



# Marine Management Organisation

## Board Meeting Minutes: 16 June 2016

Held at: MMO, Lancaster House, Newcastle Business Park, Newcastle upon Tyne NE4 4YH

### Board

Sir Bill Callaghan (BC) – Chair  
Derek Langslow (DL) – Board member  
Nigel Reader (NR) – 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  
Steve Brooker (SB) – Chief Planning Officer  
Phil Haslam (PH) – Director of Operations  
Craig McGarvey (CM) – Director of Business Development and Transformation  
Stuart Rogers, (SR) – Chief Scientific Advisor  
Michelle Willis (MW) – Director of Finance, EU and Licensing  
Claire Scutt (CS) – PA to Chair and CEO, Secretariat

### Apologies

Rob James (RJ) – Board member

## 1. Welcome and introductory remarks: Sir Bill Callaghan

1.1 Bill Callaghan (BC) welcomed attendees to the meeting noting apologies from Rob James who had been unable to attend due to a cancelled flight.

## 2. Declaration of Interests

2.1 The standing declaration from Nigel Reader (NR), regarding his interests in Natural England (NE), Natural Resources Wales (NRW), the Joint Nature Conservation Committee (JNCC) and as an ex-officio member of the Defra ARC were noted. NR updated further that from September 2016 he will be an independent member of JNCC audit rather than under the patronage of JNCC. The Board also noted the standing declaration from Stuart Rogers (SR) regarding his role as the Defra-nominated Governor of the UK Marine Biological Association and also in his substantive role as the Chief Scientific Advisor of Cefas.

2.2 Robin Teverson (RT) declared an interest following his recent appointment as Chair of the House of Lords European sub-committee on Energy and Environment. In the event of any potential

conflicts of interest arising in the future, RT agreed that he would engage in further discussion with the Chair, Defra and the Clerk at the House of Lords.

### **3. Minutes of the 14 April Board meeting and actions update**

3.1 BC invited attendees to raise any points of accuracy in respect of the 14 April 2016 meeting. No issues were raised and the minutes were confirmed as an accurate record of discussions.

### **4. Matters Arising from 15 June 2016 Audit and Risk Assurance Committee**

4.1 BC invited NR to present an update of key points arising from the 15 June 2016 Audit and Risk Assurance Committee (ARAC) meeting.

4.2 NR described the main focus of the meeting had been the Head of Internal Audit's annual opinion, the review of a suite of audit reports and the committee additionally provided scrutiny to the draft Annual Report and Accounts.

4.3 NR advised the Board that the MMO had received an overall moderate level of assurance from KPMG, signalling some required improvements. NR explained that a moderate level of assurance was consistent with other Arms' Length Bodies and noted that management had asked KPMG to audit areas with known issues. NR reported that a substantial level of assurance had been given in areas of Health and Safety and Core Financial Controls (Design).

4.4 NR commented that eight out of the nine audit reports reviewed had been delivered in quarter 4, largely as a consequence of delivery process failures, that had been acknowledged by internal audit. However, NR noted that management recognised that improvements could be made to contribute to improving engagement of internal audit. NR was pleased to report however that both KPMG and MMO had a renewed commitment to address any such issues going forward in relation to the 2016/17 audit plan. RT confirmed that addressing the 'back-ended' nature of audits was crucial to ensuring that the reports received adequate attention from the Committee. JT confirmed that following a conversation with the Head of Internal Audit (KPMG) education would be provided to senior leaders to reinforce the importance of internal audit.

4.5 NR also gave an update on the current position with the annual report and accounts, applauding the rigour of the financial statements and confirming that the ARAC would review further on the 5 July in advance of making a recommendation to the Board for sign off of the final document.

4.6 BC thanked NR for the update which was noted.

### **Item 5 - MMO Action Plan 2016/17 (and Budget)**

5.1 JT introduced the paper requesting approval of the MMO's Action Plan for 2016/17 and the associated financial allocations.

5.2 Craig McGarvey (CMc) drew the Board's attention to some amendments made since the last meeting and explained that a shorter version was being developed for use by MMO staff and stakeholders.

5.3 JT advised that the Action Plan had been shared with Defra which had resulted in some changes to reflect areas where policy and delivery complement one another and also to highlight MMO and Defra's collaborative working relationship.

5.4 The Board engaged in discussion regarding the Better Regulation context. BC pointed out that this outcome required further narrative to reflect the contribution to the environment rather than

focussing on reducing burden to industry. JT confirmed that it was possible to cross reference the reducing regulatory burden outcome with environmental outcomes to make this distinction. The Board noted that there was a statutory requirement in 2016/2017 to report on how regulatory burden has been reduced.

5.5 Jayne Scott (JS) commented that she was happy with the overall document but thought that more clarity was required to make clear to the reader what was classified as an input and what was classified as an outcome.

**Action: 49/01: CMc to provide a brief description on inputs and outcomes**

5.6 Michelle Wills (MW) introduced the associated financial allocations to support delivery of the Action Plan, advising these figures had been stress tested for the 2016/17 financial year and into 2017/18. MW updated that in allocating the finances, the Directors had considered the MMO's statutory duties, building on income and cost recovery as well as the further development of effective partnerships with other organisations. On that basis MW was able to assure the Board there was confidence in the financial allocation over the next two years.

5.7 NR raised a potential pressure in relation to any delay in the implementation of the planned revision to the marine licensing Fees and Charges Statutory Instrument. MW reported that this had been considered; confirming both contingency plans and financial implications had been factored into accommodating any such delay. NR was assured by this provision.

5.8 The Board engaged in further discussion regarding other areas where income generation was currently under exploration for impact in 2019/20. The Board debated the implications of the dependency on primary legislation for charging for major infrastructure projects.

5.9 JT advised that he had asked the team to consider further how a reduction to our Grant in Aid could be managed and the Directors had considered a number of areas, acknowledging that some suggestions may be unpalatable.

5.10 RT raised the model of the Civil Aviation Authority which operated solely on generated income. MW acknowledged the direction of travel was to follow an approach focussed on commercialisation which was a model for consideration for the future.

5.11 The Board confirmed they were happy to sign off the MMO Action Plan and the associated budget allocations.

## **6. Next meeting: Board Meeting and visit on 5/6 July: Kings Lynn**

6.1 BC confirmed that the next Board meeting will be held on 5 July 2016 in Kings Lynn with a visit to the Eastern IFCA planned for 6 July.

## **7. Any other business and close of meeting**

7.1 BC invited attendees to signal any items for discussion under any other business. No additional items were signalled.

7.2 BC thanked attendees for their participation and closed the meeting.