



Marine Management Organisation

Board meeting minutes: 29 January 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
Robin Teverson (RT) – Board member
Andrew Wells (AW) – Board member

In attendance

James Cross (JC) – Chief Executive Officer
Andy Beattie (AB) – Director of Operations
Carolyn Cadman (CC) – Director of Customers and Partnerships
Michelle Willis (MW) – Financial Controller
Dickon Howell (DH) – Head of Marine Licensing
Darren Sanders (DS) – Board and Executive Services Manager (Secretariat)
Claire Scutt (CS) – PA to the Chair and Chief Executive Office (Secretariat)
Kevin Williamson – Head of Statistics and Fisheries Management (Observer)
Martin Smith – UK Managing Authority EFF Senior Manager (Observer)

Apologies

Jayne Scott (JS) – Board member
Jane Ryder (JR) – Board member
Steve Brooker (SB) – Director of Marine Development

Items 1 to 4

1.1 The above 4 items were dealt with in closed session in which only the Board, JC and DS were present.

Item 5: 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 Kevin Williamson and Martin Smith as observers. Apologies were noted from JS, JR and SB.

Item 6: Declaration of interests

3.1 The standing declarations from NR, regarding his interests in Natural England and Natural Resources Wales, and JR, regarding her interest in Seafish, continue to be noted.

Item 7: Minutes of the 21 November 2013 Board meeting and actions update

4.1 The minutes from the 21 November 2013 Board meeting were agreed subject to some minor corrections that were passed direct to the Secretariat for correction.

4.2 The action list and updates provided within the actions update paper were noted by the Board. JC advised the Board that with regards action 26/02, no letter had been sent to the vessel owner as criminal proceedings were pending.

Item 8: MMO Short-term Strategy: Budget allocation, priority options and second draft Corporate Plan

5.1 CC presented to the Board a paper to update the Board on the budget allocation for 2014/15 and 2015/16. The paper also sought to provide the Board with both priority options to be reflected in the final draft of the 2014/17 Corporate Plan and the second draft of the Corporate Plan reflecting feedback received in September 2013.

5.2 James Cross (JC) advised that while the budget was within planning parameters once the settlement fell below the £24 million mark there were inevitably areas where there was a need to reprioritise and despite efforts to the contrary, there may be areas where performance levels would fall.

5.3 NR raised the capital budget and who had ownership of this. MW confirmed that she had ownership of the capital budget and was using the same to deliver changes to the licencing system in the next financial year. MW advised the Board that she had secured the capital budget for 2014/15 and would shortly be presenting a revised ICT strategy. NR asked if there were any invest to save options. MW advised that these were tied up with strategic alignment but if there were initiatives she could take forward, she would do so. MW went on to explain that with fees and charges there had been an expansion regarding what was covered and she was currently exploring these options.

5.4 JC reminded the Board that the approach to the Corporate Plan was a refresh rather than a rewrite and there was an appetite for a review of this in the summer. JC pointed out an annex to the paper containing published service standards and invited the Board to discuss the outcomes they wished to protect as well as initiatives they may consider pausing in order to meet budgetary challenges.

5.5 BC expressed a concern regarding the risk of telegraphing areas in which we may not achieve early on. DL raised the fact that giving key performance indicators (KPIs) a 100% target was setting us up to fail and favoured something more generic. JC agreed that it would be wise to build in a tolerance such as where the KPI was 98% we would only flag as a red (missed target) if it fell below 95%. JC pointed that whilst we would always aim for excellence, in the interest of transparency, should we set out that we may not achieve.

5.6 A wide ranging discussion followed where the Board deliberated pausing on some IT projects and some HR initiatives. NR reiterated that this was not with the intention of lowering standards but rather with a view to reducing the administrative burden. BC expressed a concern regarding the perception of MMO staff and the potential impact on motivation. The discussion also included marine plans and a potential slowing down on the South marine plans.

5.7 JL was keen to emphasise the need to look at more innovative solutions and more efficient ways of working in the future as had been achieved in other high profile organisations. JL advised that in his view we should not degrade our product but must deliver better, for cheaper and drive innovation.

