

BPEX MANAGEMENT

INTRODUCTION

1. BPEX Management is responsible for the effective delivery of the Road to Recovery Strategy and co-ordinating the execution of the BPEX annual business plan.
2. The management team has specific responsibility to ensure the effective, efficient and economic delivery of the annual business plan and responding to emerging needs of its customers, BPEX levy payers and pig meat consumers.
3. In 2008-09 the management group will also have executive responsibility for BPEX Limited. At the time of preparing this business plan these responsibilities have not been clarified with the Agricultural and Horticultural Development Board (AHDB).

Progress on the 2007-08 Plan

4. The 2007-08 BPEX management business plan contained three core activities. Progress on the delivery of these three core activities is as follows:

Establishment of Pig Sector Co Structure and Strategy

5. Development of the new Pig Sector Company organisation (BPEX Ltd) within AHDB has been limited due to the overall planning process and timelines of the AHDB board and project board. BPEX Ltd has been registered as a company limited by guarantee with Companies House. No overall structural changes have been agreed to date although a BPEX Ltd transition sub group has been established. It is anticipated that Memorandum and Articles of Association will be agreed early in 2008 providing greater clarity as to the roles and responsibilities of BPEX Ltd.

Refinement of BPEX performance management systems

6. During 2007-08 BPEX management have introduced an internal performance management tool 'BPEX Wheel of Performance' which provides a synopsis of the delivery of the BPEX business plan and is updated and circulated to all BPEX suppliers on a quarterly basis.
7. A pig industry survey was established in January 2007 assessing overall confidence in the pig industry and the quality of BPEX services to customers. This survey recorded a confidence index relative to 2006 of 94.2% for producers and 127.4% for non-producers and an overall service satisfaction rating from all survey respondents of 70%.

Administration of Pig Assurance Schemes

8. BPEX have established a joint technical advisory committee for pig assurance schemes operating in England and Wales and provided the secretariat for this joint committee. BPEX have also developed a single assurance scheme database. Full automation of the single assurance database will be achieved once final data feeds from assurance scheme owners has been finalised.

Additional Activities

9. In addition to these core activities BPEX management have responded to a number of challenges that have occurred during the financial year including responding to the feed crisis, co-ordinating a pig industry response to the Foot and Mouth outbreak, restructuring the British Pig Health Scheme and developing a solution to new meat hygiene regulations.

Summary of delivery of the 2008-09 Plan

10. The principal activity for BPEX management during 2008-09 will be the establishment of BPEX Limited strategy and structure and securing services to deliver the BPEX Limited strategy from AHDB and external suppliers.

Key Activities for 2007-08

- Establish BPEX Limited Structure and manage transition
- Establish service level agreements with AHDB and external suppliers
- Respond to emerging industry needs

Targets and Outcomes

11. The outcome will be the establishment of BPEX Limited that is of an appropriate size, structure and resource mix to most effectively deliver the BPEX Limited strategy. This will be measured by annual BPEX confidence and service quality survey and overall cost as a proportion of levy income excluding initial set up costs.
12. There will be a more direct and accountable relationship between BPEX Limited and AHDB and external suppliers as measured by reducing overhead costs relative to service level.

Risks

The three principal risks in the delivery of this business plan are:

Risk	Probability (low, medium, high)	Control
Legislative framework of AHDB limits the ability of BPEX Limited to develop optimum structures and autonomy with BPEX levy payers	Medium	Close engagement of BPEX Limited board in the development of AHDB memorandum and articles of association and management statement. Clear communication with AHDB board.
Reduction in herd size to a level unable to support proposed BPEX structures	Medium	Use financial reserves in the short-term. Restructure BPEX Ltd activities to meet new industry needs in the longer term
BPEX unable to develop a database of BPEX levy payers to ensure greater communication and accountability.	High	Discussion with AHDB and Defra regarding access to Herdmark database.

Budget

Proposed budget for 07/08, inclusive of staff costs, is £485k.

Budget Summary

BPEX Group	BPEX Management
Levy spend of which	
Projects	£200k
People and Overheads	£285k
% of net levy spend	6%
Total levy spend	£485k
Non levy spending	-
Total spending	£485k