MINUTES OF VMD MANAGEMENT BOARD MEETING HELD ON 26 MARCH 2026

Members
Alison White (Chair)
David Catlow
Laura Catterick
Abigail Seager – VMD
Gavin Hall - VMD
Mike Griffiths – VMD
Nidhi Gupta – VMD

Present
Natalie Shilling – VMD
Tammy Callaghan – VMD (observer)
Chris Abbott – VMD (note taker)

1. Announcements and apologies for absence

1.1 The Chair welcomed VMD's new business relationship manager Tammy Callaghan to the meeting as an observer.

1.2 There were no apologies.

2. Declarations of interest in the matters to be discussed

2.1 No interests were declared.

3. Minutes of the meeting held on 28 January 2026 VMDMB 26/01

3.1 The minutes were agreed.

4. Matters Arising VMDMB 26/02

4.1 Progress with the AI strategy will be reviewed at the October meeting.

5. Chair's Report

5.1 The Chair commented on worsening geo-political events and noted that Defra has had to stand up an emergency response to the provision of fertiliser as a result of the shipping blockage in the straits of Hormuz. The department is already under significant pressure and facing into what seems to be an ever-widening portfolio and shrinking budget. In recent months Defra has been engaged with diverse areas such as strengthening farming partnerships, reforming water regulation, and implementing new environmental land management strategies. The programme includes an entirely new policy area involving Packaging Extended Producer Responsibility (pEPR) rules, requiring producers to fund waste collection costs, which came into force last year. Meanwhile VMD is seen to be performing well and it is a challenge to get any airtime with key Defra decision-makers to discuss its business while there is such a maelstrom of portfolio activity.

5.2 The Chair had recently attended the Defra Audit Committee where the challenges of the Defra financial situation for the remainder of the CSR period were discussed. The requirement for cost savings is very significant, and far greater than the efficiencies which have so far been identified. Treasury (on the basis of ministerial instructions) has specified that a proportion of savings will need to be based on efficiency (that is, doing more work with fewer people) rather than just stopping activity and removing posts - this points to a need for significant improvement in technologically driven transformation and improvement in productivity. Non-executives have been asked to involve themselves in oversight of the efficiency plans of their organisations.

5.4 At the same meeting, the Chair led a discussion about the effectiveness of Defra processes for escalating risks from ALBs and consolidating these effectively into the Departmental risk register but was told that the strategic risks still largely reflect departmental issues. The implications of this are that the Departmental Board cannot possibly have complete oversight of the challenges of the mismatch between workload and resources across the entirety of the department.

6. CEO's Report **VMDMB 26/03 & 04**

6.1 VMD's CEO noted the shift in funding and that the organisation needs to be less dependent on it and re-evaluate what it focuses on. ODA has already been affected and activities reduced while climate change has dropped down the agenda. The emergency situation in the Middle East necessitated arrangements to be made for the swift return of staff carrying out work in that area. Suppliers are taking different routes to avoid the Strait of Hormuz and there has been no disruption to availability of medicines so far.

6.2 The building modernisation program is on hold due to a significant reduction in the Defra funding available for it and an exercise is being carried out to identify what can still be done. A recent detection of legionella has led to some facilities being out of action while remedial work takes place. In better news, the head count number limit had been lifted and VMD can employ the number of staff it needs and can afford.

6.3 Changes have been made to the Defra framework and ties with ALBs seem to be getting looser. There are no ministerial concerns with VMD's delivery of mission objectives. The consultation on the Veterinary Surgeons Act may lead to a change in the oversight of veterinary practices and VMD's involvement in them, in partnership with RCVS. This is tied in with implications from CMA recommendations and there are several possible outcomes including a split in responsibilities with the two bodies carrying out separate inspections of medicines and practices.

6.4 VMD has agreed an MOU with CFIA in Canada while CVM in US is looking to add stop clocks to its assessments in order to facilitate work-sharing. VMD hosted visitors from FDA recently and Directors attended a NOAH Board meeting where use of AI was discussed. The formation of the Independent Panel on Evidence for Action against AMR (IPEA) which VMD supports is being delayed - a key decision point will come in Q3.

6.5 VMD reported that the publishing of incorrect advertising guidance for non-medicinal products had occurred due to the proper internal procedures not being followed and measures have been put in place to prevent this happening again.

6.6 It was agreed to review AMR, facilitation of innovation, vaccine availability and the Veterinary Surgeons Act at future Board meetings.
ACTION - VMD

7. ARAC Chair's Report **VMDMB 26/05 & 06**

7.1 The ARAC Chair reported that the committee's annual effectiveness review is underway and results will be reported at the June meeting. The head of digital services gave an update on the cyber security methods VMD employs - phishing emails are a significant risk and a simulation exercise indicated the need for more staff training in this area. A completed audit on how VMD deals with business non-conformities gave limited assurance. The new auditor, RSM, presented their audit plan for 2026/27 which was approved. NAO's financial audit is on track to be completed on time and VMD will circulate the revised draft Annual Report and Accounts in May for comments. A new end of year assurance procedure has been developed and will be used this year. The format of meeting papers will be reviewed with the Secretariat to make them easier for committee members to navigate.

7.2 The Board noted the value of informing staff about the risk universe and VMD would do this. Everyone is responsible for managing security risks and handling data safely and the way documents are sent to non-executives will be reviewed.

7.3 The Board noted that the business non-conformities audit report gave only limited assurance. The Business Compliance team intends to carry out its own review of how non-conformities are handled later in the year and will report the results to ARAC. It will also look at integrating its assurance methodology with the committee.

7.4 VMD will arrange for the Chair to meet with the new internal auditor and to review financial statements in the ARA.

7.5 The ARAC Chair had given useful instruction on using the risk cycle at a recent EMB away day and will be invited to give further training on risk management. The contents of the Risk Register will be reviewed along with risk appetite, mitigations and how to show risks which are out of VMD's control as well as the way emerging issues are escalated to the Register.

7.6 The Chair noted that more work is needed on development of future mitigations in the strategic risk register and asked for this work to be prioritised before the next Board review in the autumn.

7.7 The 5-year IT Road Map was reviewed. The Chair noted the Board's need for clarity on what the status of each long-term activity will be at the end of next year.

8. People and Staffing **VMDMB 26/09-12**

8.1 The 2025 Civil Service People Survey had delivered its results in January and the Board noted the overall good performance of the VMD compared to core Defra and other ALBs. Staff are clear on the organisation's aims and how they contribute to them and are generally content with their work. A need has been identified to give staff the opportunity to develop their professional knowledge.

8.2 Members noted the improvement in the number of new staff recruited in recent months and it was explained that this was due to a pipeline being introduced which clarifies the process and helps manage resources and expectations. VMD has permission to recruit according to its needs and is scoping growth requirements in each area of the business for an action plan.

9. Business Performance **VMDMB 26/07, 08 & 13**

9.1 Members noted the good performance against KPIs for this year and that the IT situation is improving. The objectives for 2026/27 were presented and will be incorporated into a new KPI document for reporting progress to the Board. A draft CEO/Chairs' letter has been circulated and the need to update the VMD Framework Document will be flagged with Defra sponsors.

9.2 An overall budget cost recovery rate of 101% is expected at year-end with an underspend on R&D and staffing. VMD is challenging Defra's building valuation.

9.3 A new Head of Finance has been appointed and will start in May. The Board thanked interim head Nidhi Gupta for her hard work and professional approach and wished her well for the future.

10. Any other Business

10.1 There was no other business.

Veterinary Medicines Directorate
March 2026