



Marine Management Organisation

Board meeting minutes: 18 September 2013

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
Lord Robin Teverson (RT) – Board member
Andrew Wells (AW) – Board member

In attendance

James Cross (JC) – Chief Executive Officer
Liz Humphreys (LH) – Director of Corporate Services
Andy Beattie (AB) – Director of Operations
Carolyn Cadman (CC) – Director of Customers and Partnerships
Steve Brooker (SB) – Director of Marine Development
Michelle More (MM) – Financial Controller
Darren Sanders (DS) – Board and Executive Services Manager (Secretariat)
Chris Preston (CP) – Head of Marine Planning and Sustainable Fisheries,
Department for Environment, Food and Rural Affairs (Defra) (items 2 to 5)
Rob Matthews (RM) – Head of Marine Sponsorship Team, Defra (items 2 to 5)
Rob Davies (RD) – Policy Advisor on Domestic Fisheries and Marine Sponsorship,
Defra (items 2 to 5)
Jill Wordley (JW) – Head of the Triennial Reviews Team, Defra (items 2 to 5)
Victoria Metheringham – Strategic Development Officer (item 5)

Apologies

Jayne Scott (JS) – Board member

Item 1: Closed session

1.1 The Board considered a closed session oral introduction to the Board meeting from JC in which all but the Board, and the Secretariat, were absent.

Item 2: Welcome and introductory remarks – Board meeting: Sir Bill Callaghan

2.1 The Chair, Sir Bill Callaghan (BC), opened the Board meeting and welcomed all attendees including Chris Preston, Rob Matthews, Rob Davies and Jill Wordley from Defra.

Item 3: Declaration of interests

3.1 The standing declarations from NR regarding his interests in Natural England (NE) and Natural Resources Wales and JR, regarding her interest in Seafish, were noted. NR confirmed that he would respect protocol as he offers insight in to the triennial review process given the recent completion of NE's review.

Item 4: Minutes of the 25 June 2013 Board meeting and actions update

4.1 The minutes from the 25 June 2013 Board meeting were agreed.

4.2 The action list and updates provided within actions update paper were noted by the Board.

Item 5: Organisational strategy

5.1 CP, Head of Marine Planning and Sustainable Fisheries within Defra, opened this session. CP confirmed that his session will set the operational context for MMO, looking at growth and taking away burden from industry. In addition, his session will explore the Defra viewpoint as those responsible for marine policy.

5.2 CP, by way of background, touched upon the spending review that requires £11.5 billion savings from 2015/16 (across all of government). By 2015/16, spending will be 43.1% of gross domestic product, down from 47.4% in 2009. By 2018, it will have returned to the long-term average of 40.5%. Defra's budget for 2014/15 is £1.7 billion which will reduce by 10% in 2015/16. In addition, CP highlighted civil service reform, confirming that employee headcount within Defra had reduced by 19% through 2010-13 and that estates rationalisation continues.

5.3 CP set out the 4 Secretary of State (SoS) priorities which set the context in which Defra operates:

- rural economic growth
- protecting plant health
- protecting animal health
- improving the environment

5.4 CP confirmed that running through all 4 of Defra's priorities is economic growth which is delivered through:

- growing Defra's sectors and their exports
- investing in infrastructure
- removing regulatory and other barriers to growth

5.5 Board members were disappointed that marine issues did not feature explicitly in SoS priorities. CP provided the Board with assurance that 'rural communities' also encompasses 'marine'.

5.6 CP highlighted work underpinning better regulation which includes:

- Strategic Alignment
- Smarter Guidance and Data Initiative
- Accountability for Regulator Impact
- Growth Duty for Regulators

5.7 CP asked the Board to note the policy and delivery priorities from within the Marine Programme which will help shape MMO's 2014-17 Corporate Plan and those areas where MMO expertise can assist in the development of future government policy. These include, but are not necessarily restricted to:

- Common Fisheries Policy (CFP) implementation
- European Maritime and Fisheries Fund (EMFF)
- marine conservation zones (MCZs)/European marine sites (EMSs)
- marine planning
- domestic reform
- licensing

5.8 CP recognised that the MMO will continue to engage with other government departments as part of looking at ways of increasing economic growth.

5.9 The Board engaged in detailed discussion as to the content noting the number of current and future key deliverables including CFP reform and the management of MCZs and EMSs. It was acknowledged that continued working in partnership would be crucial to the success of implementation. JC observed that marine planning should ensure an appropriate balance between marine protection and the promotion of growth. BC thanked CP and his team for the presentation.

View from MMO: operational context

5.10 JC opened the session looking at the MMO's operational context to shape the Corporate Plan 2014-17. JC reminded the Board that at the corporate planning workshop in May 2013, the operating budgets for 14/15 and 15/16 were explored and reiterated that a significant reduction to the 14/15 allocation of £25.4 million was expected. JC confirmed that work is underway to address the expected pressure for 14/15 in advance of formal confirmation. JC reiterated his assessment that £24 million was a 'redline' that once budgets fall below would mean that the standard of services offered by the MMO would fall.

