

DRAFT MINUTES OF THE VMD MANAGEMENT BOARD 9 DECEMBER 2014

Members	Present
Julia Drown - Chair Andrew Coulson David Corner	Pete Borriello - VMD Paul Green – VMD Linda Simmons - VMD David Lewsey – VMD Matthew Isted - VMD
Observers	
Bunmi Akamo Defra	

14. Apologies for absence and welcome.

The Secretariat received apologies from Nigel Gibbens and Anna Maria Brady. The Chair welcomed Bunmi Akamo as an observer of the meeting.

15. Minutes of the last meeting**VMDMB 14/17**

Members agreed the minutes with the following amendment from the Chair: substitute “and PG agreed to provide the performance assessment forms used for the VPC for this purpose” in the 2nd paragraph of the last sentence of AOB.

16. Matters Arising/Actions**VMDMB 14/19**

Members agreed the new format covering ‘Matters Arising’ tabled by the Secretariat and noted the actions the Secretariat had taken including those at 1, 2 and 11, which Members confirmed they had completed.

Action - Members agreed the Secretariat would:

- put in place measures (as recorded in item 15 above), starting at the next meeting, by which Members review each other’s effectiveness, with comments from VMD Directors, using a Members’ evaluation form from the Veterinary Products Committee
- send Members the draft minutes within a week of the last meeting for Members’ agreement within two weeks of the meeting
- find out what other Defra agencies did about publishing their MB minutes and report back
- involve Members at an early stage with the development of the VMD’s key performance indicators (KPIs) using the current KPIs, in recognition that the VMD’s business objectives were broadly consistent year on year.

17. Focus Topic – Performance Reporting

Members looked at the following papers (as well as reports regularly tabled at items 18, 19 and 20 on the meeting agenda):

“Whisker” plots published in MAVIS (quarterly)	VMDMB 14/20c
Enforcement activity (reported monthly to the executive)	VMDMB 14/20d
Sickness absence (reported monthly to the executive)	VMDMB 14/20e

Members welcomed sight of these detailed reports but agreed that they would have oversight of the VMD’s performance by seeing at each meeting in the following order:

- the Report to Defra’s Quarterly Performance Review meeting
- the ‘Delivery against the Business Plan’ report
- pages 3-6 of the Finance report for performance management information; and
- the CEO’s Report, having added any issues or concerns the CEO had with Defra.

Members noted that KPMG Internal Auditors would review VMD’s corporate performance reports in an upcoming audit, which would give Members a further opportunity to review the reports.

Action: the Secretariat to table the four Reports above at meetings in 2015.

18. CEO’s Report (and annexes for information) **VMDMB 14/20**

Members noted that the high-level AMR Summit held at Defra HQ in November involving Ministerial and key stakeholders had:

- been successful in emphasising that the stewardship of antibiotics rested with all stakeholders and interested parties
- that the VMD would continue to work with all stakeholders and interested parties to achieve their shared aims and
- that the Summit had raised the VMD’s visibility and the issue of AMR in animals.

Members welcomed:

- that the VMD was in the top quartile for every category in the 2014 Civil Service People Survey and was the 16th best placed of Departments and agencies.

Members agreed that the VMD’s high survey results reflected very well on the organisation.

Delivery against the Business Plan

VMDMB 14/20a

Action: Members suggested the VMD made the following amendments to the Delivery against the Business Plan report:

- KPI 1.A.2 – VMD to clarify the annual target
- KPI 1.A.7 – VMD to clarify what the objective was in carrying out the activity
- KPI 1.C.1 make the objective that the VMD would be in the strongest position to influence EU and UK policy via the means stated in the KPI
- KPI 3.2 to cross-reference effectively with 1.B.3 and the IT strategy, so the VMD could capture the percentage cost increases/decreases delivered

Report to Q2 QPR meeting

VMDMB 14/20b

Members noted that the VMD used its Strategic risk register to raise high-level concerns with Defra's Chief Operating Officer.

19. 2014/15 Monthly Management Accounts Pack: October 2014 VMDMB 14/21

Members noted that the VMD:

- had no major cost pressures affecting a balanced budget at the end of year (Industry income remains slightly above budget)
- was uncertain about a proposed 1.9% funding cut in Defra funding
- was aware that the food industry had concerns about increasing fees and was
- monitoring Inspections costs in the light of a long-term sick absence of one of the team.

20. Internal - Reporting format for Management Board – End of second Quarter - 30 September 2014 VMDMB 14/22

Members noted the paper.

21. Operating Models VMDMB 14/23

Members noted the VMD:

- had first considered alternative models at a time when Defra was restructuring its scientific agencies
- was primarily interested in exploring more flexible, multi-annual budgeting options, particularly given the threat to its industry revenue posed by more centralised authorisation procedures in 2017/18 proposed in the draft EU Directive

- recognised that Defra was unlikely to support trading fund status (the favoured option) because of the work involved and the minimal financial advantages at Departmental level
- would continue discussions with Defra on ways to carry over funds from year to year as well as with other Government agencies such as CEFAS that had already secured more flexible budgeting arrangements and
- would be discussing this issue further with Defra's Chief Operating Officer.

Members recognised that it was not feasible for the VMD to change its operating model at the moment but supported its exploration of more budgeting flexibility within existing arrangements particularly given the risk of funding and revenue cuts in the future.

Action: Members asked the Secretariat to provide more information about the value of multi-annual budgeting and at the March meeting to report back on developments.

22. Management Board Terms of Reference and Plan of Work VMDMB 14/24

Members welcomed confirmation that the VMD would report to them on issues of efficiency and capability via the performance reports covered in item 17 above.

Action - Members agreed that the Secretariat would:

- amend the Management Board's Terms of Reference to reflect Members' role to support and challenge the VMD's senior management team as it worked towards achieving the VMD's vision and its business objectives
- amend the Terms of Reference Appendix 1 (Schedule of Reserved Matters) to:
 - delete appointment of internal auditors as this was not a MB role
 - set the review of TOR at 3 years rather than 2
 - to delete "internal controls" from 4th bullet point of 'Strategic and Financial matters'
 - to re-draft the 8th bullet point on non-contractual payments and
- submit the revised TOR to the Audit and Risk Assurance Committee and
- incorporate into a proposed workplan for discussion at the next meeting items listed in this paper.

23. Any Other Business

None

24. Dates of next meetings:

2015 10 March

2015 28 May (hold 20 May)

2015 27 August

2015 10 December

**Veterinary Medicines Directorate
December 2014**