5.8 Minute withheld

5.9 JC said that he accepted the challenge from the Board regarding innovation but wanted to ensure the Board were sighted on the risks we were carrying with the reduced budget. BC recognised that the MMO were under pressure to do more with less and agreed there was an opportunity to give a flavour in the foreword of the Corporate Plan and to put markers down.

5.10 CC advised that the Department for Environment, Food and Rural Affairs (Defra) was expecting a 2-week turnaround and asked if Board members could feed in their comments within the next week before sign off by the Chair.

5.11 Due to the impending departure of DL, it was agreed that the agenda running order would be altered so that items 13, 14 and 15 would follow item 8.

Action 27/01: Board members to feed in comments on the second draft of the Corporate Plan by 5 February.

Action 27/02: BC to sign off before submitting the plan to Defra.

Item 13: Summary of business from 11 December 2013 Audit and Risk Assurance Committee meeting

6.1 NR presented to the Board a summary of business from 11 December 2013. The main meeting had been preceded by a light touch review of effectiveness.

6.2 NR described the paper as a digestible record of the formal business and said the formal minutes would follow in due course.

6.3 Minute withheld

6.4 NR drew the Board's attention to item 2.10 on the paper and informed the Board that Defra had appointed KPMG a new framework internal auditor. NR advised that JC had agreed in principal to take the MMO Head of Audit from the framework and this would be KPMG.

Item 14: MMO Board review of effectiveness: action plan

7.1 BC presented to the Board a summary report on the 12 December 2013 Board review of effectiveness workshop and asked the Board to agree actions arising.

7.2 NR stated that the resulting actions would benefit from the addition of timelines and accountability. NR also pointed out the wording regarding Action 15. It was agreed that the Board would welcome a future discussion on succession planning and the Board noted that reference to Succession Planning was in respect to the Board.

7.3 The Board agreed that the assurance accurately reflected the session.

Item 15: Enhancing Board transparency

8.1 BC presented to the Board a paper on enhancing transparency of Board activity and invited the Board to consider 2 initiatives to increase such transparency: publishing papers and public board meetings.

8.2 BC drew the Board's attention to the terms of reference and stated that they were clear in their mandate that (non-confidential) papers should be made available to members of the public. It was noted that while the agenda and minutes of MMO Board meetings are routinely published, it has not been a matter of routine to publish the open session papers and BC is keen to address this.

8.3 Minute withheld

8.4 Minute withheld

8.5 The second issue which BC invited comments on was the requirement for the Board to conduct a proportion of its business in public (except for business deemed to be confidential).

8.6 BC made a recommendation that holding one public meeting a year would be in accordance with the intention set out within the terms of reference. DL expressed a concern that this may reduce the effectiveness of the meeting and described an instance where a number of protestors had attended a meeting he had been involved in.

8.7 Minute withheld

8.8 Minute withheld

Action 27/03: The Board agreed to publish papers of open sessions.

Action 27/04: The Board agreed to hold one public meeting each year.

8.9 DL left the meeting to attend other business.

Item 9: Informing European Maritime and Fisheries Fund thinking

9.1 MS joined the meeting and introduced a slide that set out a road map detailing the process in the implementation of the European Maritime and Fisheries Fund

(EMFF). MS confirmed that trilogue discussions were taking place in the lead to the implementation of the EMFF operational programme.

9.2 MS presented a slide on those lessons learned from our experience in delivery of the European Fisheries Fund (EFF), describing the underpinning external and internal drivers. MS confirmed that the learning that could be broadly categorised as improving the customer experience, governance and control, reducing administrative burden, and delivery.

9.3 MS proceeded to present a final slide which set out the MMO's role in EMFF development, touching upon our technical input, developing an action plan which captures all of the lessons learned, considering funding opportunities, and focusing on improving the customer experience. MW concluded by confirming that the Board will be kept apprised as to the impact of the lessons learned exercise as EMFF proceeds towards implementation. The Board thanked MS and MW for the presentation.

