



Board Meeting Minutes: 16 April 2015

Held at: MMO, Lancaster House, Hampshire Court, Newcastle upon Tyne NE4 7YH

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
Jane Ryder (JR) – Board member
Jayne Scott (JS) – Board member
Robin Teverson (RT) – Board member
Andrew Wells (AW) – Board member

In Attendance

John Tuckett (JT) – Chief Executive Officer
Andrew Beattie (AB) – Chief Operating Officer
Steve Brooker (SB) – Director of Marine Development
Michelle Willis (MW) – Chief Finance Officer and Director of Corporate Services
Dickon Howell (DH) – Acting Chief Scientific Advisor
Darren Sanders (DS) – Head of Governance – Secretariat
Claire Scutt (CS) – PA to Chair & CEO – Secretariat
Andrea O'Shaughnessy – Effort Schemes Manager – Observer

1. Welcome and introductory remarks: Sir Bill Callaghan

1.1 BC welcomed everyone to the meeting and introduced Andrea O'Shaughnessy, who was in attendance to observe the meeting.

2. Declaration of Interests

2.1 The standing declaration from Nigel Reader (NR), regarding his interests in Natural England (NE), Natural Resources Wales (NRW) and the Joint Nature Conservation Committee (JNCC) was noted. Jane Ryder (JR) advised that her tenure as a Board member of Seafish had now ended.

3. Minutes of the 12 February Board meeting and actions update

3.1 BC invited attendees to raise any points of accuracy in respect of the 12 February 2015 Meeting Minutes. The minutes were confirmed as an accurate record of discussions. BC invited comment on the actions update. Robin Teverson (RT) queried staff turnover figures: it was agreed that this would be discussed later in the agenda. The actions update paper was noted by the Board.

4. 18 March 2014 Audit and Risk Assurance Committee (ARAC) update

4.1 NR presented to the Board a paper detailing business conducted at the 18 March 2015 ARAC meeting. NR asked the Board to note the update and the 18 March 2015 draft meeting minutes provided. NR set out a few key highlights from this meeting, including an ARAC review of effectiveness exercise. NR advised the Board that the exercise concluded that the ARAC was effective and that just a small number of follow-on actions were identified.

4.2 NR continued to update the Board and touched upon progress in delivering the 2014/15 Audit Plan and the interim Annual Report and Accounts. The Board welcomed NR's update and noted the paper.

5. Triennial Review – next steps and action plan

5.1 John Tuckett (JT) presented an update to the Board on the MMO's Triennial Review. The Board had a detailed discussion regarding each of the conclusions of the Triennial Review report.

5.2 It was acknowledged that due to the delay in the publishing of the report, some conclusions had been overtaken by the MMO's new Corporate Plan approach and General Election priorities.

5.3 The Board took the opportunity to discuss various aspects of the review and the proposed response in some detail as well as the potential for different ways of working across the organisation.

5.4 The conclusion relating to Cultural Capability afforded Dickon Howell (DH) an opportunity to update the meeting on Evidence. DH informed the Board that he had been reviewing the Strategic Evidence Plan over the last 3 months and described the development of good liaison with academia. DH said he was also developing his links with NERC (Natural Environment Research Council) to ascertain if there were funding streams the MMO could tap into.

5.5 Under the Customer Experience conclusion AB gave an update on the proposed Fisheries Panel advising that an initial orientation meeting had gone well. AB said that outputs from the formal meetings would be recorded via a monthly Newsletter which members would sign off. SB advised that the Coastal Concordat and Fast Track Licensing continue.

5.6 JT informed members that the Triennial Review Action Plan would be prepared for discussion at the next Board meeting.

Action 35/01: Triennial Review Action Plan to be finalised and presented to the Board for discussion in July 2015.

6. Strategic and Corporate Risks

6.1 JT updated the Board on his perspective of the Strategic and Corporate Risks faced by the MMO and presented a series of potential Risks for the Board to reflect upon and discuss.

