business plan* was approved. Mrs Fell asked whether the presentations at WPC could be translated to podcasts, for use at subsequent KT events. Dr Clayton replied in the affirmative.

**11/57 PCL OPERATIONAL UPDATE AND COMMITTEE BUSINESS (PCLP/11/32)**

The PCL Director presented the report, which incorporated - in addition to the functional updates - summaries of matters considered by the PCL Committees.

**Potato sector overview** – First estimates of the 2011 potato area, which had been published, indicated plantings of 122,600 ha, 1.9% higher than the previous season. Early indications were that yields would be high, though it was too soon to make any firm predictions; one unknown factor which could influence the final outcome was the effect of drought.

**IT migration** – All divisions had migrated to the main AHDB servers and now operated from the same IT platform. Mr Papworth asked staff to circulate a list of revised email addresses. He also suggested that it would be helpful for new members to have AHDB-PCL business cards. PCL Director

**Plant Health** – PCL's plant health strategy had been launched and the Board received a report on activities undertaken in this regard. Fera was pressing ahead with its intention to increase seed inspection charges by applying a full cost recovery system. It was estimated that this would increase the costs to growers south of the Border by ca. £4/tonne. The PCL Director had been invited to take part in a working group which was being set up to take the debate forward.

**Website rationalisation (update)** – Challenging targets had been set by the Government for reducing the number of public body websites, with the aim of cutting costs. AHDB, responding to a demand via the Cabinet Office and Defra, had reduced the number of its sites from 38 to 14; eventually this would be cut to eight. The point had been made that investment in online processes

had been favoured over more traditional methods, because these provided added value to customers. PCL had been obliged to reduce its sites to two – corporate and consumer. There were particular implications for the marketing function, where consumer and education websites had been developed as a cost effective communication channel. The restructuring of sites had involved a considerable investment in terms of staff time and other resources, which was regrettable.

The Board reiterated that this was an example of excessive central control, rather than sensible governance, which threatened to hinder the levy body's operational freedom to work in the best interests of the industry. The Chairman was asked to continue to press this message, forcefully, at every suitable opportunity. — Chairman

Senior staff then presented brief updates, highlighting matters of note.

**RESEARCH & KNOWLEDGE TRANSFER**

**CIPC Stewardship** – A review of MRLs by the European Food Safety Agency was in train. This included CIPC, where there was a proposal to reduce the allowance from 10 to 9mg/kg. Dr Storey said there was no mention in the documentation of the 63.75g ai/t CIPC application level which was permitted in the UK, and which was extremely important for the processing industry. Clarification of this omission was being sought. The EFSA response to member states' comments was expected in October 2011. The Board would be kept informed. — Head of R&D

**Committee Membership Nominations** – The Board approved the nomination of Mr James Daw. Mrs Fell said that grower representation on the committee was rather light, and there was also a shortage of PCL members; further nominations would be welcome. The Chairman asked for a list of Board members serving on each committee. — PCL Director

**MARKETING & CORPORATE AFFAIRS**

**EU Grant Funding** – Ms Evans reported that funding for year 2 of the project had been confirmed.

**Food Growing in Schools Task Force** – PCL had been offered a seat on the Process & Practice sub-group.

**Corporate Affairs Strategy** – The proposals, which had been approved by the MS Committee, would be presented to the Board in September.

**Consumer Signposting Research** – Proposals for a project to look at a new classification of fresh potatoes had received a positive initial response; the idea would be developed over the next few months, and a paper submitted by the end of the year.

**Consumer Campaign** – The strategy, which was approved by the Committee, comprised two strands: 30 minute meals and a health campaign under the slogan "wonderfuel potatoes".

**AHDB Joint Education Strategy** – This project was an excellent example of collaborative activity involving all AHDB Divisions.

**Membership Change** – Mr Vermont had confirmed his intention to stand down as Chair, in favour of Zoe Henderson; there would be a hand-over period.

**SEED & EXPORT**

**Trade with Egypt** – EU had applied import restrictions on fresh produce from Egypt. Mr Doig said there was a need to understand the circumstances of this and to assess potential implications for future trade with that country. This would be a top priority for the Head of S&E when he returned from leave the following week.

**Classified Seed area** - Staff would seek to establish whether a 4% reduction in registered seed area, compared to 2010, was due to commercial considerations, or whether the rules on PCN testing might be a contributing factor.

**SUTTON BRIDGE**

**Building project** – Mr Cunnington reported that testing of the new stores was progressing; only minor issues had cropped up and these were all resolved. EMDA, the grant funders, had inspected the premises and appeared happy with the project, though they had asked why the wind turbine part of the initial project had not been followed through; correspondence was ongoing and the contractual position was being checked by the legal adviser.

