



# Marine Management Organisation

## Board Meeting Minutes: Thursday 17 November 2016

Held in: Newcastle upon Tyne

### Board

Sir Bill Callaghan (BC) – Chair  
Rob James (RJ) – Board member  
Derek Langslow (DL) – Board member  
Nigel Reader (NR) – Board member (all agenda items except 8b)  
Jayne Scott (JS) – Board member (from agenda item 8b onwards)  
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  
Stuart Rogers, (SR) – Chief Scientific Advisor  
Michelle Willis (MW) – Director of Finance, EU and Licensing  
Gill Stephenson (GS) – Head of Communications (item 12 only)  
Claire Scutt (CS) – PA to Chair, Board Secretariat  
Jane Donaldson – Diary Secretary to CEO and PA to the Chief Planning Officer

### Guest

Sonia Phippard (SP) – Defra Director-General, Environment, Rural & Marine

### Apologies

Craig McGarvey (CMc) – Director of Business Development and Transformation

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

1.1 Bill Callaghan (BC) welcomed attendees to the meeting especially Sonia Phippard (SP) and noted apologies from Craig McGarvey. BC advised that Jayne Scott (JS) would join the meeting at 10:30 am.

## 2. Declaration of Interests

2.1 BC invited attendees to declare any interests. Robin Teverson's (RT) interest as Chair of a Select Committee on EU, Energy, Environment and Fisheries was noted. RT advised the Board that the Select Committee was leading an inquiry into 'Brexit' and Fisheries policy. Nigel Reader's (NR) standing interests in Natural England (NE), Natural Resources Wales (NRW), Joint Nature Conservation Committee (JNCC) and as an ex-officio member of the Defra ARC were noted. NR advised that in addition to the above he was currently Acting Chair of the Animal and Plant Health

Agency (APHA) ARAC whilst recruitment was on-going and he had recently been delegated as Acting Chair of Natural England for a temporary period.

2.2 In order to ensure there was no perception of a conflict of interest the Chair and NR agreed that NR would leave the meeting for agenda item 8(b).

### 3. Minutes of the 5 October Board meeting including actions update

3.1 BC invited attendees to raise any points of accuracy in respect of the 5 October 2016 meeting. None were received and the minutes were confirmed as an accurate record of discussions.

3.2 The Board discussed the recorded actions as follows:

**Action: 51/03 – JT to discuss mechanisms for encouraging staff to report ‘near hits’ with the HR team**

3.3 JT confirmed that he had discussed this matter further with the Health, Safety and Wellbeing Business Partner who was satisfied that the reporting of what were now referred to as ‘near misses’ was reflective of the relatively low number of accidents within the organisation. JT reported that 16 senior managers had recently completed the Institute of Occupational Safety and Health (IOSH) Directing Safely training and this had led to Health and Safety having greater visibility across the organisation. In addition, Health, Safety and Wellbeing was an item on team meeting agendas. JT agreed that there was no room for complacency and that health, safety and wellbeing continued to be an area of huge importance to the MMO

### 4. Matters Arising from the 17 October 2016 Audit and Risk Assurance Committee (ARAC)

4.1 NR gave an update on the business conducted at the 17 October ARAC meeting. He began by advising that governance on the Target Operating Model (TOM) was expected to be in place by the end of December 2016. NR also drew the Board’s attention to the fact that the organisation’s Framework Documents are in need of update and this item would feature on the agenda at the February 2017 Board meeting.

4.2 NR reported that the internal audit programme delivery was on track and the quality of the audits completed so far has been high. NR said the Committee continued to drill down into audits which had received a limited assurance rating and any such audits would be reported back to the Board.

4.3 David Hakin, who had previously represented National Audit Office (NAO) on the ARAC had been succeeded by Cos Manfredi. NR recorded formal thanks to David from the MMO Board.

4.4 NR advised that the ARAC had received updates on the Proteus Project and the post implementation review of the Marine Licensing Statutory Instrument the Committee were content with progress on both projects.

4.5 NR confirmed that the ARAC would not conduct a formal review of effectiveness this year; however they intended to monitor progress in implementing the improvement actions arising from their 2015 ARAC effectiveness review as well as exploring potential methodologies for the next effectiveness review.

4.6 NR advised that the KPMG audit contract was due to end in March 2017 and the intention was to move to Defra audit. NR confirmed that this could build in some delay to the internal audit programme. Derek Langslow (DL) and Robin Teverson (RT) enquired as to whether there was merit

in rolling forward the contract for a further year in light of the number of competing priorities at this time. Sonia Phippard (SP) agreed that she would be willing to explore this option however thought that postponing may be just as challenging the following year. NR advised that Nathan Paget (Group Chief Internal Auditor - Defra Shared Audit Service) would be writing to the CEO and it would be prudent to explore possibilities once this letter was received.