6.2 The Board had a wide-ranging discussion on the Strategic Risk and future challenges faced by the organisation. Jayne Scott (JS) expressed concern about having a separate Board Risk Register as well as an organisational Risk Register.

6.3 Following further discussion, it was agreed that the issues identified by JT were a 'set of subject matters' which were appropriate for the Board to consider and JT would update the Board on progress at each meeting to enable them to consider priorities.

6.4 The Board agreed that in light of their conversation this would be a prudent time to refresh the current Risk Register.

Action 35/02: CEO and Directors to refresh current Risk Register

Action 35/03: JT to update Board Members on progress regarding each of the issues identified at each Board Meeting

7. Maritime Growth Study: keeping the UK competitive in a global market

7.1 JT presented a paper inviting the Board to consider and discuss the Maritime Growth Study drawing attention to a graph which depicted the UK's maritime contribution to the economy and the fact that there was no mention of fisheries in the published figure.

7.2 JT stated that although the date of the consultation has passed he would be happy to feed in an MMO contribution if board members had an appetite to do so.

7.3 Jeremy Loyd (JL) expressed surprise that the survey did not have an MMO/Marine Planning reference and JS pointed out that there was no mention of balancing economic growth with the environment and protecting seas.

7.4 The Board agreed that JT would put together some information to contribute to the survey and liaise with the Board on its submission.

Action 35/04: JT to put together a MMO contribution to the Maritime Growth Study and liaise with the Board prior to its submission to DfT.

8. Refresh of 2014-17 Corporate Plan Targets

8.1 JT presented to the Board a paper detailing a refresh of the 2014-17 Corporate Plan targets for 2015/16. The Board discussed the Key Steps and Key Performance Indicators. The Board agreed that the targets will need to reflect priorities of the Remuneration Committee, to be discussed later. The Board also recommended further consideration in respect of Strategic Outcome three, suggesting that it should describe clearer the outcomes and not just the process.

8.2 The Board discussed the service standards to be published, noting a large number of 100% targets. It was agreed that 100% targets can be difficult to attain: it was agreed that the Senior Management Team would consider where this might be a statutory requirement or where there might be discretion to adjust appropriately.

8.3 JT confirmed that the refreshed targets will be implemented for the 15/16 reporting year and sign-off from the Secretary of State will be required, in advance of publication in July 2015. The Board concluded discussion by giving their approval as to the refreshed targets, subject to a few minor tweaks to reflect today's discussion.

9. 2015/16 Budget allocation

9.1 Michelle Willis (MW) presented to the Board a paper setting out the rationale for the 2015/16 budget allocation, asking the Board to agree the budget allocations for the current financial year and to note their allocation across the key categories of expenditure.

9.2 MW set out the background leading to this budget allocation, describing financial management measures and processes in 2014/15. MW confirmed that the Delegated Budget and Authorities for 2015/16 letter had been received in March 2015, and that this confirmed a total budget allocation

(including depreciation and capital) of £18.356m, confirming the exclusion of £3.1m for the Defra recharged services of Estates, ICT and Procurement. MW confirmed that a small percentage of the budget allocation had been ring-fenced to meet possible future restrictions.

9.3 MW continued to discuss in detail the allocation, engaging the Board on Pay Remit; funding from the European Maritime and Fisheries Fund and legal costs. The Board welcomed the discussion and confirmed their approval of the 2015/16 budget allocation.

10. Policies: Anti-Fraud and Bribery, Disclosures in the Public Interest (Whistleblowing), How we handle serious allegations about our staff

10.1 MW presented a paper to invite the Board to consider and discuss three key policies, namely: Anti-Fraud and Bribery; Disclosures in the Public interest (Whistleblowing); and How we handle serious allegations about our staff.

10.2 MW advised that these policies had been developed or updated to bridge gaps in MMO's current suite of policies. MW described the updates to the Anti-Fraud and Bribery Policy as ones which would protect and educate staff. MW went on to say that the updates to the Whistleblowing Policy gave it further rigour and that the Policy on Handling Serious Allegations about staff was a new, bespoke policy which gave clarity on the process and how such allegations would be handled.

