



Marine Management Organisation

Board meeting minutes: 23-24 September 2014

Board:

Sir Bill Callaghan (BC) – Chair
Rob James (RJ) – Board member
Derek Langslow (DL) – Board member
Jeremy Loyd (JL) – Board member
Nigel Reader (NR) – Board member (23 September 2014 only)
Jane Ryder (JR) – Board member
Jayne Scott (JS) – Board member
Robin Teverson (RT) – Board member
Andrew Wells (AW) – Board member

In Attendance:

Andy Beattie (AB) – Acting Chief Executive Officer
Steve Brooker (SB) – Director of Operations
Michelle Willis (MW) – Chief Finance Officer
Sam Burgess (SBu) – Director of Evidence and Chief Scientific Advisor
Darren Sanders (DSa) – Board and Executive Services Manager – Secretariat
Adam Kennedy (AKe) – PA to Chair & CEO and Board Support Officer – Secretariat
Andy Kerrigan (AK) – Head of Inshore Licensing
David Scutt (DS) – Observer – Acting Head of Legal
Graeme High (GH) – Observer – England Intermediary Body EFF Senior Manager
Wendy Lethbridge – Observer – Administrative Officer
Nick Wright (NW) – South Western Marine Area Manager (item 19 only)
Tony Tomlinson (TT) – Cornwall & IoS IFCA Chair and FLAG Chair (item 19 only)

Apologies:

Dickon Howell (DH) – Acting Director of Marine Development

23 September 2014

Item 1: Board meeting - welcome and introductory remarks: Sir Bill Callaghan

1.1 The Chair, Sir Bill Callaghan (BC), opened the Board meeting and welcomed all attendees, including Wendy Lethbridge as an observer. BC welcomed Andy Beattie (AB) in his new role as Acting Chief Executive Officer.

Item 2: Declarations of interest

2.1 The standing declarations from Nigel Reader (NR), regarding his interests in Natural England (NE), Natural Resources Wales (NRW) and the Joint Nature Conservation Committee (JNCC), and Jane Ryder (JR), regarding her interest in Seafish, continue to be noted. Robin Teverson (RT) asked

the Board to note his interest as Chair of the Select Committee on Arctic Fisheries. It was agreed that this represented no conflict of interest.

Item 3: Minutes of 24 June Board meeting and actions update

3.1 BC invited attendees to raise any points of accuracy in respect of the 24 June 2014 meeting minutes. The minutes were confirmed as an accurate record of discussions. The actions update paper was noted by the Board and agreed without correction.

Item 4: Minutes of 10 June 2014 closed session

Item 5: Update on CEO Recruitment

4.1 Items 4 and 5 were considered in closed session. Andy Beattie (AB), Michelle Willis (MW), Steve Brooker (SB), Andy Kerrigan (AK), Graeme High (GH), David Scutt (DS) and Adam Kennedy (AKe) left the meeting for the duration of these discussions. Closed session discussions are captured under separate cover - please refer to MMO BM 3904 - Closed Session Minutes

Item 6: Audit and Risk Assurance Committee

5.1 BC invited Nigel Reader (NR) to present his updates from recent Audit and Risk Assurance Committee (ARAC) meetings.

Note of 4 July 2014 meeting

5.2 NR informed the Board that the end year governance around the Annual Report and Accounts for 2013/14 had been the primary focus of this meeting. In addition, NR described a lessons learned exercise that is reviewing a matter reported to the ARAC in-year and confirmed his intention to provide BC with a draft copy of the report, before presenting to the ARAC in December 2014 for detailed consideration. NR commended the courage demonstrated by the Executive Team in identifying and addressing the difficult issues arising from this matter.

5.3 *Minute withheld*

Note of 11 September 2014 meeting

5.4 NR advised the Board that the ARAC welcomed KPMG as the MMO's internal auditors from 2014/15 at their 11 September 2014 meeting, adding that members were confident of a high quality of service.

5.5 NR detailed the work that the Executive Team had undertaken in partnership with PricewaterhouseCoopers (PwC) to develop the MMO's Scheme of Delegations and an MMO Assurance Map, confirming the expectation that these items will be presented to the Board for endorsement in the near future.

5.6 NR advised the Board of proposals for join up between the ARAC and Remuneration Committee on matters of common cause and interest going forward. NR confirmed that he is to discuss this arrangement further with the chair of the Remuneration Committee, Jayne Scott (JS). JS confirmed that the Remuneration Committee were fully supportive of this level of join up between the two committees.

5.7 Rob James (RJ) enquired as to work reviewing arrangements for the procurement of legal services. MW confirmed that a review, linked to NR's lessons learned as described earlier, would be performed in September 2014 and that she will need to work closely with NR on progressing this work.

5.8 RT queried a previously raised issue in respect of protecting staff from offers of bribery. NR confirmed that there is an item on the 9 December 2014 ARAC agenda to consider this issue further.

5.9 NR advised the Board of revisions made to the ARAC Terms of Reference (ToR) and sought approval for these. The Board agreed the revised ARAC ToR.