**MARKET INFORMATION**

**Membership Changes** – Fraser Scott, John Pettinger and Richard Maddocks had resigned.

**Outputs** – Dr Clayton said that, regrettably, there had been errors in recent editions of Potato Weekly, requiring corrections to be issued. The situation would be kept under review. A number of changes to the report had been agreed, to tighten up the content and make it more relevant.

**11/58 STRATEGY PLANNING (PCLP/11/33)**

**AHDB PESTLE** - The Board commenced its strategic planning session by reviewing the PESTLE analysis, which had been drafted by the Chief Scientist and Head of MI. A number of specific comments and suggestions were raised, which would be referred to AHDB by Dr Clayton. The Head of Marketing, referring to the general structure of the analysis, felt that this had a heavy supply bias, with insufficient emphasis on the demand perspective. Similarly, the proposed corporate objectives and outcomes were very light in terms of demand aspects, with little reference to the domestic market. Ms Evans suggested that it would be sensible to review the outputs from relevant agencies, with whom AHDB had working relationships, to put forward proposals on suitable details which might be included, in order to achieve a more well-balanced report. The Board accepted this view and supported the recommended action, asking Dr Clayton to take this up with the authors. PCL Director PCL Director

**Strategic positioning** – Looking at the tone of the report, Members discussed what style of leadership AHDB should adopt – whether, as an industry representative, it should be a driver for change, or whether it should take a more responsive approach. It was agreed that an assertive (rather than hostile, aggressive or sycophantic) tone would most accurately reflect the levy body's role of influencer and provider of evidence-based information and expertise.

**Strategic direction of PCL** – The number of 'strategic objectives' listed in the PCL plan had grown. Members pointed out, however, that there were in fact only two overarching aims – *increasing industry competitiveness* and *sustaining demand for potatoes and potato products*; the purpose of the other listed activities was to help achieve those. Dr Clayton was asked to re-structure the report accordingly, to strengthen its impact and make it more meaningful. PCL Director

**Strategic themes** – The Board received presentations from each functional team, setting out their proposals for future activity. Common threads were collaboration and cross-sector work, and sustainability. The proposals were approved.

**Sustainability roadmap** – Members were interested to hear proposals for developing a *potato roadmap*. It was felt that such a structure would be a useful planning and communications tool. It would provide a logical and clear means of demonstrating a complex, and often confusing, topic; this, it was suggested, could be of particular help to smaller businesses. The point was made that

any definitions or standards should be AHDB-wide. Mrs Fell said that staff would look at inputs from other sectors and a paper would be presented at a future Board meeting, in conjunction with an update of the R&D strategy review. — Head of R&D

**Budgetary considerations** - The paper included an initial summary forecast for the next two years ending 2012/13, based on the assumption that PCL would uphold its intention to seek 3% levy rate increases in each year. This showed a retained surplus of £291K in the second year. A new feature in the financial planning was that funds would now need to be devoted to re-building reserves. The Board agreed on the need for clear and unambiguous messages about this. — PCL Director

**Levy rates** – The Board would agree levy rate proposals for 2012/13 at its next meeting. The Secretary reminded Members that the AHDB Order of 2008 contained a *maximum* area levy rate of £50/ha. Hence, increases at 3% per annum (ordinary and higher rate) could be accommodated for the next two years. However, no further increases would be possible unless the statutory ceiling was raised and that would require a Parliamentary Amendment Order. Dr Clayton would take this up with AHDB. — PCL Director

**Next steps** – The plan would be updated and presented to the Board for further discussion in September.

## 11/59 INFORMATION PAPERS

PCL Dates in 2011 (PCLP/11/34)

Minutes of Committee meetings:

- MI – 7 July 2011 (MICM/11/02) – to follow
- Finance – 24 May 2011 (FCM/11/01)
- Sutton Bridge Mgt – 7 July 2011 (SBMGM/11/03)
- Seed & Export – 2 June 2011 (SECM/11/03)
- Marketing Strategy – 29 June 2011 (MCM/11/01)

## 11/60 ANY OTHER BUSINESS

**Nitrate Vulnerable Zones** – Mr Papworth mentioned recent email correspondence about forthcoming changes to the rules on NVZ land, and asked for more information. Dr Clayton was asked to investigate. — PCL Director

**Register of Interests** – Messrs Bambridge, Nichols, Papworth and Stevenson reported changes to their interests; the revised Register is annexed to these minutes (Members only).

**Observer** – Ms Dodgson thanked the Chairman and Members for inviting her to attend the meeting. She had found this both interesting and useful.

## 11/61 DATE OF NEXT MEETING

The next meeting of the PCL Board would be held at Stoneleigh on Wednesday 21 September 2011.