Item 11: Health, safety and wellbeing report

10.1 JC presented to the Board the health, safety and wellbeing report.

10.2 JC took the opportunity to discuss his recent visit to meet with Andy Bagworth, Anglian Water, to share best practice. JC advised the Board that a meeting with Anglian Water had been sought due to the fact they had a similar corporate identity to that of MMO. JC reported that their discussion had been wide ranging but with an emphasis on effective incident and near-hit reporting challenges. JC updated that Board that Andy Bagworth had shared some methodology on near-hit reporting and JC said he had an "embryonic vision" to explore with the team.

10.3 JC reiterated that he and the Executive Team continued to consistently check their approach to the health, safety and well-being of staff.

Item 12: CEO report

11.1 JC presented to the Board the CEO Report.

11.2 Minute withheld

11.3 On the subject of Defra's 'one business' (Strategic Alignment Programme), JC reported that this was progressing at a pace, particularly in terms of corporate services. JC said that both he and MW were on the Future Corporate Services Board and other groups looking at opportunities for alignment.

11.4 AW raised a comment which John Robbs had made in his letter regarding budget which referred to Strategic Alignment delivering a 30% efficiency in "back office" functions and that he may have to revisit budgets if this saving was not realised. NR said that his interpretation was that further cuts may have to be made in this situation.

11.5 JC updated the Board on his recent introductory meeting with the new Defra Finance Director, who had alluded to a funding pressure for 2015/16 and had a vested interest in the success of the Strategic Alignment Programme. JC advised

that in principle all Defra bodies are signed up but said there were some points of detail to iron out. NR expressed a concern regarding the focus on cost alone and said that strategic alignment should also address value.

11.6 JC updated the Board on the delivery of the 2013-16 Corporate Plan, reporting that 85% of performance indicators are on track and he expected this would reflect delivery at the year end position. JC said that the risk register had been integrated into the red, amber and green (RAG) rating and residual risks are logged.

11.7 JC reported that marine plans were moving forward well. JC reminded the Board that they had previously given their permission for the plans to be put up to the Secretary of State and he expected this formal submission to take place in mid-February. JC advised that there were questions as to whether the plans would need to go to Independent Investigation but this matter was out of our hands and, although we would make recommendations to Defra, the Secretary of State would make the final decision.

11.8 JC updated the Board on the Secretary of State's recent visit to Newcastle which had gone well and he had left with positive messages regarding our work.

11.9 It was noted that the new Director of Evidence and Chief Scientific Advisor had now started and would be joining the Board for the March meeting.

Item 13: Organisational delivery overview

12.1 The Board considered the performance and delivery report up to the 31 December 2013. The Board discussed the detailed report, thanking the Executive Team for producing the paper.

12.2 MW presented to the Board a finance report detailing delivery up to the 31 December 2013.

12.3 MW pointed out the run rate variance was not intended to be a forecast. MW also updated the Board on risks around Defra re-charges and the MMO voluntary early release scheme. It was noted that there was a small over-spend on contracts and the Royal Navy fuel costs were higher than expected. A decision had been made to pay more for fuel rather than miss days at sea.

12.4 MW advised that EFF performance was improving with the team having processed 75 applications and that it appeared there was still an appetite for funding applications. MW said the window of opportunity for applicants had been extended to June 2014 to allow for more time to introduce EMFF.

12.5 MW informed the Board that 32 applications for voluntary early release had been received with 19 of those having been approved. AW asked if there was the potential for further voluntary early release scheme but MW said this may not be within constraints of the rules and in compliance with the Cabinet Office case. AW raised the fact that the Remuneration Committee had asked for flexibility on the scheme to allow for potential activity in the future. MW said the success in the matching panel had built in capacity.

Item 16: Forward look

13.1 DS presented to the Board the forward look. The Board noted the contents.

Item 17: Next meeting (18 March 2014)

14.1 BC confirmed that the next meeting of the MMO Board will take place on the 18 and 19 March 2014 in Southampton, followed by a Board meeting to be held in Newcastle in May.

Item 18: Any other business OB and close of meeting

15.1 BC closed the Board meeting, thanking DS and colleagues for the organisation. BC also thanked Nick Wright and colleagues for the excellent presentations and for hosting the Board. BC also took the opportunity to express thanks to Kevin Williamson and his team for their good work on statistics relating to scallop fishing in Western Waters.