Item 7: 15/16 budget options

6.1 AB provided the Board with a background to this item, describing a recent Defra request to submit proposals for 5/10/15% budget cut scenarios. AB confirmed that this exercise has prompted the Executive Team to undertake a review of the MMO's Service Level Agreement (SLA) to consider if and how the standard of functions may be maintained.

6.2 AB invited MW to drill down into some of the detail relating to the 15/16 budget options. MW recounted the journey to date and detailed the options proposed for meeting the 5/10/15% budget scenarios. JS recommended that a risk matrix is developed to run in parallel with options development to ensure clarity around service impacts. The Board continued to discuss budget options in detail, including discussion as to the availability of funds under the European Maritime and Fisheries Fund (EMFF) for technical assistance, which could be legitimately drawn-down. AB and MW thanked the Board for the steer given in respect of the budget options.

Item 8: Response to staff survey results

7.1 Due to time constraints, the Board agreed that item 8 be deferred, noting that the Remuneration Committee will discuss on the 8 October 2014. This item will now be considered by the Board at the 11-12 November 2014 Board meeting.

Item 9: Falmouth deep-dive

8.1 SB introduced this item, describing the history of this case and the original licence application in respect of Port of Falmouth Development Initiative (PFDI). *Minute withheld*
BC closed this item, thanking AK for his excellent presentation.

Item 10: close of meeting

9.1 BC thanked all attendees for their participation, confirming that the Board will reconvene the following morning, before closing the meeting formally. The Board noted that Nigel Reader would not be able to attend the reconvened meeting tomorrow due to a prior commitment.

24 September 2014

Item 11: Strategic review: timeline for 15-18 Corporate Plan

10.1 BC invited AB to present an item on the Strategic Review: timeline for 15-18 Corporate Plan. AB referenced a previous Board session to consider the MMO vision and mission and described how things had since moved on following a request from Defra to present proposals for future 5/10/15% budget cut scenarios.

10.2 AB advised members of plans to develop this work including "Have Your Say" workshops for all staff, a review of the SLA and the staff conference to build on the strategic review.

10.3 In considering the timeline for Corporate Plan development, AB advised the Board that due to a clash with a December Council meeting, the timeline had be pushed back to ensure the full level of consideration by Defra. AB sought assurance that the Board were content to view the first draft of

the Corporate Plan in January 2015, with sign off by correspondence in March 2015. The Board agreed this approach, with the caveat that they would be sighted on changes resulting from Defra input in early 2015.

Action 32/01: Board to be sighted on changes to the draft Corporate Plan following feedback from Defra. Revised draft to be circulated in early 2015

10.4 The Board further discussed the timetable for Corporate Plan development and the SLA review. BC posed the question of feasibility of the proposed timeline to the Board. Members felt it was feasible, but added the need for a clear indication of what is happening to be provided to the Board.

10.5 JS referenced the Short Life Working Parties (SLWP) and suggested that these should continue to play an important part. AB pointed to the crossover themes between the SLWP and work on the 2020 vision, suggesting that consideration was needed as to the relevance of the current SLWPs and proposed bringing this back to the 11-12 November Board meeting, together with updates from the SLA review and Sponsorship meeting. The Board agreed to receive an update in November and approved the timetable for Corporate Plan development.

Action 32/02: An update on the SLA review, sponsorship session and SWLPs to be added to the 11-12 November 2014 meeting agenda

Item 12: Update on review of the MMO's fisheries data processes and practices

11.1 MW presented the Board with a high level overview of this complex area of work, detailing the current structure and associated risks. MW continued by describing the project ongoing to simplify the processes and detailed proposals for rationalising the systems. JS highlighted a significant risk around ensuring clarity in scoping requirements from the outset, suggesting securing the right external specialist advice would be crucial to this. Members added a view that the current timeline appeared ambitious and felt that this issue could be further considered by an oversight group or Board workshop session.

11.2 JL queried a disaster recovery plan and requested that the Board receives assurance that this was in place. AB confirmed to provide this and welcomed further opportunity for Board oversight on this matter, suggesting that an SLWP may be appropriate platform for these issues. Board members agreed, but that the oversight group needs to be implemented at the earliest opportunity.

Action 32/03: AB to provide assurance to the Board around disaster recovery plan

11.3 In summary, BC proposed that the Executive Team bring this matter back to the November Board meeting, with a realistic timetable and a solution for the appropriate forum for Board oversight and steering.

Action 32/04: Item to consider revised timetable and forum for Board oversight to feature at the 11-12 November Board meeting

Item 13: Choice of marine laboratories for MMO customers

12.1 SB introduced a paper to consider the choice of marine laboratories currently available to MMO customers, detailing the recent work performed in improving the level of choice. SB advised the Board however, that because numbers are comparatively small, the MMO has not been approached by private laboratories to request their credentials are validated.

12.2 RT enquired whether there were any other areas within the MMO's remit where policy in respect of laboratories represented a lack of choice for customers. SB agreed to take this point away and clarify the position.

Action 32/05: SB to investigate areas where laboratory choice for customers could be improved.