10.3 Robin Teverson (RT) welcomed the policies but raised the fact that he did not consider the Handling Serious Allegations about staff policy defined sufficiently how staff should respond if they were approached by an external source and sought assurance that staff would feel secure in coming forward. MW acknowledged that she was aware of risk in this regard and would take forward as part of the staff training which would accompany the launch of the policies.

10.4 Nigel Reader (NR) raised a further point as to whether the Remuneration Committee should have a role where allegations of staff are involved. Jayne Scott (JS) agreed that a role around governance may be appropriate in certain circumstances.

10.5 JS suggested that before the Whistleblowing Policy is formalised, it would be prudent to check Public Concern at Work best practice. In addition, JS raised the fact that consideration should be given some clarification of the wording at 2.2 of the Handling Serious Allegations about staff policy offering guidance as to what type of allegation would not be covered by our Customer Complaints Policy.

10.6 Following discussion, it was agreed that the launch of the policies would be communicated to staff as part of a tranche of on-going refresh and normal good governance.

10.7 The Board considered and noted the policies and subject to the suggestions above were content.

11. Pathway to 2021 for Marine Plans

11.1 Steve Brooker (SB) presented a paper to provide the Board with the proposed approach for delivery of all of England's Marine Plans by 2021.

11.2 SB reminded the Board that three options were considered back in June 2014. Following further consideration this was then reduced to two options which were discussed further at Defra's Marine Programme Board and after careful deliberation the decision was reached that the preference would be to take all plans forward at the same time.

11.3 SB described the approach would be to bring in a Programme Management resource to support the team and there would also be a Marine Planning Programme Board chaired by the Chief Executive with relevant representatives from cross government sponsors.

11.4 The Board discussed the approaches adopted by the devolved administrations and recognised that the EU had not yet defined criteria on Marine Planning which may have an impact further down the line.

11.5 JL asked if a resource assessment had been carried out to support delivery of the Marine Plans and SB confirmed this would be a task for the appointed Programme Manager. JT remarked that he had little doubt that MMO did not currently have the resources required and he would be asking the Programme Manager to manage the project on a month by month basis.

11.6 NR asked for clarification on the next steps and SB advised that if the Board were in support of Option 2, the proposal would then go to Defra's Marine Programme Board. SB explained that there was an understanding that whilst the preferred option was recognised to be the MMO's decision, Defra were and had been sighted throughout the process.

11.7 RT suggested that an official from DG Mare could be invited to sit on the Marine Planning Programme Board. JT acknowledged that Defra had previously acted as the interface with Brussels however agreed that this would be something to explore.

11.8 The Board were content to approve Option 2 as the preferred approach for delivering the remaining six marine plans for England.

Action 35/05: Consideration is given to inviting a representative from DG Mare to sit on the Marine Planning Programme Board

Action 35/06: Option 2 to be taken to Defra's Marine Programme Board as the preferred option

12. Delegation of Marine Licensing powers

12.1 SB presented a paper to provide the Board with a proposal for delegating marine licensing powers to eligible bodies and to gain their approval of the proposal.

12.2 SB explained that wherever possible the MMO were committed to reducing the burden on applicants and due to concerns in the Thames Estuary discussions with the Port of London Authority (PLA) and Government had commenced.

12.3 SB stated that the paper presented generic criteria for delegation of Marine Licensing powers which would apply to other organisations however at this stage the discussions related only to PLA.

12.4 Rob James (RJ) congratulated SB on an excellent paper and commented on the reference to reviewing delegated powers at 3.11 after five years. RJ questioned the requirement for an earlier 'get out' and made further points asking if a cost analysis (savings or otherwise had been carried out) and if there were other bodies with an interest in receiving delegation.

12.5 SB agreed that it would be inappropriate to go for a five year review and confirmed that there would need to be alignment of the auditing and review period, pointing out that as audits would be at the expense of the delegated body, this would need to be made explicit in the proposal.

12.6 SB confirmed that he was not aware of others with immediate interest and confirmed there would be a review of the costs of each application and PLA would require use the MMO licensing system and would therefore pay towards that.