5.11 CC presented to the Board a slide on matters pertaining to the MMO's people and culture so as to support corporate planning. CC explained that staff members are committed to MMO though work will focus on building a sense of equity across the organisation – shared values, improvements in governance, regularity and propriety, and the standards of internal and external communications.

5.12 CC introduced a slide reflecting on 'how we work'. CC explored a number of facets to support corporate planning including the need to reflect triennial review recommendations – increased collaboration with delivery partners to maximise effective ways of work and efficiencies, approaches that continue to be innovative, open and transparent, and truly integrated delivery across all marine functional areas to be the enabling regulator delivering sustainable growth to the marine area. The Board concurred with CC's observations.

5.13 CC presented to the Board the timeline for the production of a refreshed Corporate Plan for 2014-17. The Board thanked CC for the presentation. The Board engaged in discussion as to the presentation with the Board noting that success in delivering corporate outcomes has been achieved while also delivering substantial savings since vesting in 2010. The Board discussed some of the future delivery challenges touching upon CFP reform and the EMFF agreeing that collaboration, together with alignment of policy and delivery, will be vital for success in the implementation and delivery of future challenges.

Introduction to the triennial review: scope and next steps

5.14 JW, Head of Triennial Review Team within Defra, opened a session that provided an introduction to MMO's triennial review together with scope and next steps. JW confirmed that the review will ensure that non-departmental public bodies are still needed, their functions and form remain appropriate, and that the body complies with principles of good governance. JW advised that a substantive review will take place at least once every three years.

5.15 JW informed the Board that the review will include an assessment against the government's 'three tests'. The three tests are:

- 1) Is this a technical function (which needs external expertise to deliver)?
- 2) Is this a function which needs to be, and be seen to be, delivered with absolute political impartiality (such as certain regulatory or funding functions)?
- 3) Is this a function which needs to be delivered independently of ministers to establish facts and/or figures with integrity?

5.16 JW highlighted a review plan which encompassed scoping, preparation to launch, analysis, drafting and clearance, publication and implementation. JW advised that in conducting the review of MMO, launched 10 September 2013, that the review team had, to date, developed scope, defined approach to analysis, started gathering evidence, defined approach to stakeholder engagement and developed an understanding of MMO activities.

5.17 JW advised that next steps include understanding policy views of performance, analyse responses, engage MMO's Stakeholder Focus Group (SFG), assess relevance of other evidence sources, identify and pursue opportunities for reform of functions/form, assess MMO compliance with principles of good corporate governance and issue a report.

5.18 JW asked for the Board and Executive Team to consider the following questions:

- What would a successful review feel like for you?
- Do you have any specific ideas for areas that the review should examine in more depth?
- What are your views on the relationships between the MMO and other organisations or parts of the Defra network?
- How would you like to be informed of the review's progress?

5.19 The Board and Executive Team thanked JW for the detailed presentation and engaged further with JW as to the questions presented. It was noted that it is hoped that the report will be published in early 2014. JW confirmed that the Review will be proportionate to the scale of MMO recognising that it is a comparatively new organisation in its current form which has been subject to a number of reviews since 2010. The Board touched upon engagement – JW acknowledged that the views of co-sponsors will be sought in addition to those other government departments and interested parties via a questionnaire. CC confirmed that the SFG comprises a broad range of interests including non-governmental organisations, industry representatives (including shipping, aggregates), local government associations and coastal groups.

5.20 The Board agreed that the view of the MMO customer was very important. JW acknowledged that the review will consider customer need. JW also noted the point that the MMO is geographically spread served by local presence and capability.

Item 6: Closed session

6.1 The Board considered paper MMO BM 3104 and oral updates in a closed session in which all attendees, other than JC and the Secretariat, were absent.

Item 7: Health, safety and wellbeing report

7.1 JC presented to the Board a health, safety and wellbeing report. JC outlined the lack of success in the reporting of near-hits via text message with no incidents reported in July 2013. JC confirmed that arrangements are underway for him to visit a comparable organisation to explore their mechanisms to ensure the recording of near-hits.

7.2 The Board commended MMO for pursuing the Better Health at Work Award, a scheme which recognises and endorses workplaces that motivate its employees in developing a sustainable culture of health and wellbeing. The Board discussed the introduction of mental health first aiders (MHFA) – JC explained that they are trained to recognise the signs and symptoms of common mental health problems, provide help on a 'first aid' basis and signpost those in need towards available support services. AB touched upon an example of a mental health incident giving the example of talking offline to an upset individual while LH confirmed that the MHFAs will engage with individuals within the remit of the role but longer term support would be provided by appropriate professionals.

7.3 The Board considered Annex 1 which was a paper produced within the Defra network entitled 'Health & Safety Culture: What does good look like?' The annex

referenced a paper 'Research into high reliability organisation'. JL welcomed the annex and asked to receive the full report.