Item 14: Options for alteration of service from Cefas

13.1 *Minute withheld*

Item 15: MMO Management Reports

CEO Report

14.1 The CEO Report was discussed under closed session and SB, MW, AK, DS, GH and AKe left the meeting. Closed session discussions are captured under separate cover - please refer to MMO BM 3904 - Closed Session Minutes.

Health, Safety and Wellbeing Report

14.2 AB introduced the Health, Safety and Wellbeing Report noting the key message as being the commissioning of an audit of policies and procedures, linked to the provision of health and safety. AB described plans for workshops to enable the business to learn best practice from industry and the commission of a risk assessment of high-risk activities within the MMO.

14.3 BC closed the item, confirming that the Health, Safety and Wellbeing report had been formally noted by the Board.

Directorate Reports

Operations Directorate

14.4 AB invited SB to discuss the highlights within the Operations Directorate Report, including updates on Electronic Recoding Systems and issues surrounding Data Entry and Accuracy. SB invited questions from the Board. None were signalled.

Marine Development Directorate

14.5 SB presented the Marine Development Report, highlighting a considerable reputational risk regarding capacity in respect of a major infrastructure project. The Board agreed that the MMO needs to consider options to ensure that we are sufficiently resourced to perform this work effectively. BC thanked SB for his update.

Chief Finance Officer

14.6 MW presented the Chief Finance Officer Report and asked that the Board note two key variants year to date, relating to staff recruitment and an increased proportion of staff exiting the organisation. In relation to the latter, JS suggested close monitoring to ensure that this is not indicative of a long-term issue. AB confirmed that this would be addressed in a proportionate way.

14.7 MW raised the matter of income, advising the Board that variance in year was down as a result of navigational dredging, but gave assurances that a view would be taken on this over mid-year and that the ARAC would receive more information on income at their 9 December 2014 meeting. BC thanked MW and confirmed that the Board had formally noted the Chief Finance Officer report.

Performance Report to August 2014

14.8 AB introduced a report detailing the performance position as at end August 2014.

14.9 In reference to SO1, SB confirmed that a prioritisation exercise on the Licensing Team to protect against reputational risk is underway. SB also gave assurances as to the missed measure in respect of the Planning Act, confirming that a watching brief was being kept and that this was not a concern.

14.10 AB advised members that SO2's Amber/Red status reflected the systems issues backdrop, rather than concerns over any specific measures. AB confirmed that effort would be made to reflect these issues within the wording of measures in next year's plan.

14.11 In respect of SO3, MW detailed issues surrounding EFF claims and described the work taking place to prioritise these, adding that the poor quality of many claims received was still negatively impacting performance across the team.

14.12 AB confirmed that the timetable for a transparency audit had now been agreed for December 2014, which will ensure that this at risk SO4 measure is achieved in the reporting year.

14.13 In reference to the Green status awarded to SO5, AB suggested that measures related to the staff survey may slip to an Amber rating, though an action plan in response to the staff survey is expected to bring these back on track.

14.14 AB identified duplication with regards to the Corporate Risk Register and confirmed that the Executive Team will work to tidy this. JR referenced the MMO BM 3815 - Board and Committee Forward Look and noted that the Risk Register does not feature at upcoming meetings. AB confirmed that an item to consider the Corporate Risk Register will return to the Board on 11-12 November 2014.

Action 32/06: Forward Look to be updated to reflect a Corporate Risk Register item on the 11-12 November meeting agenda

14.15 BC confirmed that the Board formally noted the Performance Report up to August 2014 and thanked the Executive Team, but recommended caution not to underestimate the small number of missed measures.

Item 16: Board and Committee Forward Look

15.1 The Board formally noted the Board and Committee Forward Look.

Item 17: Next meeting: 11/12 November 2014

16.1 BC confirmed the location for the next Board meeting on 11-12 November 2014 as Liverpool. Darren Sanders (DSa) advised that he was working with the Executive Team to finalise arrangements and would update the Board in the near future. AB noted the positive feedback that the Executive Team had received from the stakeholder reception and advised that consideration would be given to repeating this in Liverpool.

Item 18: Any other business

17.1 No items of AOB were discussed.

Item: 19 Working with the IFCAs and FLAGS

18.1 BC welcomed Tony Tomlinson (TT) and Nick Wright (NW) to the meeting. TT delivered an overview of the collaborative ways in which the MMO and the Cornwall and Isle of Scilly Inshore Fisheries and Conservation Authority (IFCA) work together, describing the significant benefits realised as a result of their co-location in Penzance. TT continued by detailing resourcing pressures.

18.2 TT presented an overview of the work of the Cornwall and Isle of Scilly Fisheries Local Action Group (FLAG), highlighting recent successes and detailing their efforts to support European Fisheries Fund (EFF) applicants. TT informed the Board of proposals to work in collaboration with the MMO to pave a way forward under the new European Maritime and Fisheries Fund (EMFF). MW suggested that implementation is more likely to be spring 2015, but that this didn't prevent work from being progressed in the intervening period. On behalf of the Board, BC thanked TT for joining the meeting and for discussing work of both the IFCA and the FLAG.