12.7 JS stated that a termination clause should be added to the proposal and this was agreed.

12.8 The Board had further discussions regarding other potential applicants and criteria for ensuring that standards were upheld.

12.9 DH pointed out that the proposal document sets out the framework and the Board would be invited to approve in each instance.

12.10 The Board approved the proposals, subject to the adjustments discussed and agreed.

13. Timetable for approving the 2014/15 Annual Report and Accounts

13.1 The Board considered a paper to agree the timetable for engaging in and approving the MMO's Annual Report and Accounts in readiness for signature in July 2015.

13.2 The Board considered the proposal and were content to approve the timetable as set out.

14. Remuneration Committee: 2014 Annual Report and Terms of Reference (April 2015)

14.1 JS invited the Board to consider the Remuneration Committee's 2014 Annual Report and approve the revised Terms of Reference. JS confirmed that the Terms of Reference had been revised to reflect lessons learned on roles and responsibilities. The Board welcomed the Annual Report and it was agreed that reporting would move from calendar year basis to reporting by financial year.

14.2 The Board considered and discussed the revised Terms of Reference. The Board discussed the substance of 2.4, which reflected on the Committee's role in the HR Strategy. JS confirmed she would consider.

Action 35/07: JS to alter wording at 2.4 of the Terms of Reference to reflect Board discussion

14.3 The Board thanks JS for presenting the two items. The Board formally noted the Annual Report and approved the revised Terms of Reference, subject to minor amendment at 2.4.

15. Spend over £250k: MCMS development

15.1 MW invited the Board to note approval to a matter delegated to the Board through the MMO's Financial Scheme of Delegations. MW outlined the background to this matter and the current position with regards the planned procurement. The Board confirmed that they were content to note that the proposal had been considered and agreed by Sir Bill Callaghan, in accordance with the MMO's Financial Scheme of Delegations.

16. CEO and Director Report, including Finance Report

16.1 JT requested feedback on the new style of report and the Board welcomed the new layout and content. The Board had a consensus of opinion that they preferred to have the full Finance Report. JT invited Board members to raise any of the reported issues which they would like to discuss in more detail.

16.2 Derek Langslow (DL) asked if there were any further developments on Rame Head. DH confirmed that the evidence had not changed and that Cefas were carrying out further analysis around a feature of mud which had been identified by Natural England following a survey. DH explained that until the outcome of the Cefas analysis was determined, no further work or disposal would be carried out. DH said the existence of the evidence of mud was in the public domain and alternative sites were being explored.

16.3 The Board discussed IFCA recruitment and the implementation of an appraisal process which Andrew Beattie (AB) confirmed would be in place by September 2015. AB also updated the Board on the outcome of a procurement exercise to formalise the arrangements for paying to use IFCA vessels for MMO enforcement activity.

16.4 NR raised the under 10m sampling plan which had been the subject of a recent meeting between MMO officials and Bernard Friess (Director DG Mare). NR requested an update against the proposals and advised that resources would have to be ring-fenced and managed as a project.

16.5 MW presented the Finance Report and invited any questions. MW picked up on an earlier question raised by RT regarding staff turnover, updating the Board that the current figure was approximately 11%. MW said that Leavers' Surveys were closely monitored with recent reasons for departure including Career Development and Relocation. MW described the figure as a healthy level of turnover which reflected economic recovery and that the CEO and Directors would carry out further analysis in conjunction with the results of the recent Pulse Survey.

Action 35/08: An update to be provided to the Board on the MMO proposals regarding the under 10m sampling plan.

17. Board and Committee Forward Look

17.1 The Board noted the Forward Look upon invite from BC.

18. Next meeting

18.1 BC updated the Board as to planned meetings and workshops over the coming months, including an Open Board meeting in November. The next meeting will be held on 9 June 2015.

20. Any other business and close of Board meeting

20.1 BC invited attendees to signal any items for discussion under any other business. There were no further items of business. BC thanked attendees for their co-operation and closed the meeting.