Action: 25/01 – DS to share with the Board the paper: 'High reliability organisations – A review of the literature'

7.4 RT touched upon the regulation of hazardous activity and asked about whether health and safety is actively considered in the licensing of activity. CC confirmed that health and safety considerations are factored into the licensing process, for example, safety around a wind turbine. The Board noted that health, safety and wellbeing continue to be a key priority for the organisation.

Item 8: CEO report

8.1 JC presented to the Board his CEO Report which included a performance and delivery report and finance report up to 31 July 2013. JC highlighted the following matters:

- 1) JC updated the Board as to the continued roll out of the Organisational Development Programme (ODP). JC reminded the Board that the programme is vital to achieving the required savings in 2014/15 and 2015/16 and that CC continues to be the organisational lead. CC confirmed that the programme is progressing well and to timetable and that the collaborative approach has received positive feedback from staff. CC noted that the Board will continue to see messages on the delivery of the ODP via the weekly updates. JC confirmed that recruitment is permitted when supported by a strong business case.
- 2) JC touched upon the triennial review session following confirmation that it had been launched on the 10 September and was subject to focused discussion earlier in the day. BC confirmed that he would give consideration to the formation of a group to focus upon the review and outcomes. JC confirmed that running the ODP is indicative of an organisation not waiting to adapt and is aligning with work on achieving strategic alignment across the Defra network.
- 3) The Board noted the update from JC as to performance in delivery of the 2013-16 Corporate Plan, noting that the Executive Team are giving additional attention to safeguard the delivery of key performance measures (KPMs) and key steps (KSs) in the delivery of Strategic Outcome 2.

Performance and delivery report up to 31 July 2013

8.2 The Board considered the performance and delivery report up to the 31 July 2013. The Board discussed those KPIs and KSs that are at risk from delivery exploring the rationale and action underway to bring the KPI/KS back on track. The Board sought to better understand the mechanisms underpinning the presentation of corporate performance reporting and risk management.

Action: 25/02 – MW to facilitate a session at the November meeting to explore the presentation of corporate performance and risk management.

8.3 The Board were informed that the MMO's shared services, which are currently provided by Defra, will shortly be migrating to a new company – Shared Services Ltd – which is a joint venture between the Cabinet Office and a private sector provider.

At the Audit and Risk Assurance Committee (ARAC) meeting on the 11 September 2013, it was agreed that the MMO must sign up as the shared service is needed. It was noted by the Board that the ARAC had reluctantly supported the proposal, given the absence of an alternative, and had requested a proper audit trail to ensure due diligence. The Board agreed to delegate the authority to review and agree the signing of the call off agreement outside of formal committee, so as to enable the requisite deadlines to be met. The Board noted that the ARAC will be presented with a detailed paper in December 2013 to explore features of the contract and any associated risks.

Finance report up to 31 July 2013

8.4 MW presented to the Board a finance report detailing delivery up to the 31 July 2013. The Board noted the refreshed presentation and discussed sections detailing income and expenditure, the 2013/14 Capital Programme, risks and opportunities, invest to save and European Fisheries Fund performance and financials. The Board agreed the refreshed presentation of financial performance and thanked MW and her team for producing the information.

Item 9: Audit and Risk Assurance Committee

Summary of 11 September 2013 ARAC business

9.1 NR presented to the Board a paper detailing business from the 11 September 2013 Audit and Risk Assurance Committee (ARAC) meeting. NR confirmed that the ARAC had completed scrutiny of three topics which had been referred to them by the MMO Chair:

- Western Waters' effort reporting
- complying with information rights legislation
- sustainability measures and carbon dioxide emissions reduction

9.2 The Board noted the paper and that NR will submit a more formal note to the Chair confirming the ARAC's conclusion that the MMO's processes and procedures are both fit for purpose and proportionate.

13/14 Audit Plan programme update

9.3 MW presented a paper that provided the Board with increased visibility as to the 2013/14 Audit Programme together with detail as to the monitoring arrangements for internal audits. The Board welcomed the adopted approach for the monitoring of internal audits and the current status in the delivery of the 2013/14 programme. The Board noted an expectation that the ARAC will be advised, at its meeting in December 2013, that all audits are running to timetable.

Item 10: Forward look

10.1 DS presented to the Board the forward look. DS confirmed that the calendar for 2014 is now final and that the first coastal visit, combined with a Board meeting, will take place across the 28/29 January 2014. More detail will be circulated in due course. The Board noted planned activity for the Board and ARAC meetings remaining in 2013 and noted the calendar of events for 2014.

Item 11: Next meeting (21 November 2013)

11.1 BC confirmed that the next meeting of the MMO Board will take place on 21 November 2013 in Newcastle upon Tyne.

Item 12: Any other business and close of meeting

12.1 BC closed the Board meeting, thanking all for their attendance and participation.