## 5. Marine Protected Areas and Overseas Territories

5.1 JT gave an update on the Overseas Territories Project stating that a fund of £20million had become available from the Cabinet Office for the development of Marine Protected Areas (MPA's) in small overseas territories over the next four years.

5.2 JT confirmed that MMO and Cefas were working together as key partners and both he and Cefas CEO, Tom Karsten were the senior responsible officers (SRO's) with Craig McGarvey (MMO) and Steve Millward (Cefas) managing the project on behalf of the respective organisations.

5.3 JT advised that the project initiation document was currently being drafted and Cefas had a number of projects underway. MMO are in the process of releasing staffing resource to work on this project and were able to fund the costs of these posts from the Cabinet Office fund.

5.4 Stuart Rogers (SR) stated that he was keen to put together an advisory panel to ensure the work being scoped is what the overseas territories want.

5.5 BC thanked JT for the update and it was agreed that this would be a standing agenda item at future meetings.

**Action: 52/01: Marine Protected Areas and Overseas Territories to be added to the Forward Look as a standing item.**

## 6. Finance:

### Mid-year Budgetary review

6.1 MW introduced the Finance report to 30 September 2016 and the mid-year budget position drawing the Board's attention to Annex 1 which gave an expenditure review by cost type and Annex 2 which gave an expenditure breakdown by team.

6.2 MW highlighted that the Proteus project had been part funded by EU Aid and the European Maritime and Fisheries Fund (EMFF) can now draw down 90% of costs from Europe.

6.3 MW reported that the budget was broadly on track and a thorough Business Planning process had been instrumental in this.

6.4 The Board enquired as to whether there were risks surrounding EU contributions and to whom did this risk fall. MW confirmed that the money was yet to be drawn down from the EU and that there was a degree of risk which was managed collectively by Defra and the MMO.

6.5 RJ queried what proportion of income is sourced from Thames Tideway Tunnel (TTT). MW confirmed that she would respond out of committee after confirming the figure and advised that other organisations had approached MMO to explore whether they could set up a similar commercial arrangement to that of TTT. MW commented that any proposals would need to be looked at carefully. RJ pointed out that MMO staff were gaining valuable experience and knowledge to bring back to the organisation as a result of government/industry working.

6.6 BC thanked MW for the paper and confirmed that the Board formally endorsed the mid-year budget position.

## 7. CEO and Director Report (including Performance to September 2016)

### Operations

7.1 JT introduced the CEO and Director Report giving an update on a recent visit to the South West Marine Area.

7.2 NR thanked JT for the update on Health, Safety and Wellbeing and leadership in this regard, adding that the Board would do whatever requested to maintain momentum and continue to model good behaviours.

7.3 PH updated the Board on progress within the Operations Directorate, highlighting positive news in relation to warranted officers and the fact that financial constraints had made an impact on staff morale. PH also updated the Board on cross warranting with IFCA staff for which there had been a 70% uptake rate and good news was also reported on the inshore vessel monitoring system (i-VMS) for which it was possible to use EMFF funding to install.

7.4 PH reported the potential an over-fishing risk was currently being managed and MMO were consulting with industry on the licensing conditions which should close off this risk. PH commented that the team had carried out sterling work to ensure there had been no closures of fisheries.

7.5 PH was pleased to advise that MMO had a seat at the table at the December Council for the first time and asked for thanks to be recorded to Nigel Gooding, Defra Deputy Director of Fisheries and Conservation who had arranged this.

7.6 An update was given on EU audits and in particular a Traceability Mission. PH reported that the MMO have a risk based intelligence led approach. The audit findings have resulted in a road map for improvements to be made and actions need to be taken within the next six months; including the training and refocussing of officers.

7.7 PH reported that a further mission will look at sole in the East Channel following a criticism that we do not have full sight of what is landed. DL raised the point that there was a tension between EU audit and the principles of Better Regulations.

7.8 RT asked whether e-logs remained an issue and the backlog of data entry in coastal teams. PH advised that his approach since joining MMO had been that as this is a regulatory requirement the fishing sector had to comply. PH confirmed that there was still an amount of data entry work however this was in manageable quantities and the Proteus system would also assist.

7.9 PH referred to the Board to item 4.17 of the Operations Directorate update in relation to Producer Organisations (POs). PH advised that once the under 10 m come up with a Producer Organisation concept and get it up and running the MMO will bless it. PH also confirmed that KPMG have been asked to audit our processes for POs.

7.10 PH gave an update on the process for Official Written Warnings (OWW) responding to a previous Board action and a concern over the time lag from offence to conclusion. PH explained that as a penalty this was quite high on the elevation scale and in the more testing cases it was worth taking the time as an amount of legal work was required. This inevitably meant that not all cases were dealt with in 90 days although it was noted that defendants would have been alerted at the time of the detection of the offence that this was the likely enforcement action MMO would pursue.

7.11 PH advised the Board that the Proteus project was progressing well. At this stage, the project is due to be delivered in quarter 1 and in the interim training would be rolled out.

## **Planning**

7.12 Stephen Brooker (SB) updated the Board on the digitisation of marine plans which would see MMO move away from producing long and complex documents and better aligned with the principles and ambition of the Target Operating Model (TOM).

7.13 RT enquired as to how many 'hits' there had been on the Marine Information System (MIS) and whether MMO had intellectual property rights for the system. SB agreed to respond on the amount of hits out of committee. In relation to the intellectual property rights SB advised that the look and feel of MIS was MMO's however the data was public.

## **Finance, Licensing and EU**

7.14 MW introduced her Directorate report highlighting the upward trajectory in the Licensing team's performance and how she had worked with the team on the more intelligent use of management information. MW also updated the Board on progress with the Fees and Charges project she is leading and this had involved close working with the Environment Agency (EA) and Natural England (NE).

7.15 MW gave the current position on some high profile licensing cases and advised that the Licensing Improvement Project was moving ahead with speed.

7.16 JS enquired as to whether there was a plan to do an EMFF audit. MW confirmed that this was an area which must be audited by the EU.

7.17 NR commented on the Performance section of the report and raised that although there were a number of 'green' or 'green/ambers' within this he was satisfied that the status of these was reviewed on a monthly basis.

7.18 The Chair thanked the CEO and Directors for their contributions.

## **8. MMO Corporate and Strategic Risks and Issues**

8.1 JT presented the paper on MMO Corporate and Strategic Risks and Issues inviting the Board to consider and discuss and to note the direction of travel with regard to Defra group strategic risk management.

8.2 The Board discussed specific risks making recommendations as to where the risks and mitigations should sit, specifically in relation to EU exit, loss of experienced staff and a reducing risk on Chair and Board churn.

8.3 NR stated that the content and presentation of the paper was good and he acknowledged that the 'green' status in the majority of cases related to the mitigation rather than the size of the risk. DL accepted this however challenged that the 'green' status of this risks does not recognise what is not under MMO's control. JS suggested that MMO could adopt an approach of looking at the risk post mitigation and colour accordingly. JS queried if there were any themes coming from Exit interviews with outgoing staff and it was agreed that the Remuneration Committee would receive a report on this.

***Action: 52/02: Remuneration Committee to receive a report on themes emerging from Exit interviews of out-going staff***

## **9. Strategic ICT Delivery plan 2016-20**

9.1 MW introduced the paper to update the Board on the development and delivery of the MMO's Strategic ICT delivery plan. MW advised that this paper followed on from the Defra Data, Digital and Technology Services (DDTS) presentation to the October meeting.

9.2 MW explained that the business planning process had been instrumental in pulling together the MMO's requirement for digitisation and a significant number of these requirements had been captured by DDTS. MW went on to advise that MMO's requirements were set out in the paper and there was clarity on how these were being managed. MW reported that MMO and DDTS had a positive working relationship.

9.3 JS and RT enquired as to whether there was a detailed plan for delivery and what MMO would have at the end of it. MW advised that MMO requirements were mapped into the DDTS delivery plan and DDTS would in turn provide us with a future plan for delivery. Once this was received we could sequence delivery across the business. MW confirmed that in some cases MMO would have an end user system and in some cases an enhanced system e.g. enhanced broadband speed.

9.4 It was agreed that this item would be brought back to the Board for further discussion after the DDTS delivery plan was received.

## **10. Update on MMO Customer Services 2016/17**

10.1 Gill Stephenson (GS), MMO Head of Communications joined the meeting.

10.2 GS gave a presentation to the Board detailing progress with customer service and stakeholder engagement whilst also providing information on improvements planned to continue with this commitment.

10.3 GS advised that in some cases MMO responses to correspondence had been overly technical and she and the team were working with staff to ensure plain English principles were being observed. It was acknowledged however that in the regulatory environment it was important to give our customers the relevant technical and legal information.

10.4 GS also outlined some of the difficulties experienced with the annual customer survey and the Board enquired as to whether the team were moving away from this. GS confirmed this was the case and the Board agreed with this approach. BC commented that an instant feedback request often worked using a small amount of targeted questions. GS advised that customer segmentation and getting feedback in this way rather than using a general survey was the preferred option.

10.5 The Chair noted the update and asked for thanks to be passed on to the team.

## **11. Board and Committee Forward Look**

11.1 The Board and Committee noted the Forward Look to February 2017.

## **12. Next meeting: Board Workshop: 14 December**

12.1 BC confirmed the next meeting would take the form of a Workshop to be held in Newcastle on 14 December followed by a meeting of the Audit and Risk Assurance Committee on 15 December.

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

13.1 BC invited attendees to signal any items for discussion under any other business. None were proposed.

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

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