



# Marine Management Organisation

**Board Meeting Minutes: 5 July 2016**  
**Held in: Kings Lynn, Norfolk**

## **Board**

Sir Bill Callaghan (BC) – Chair  
Rob James (RJ) – Board member  
Derek Langslow (DL) – Board member  
Nigel Reader (NR) – 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  
Michelle Willis (MW) – Director of Finance, EU and Licensing  
Claire Scutt (CS) – PA to Chair, Secretariat  
Jane Donaldson – Diary Secretary to CEO and PA to the Chief Planning Officer

## **Apologies**

Jayne Scott (JS) – Board member  
Stuart Rogers, (SR) – Chief Scientific Advisor

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

1.1 Bill Callaghan (BC) welcomed attendees to the meeting noting apologies from Jayne Scott (JS) and Stuart Rogers (SR).

### **2. Declaration of Interests**

2.1 BC invited attendees to declare any interests. Robin Teverson's interest as Chair of a Select Committee on EU, Energy, Environment and Fisheries was noted. NR's 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 also noted.

### **3. Minutes of the 16 June 2016 Board meeting including actions update**

3.1 BC invited attendees to raise any points of accuracy in respect of the 16 June 2016 meeting. The minutes were confirmed as an accurate record of discussions.

**Action: 50/01: Craig McGarvey (CMc) to provide a brief description on inputs and outcomes referred to in the Action Plan.**

3.2 CMc confirmed that he would send this information out of committee.

3.3 Robin Teverson (RT) asked for an update on attendance at a Board Meeting by the Permanent Secretary. Secretariat confirmed that Clare Moriarty had confirmed she would attend the 17 November meeting.

#### **4. Delivery of the MMO Corporate Plan 2014/17**

4.1 John Tuckett (JT) invited the Board to consider and agree the end of 2015/16 position in respect of delivering the Corporate Plan 2014/17 ahead of moving to the Action Plan for 2016/17.

4.2 JT reported that the vast majority of targets and standards had been met. JT pointed out that a key target from Strategic Outcome 1: *90% of licences determined within 13 weeks from acceptance of a formal request*, had been subject to a dip in performance at the start of the year however recovery was well on track.

4.3 JT advised that the 'old style' Corporate Plan contained a number of measures and the team had tried to steer away from individual targets going forward as the equality was not there.

4.4 Derek Langslow (DL) raised a query regarding under performance in delivering against published service standard 2iv: *90% of Official Written Warnings (OWW) issued within 90 days of the detection of the offence*. Phil Haslam (PH) confirmed that this was as a result of a number of factors that included legal input practicalities, particularly in the more contentious cases, as well as staff resources and prioritisation. The Board asked for an update on performance in this area at a future meeting.

4.5 Robin Teverson (RT) queried performance against the target of 96% cost recovery. MW explained that changes to the Statutory Instrument (SI) following a review, together with exploiting technology, will increase opportunities for achieving the cost recovery target in the future.

4.6 RT asked whether most Licensing applications were determined within 13 weeks and JT reported that with the exception of more complex cases, performance had remained consistent.

4.7 Andrew Wells (AW) queried whether strategic outcome 5, in relation to Staff Survey results, was complete. JT explained that the rationale for marking the outcome in this way was as a result of a number of factors, including the recent successful Investors in People accreditation which had allowed the organisation to be observed via an external lens. JT acknowledged that elements of the staff survey were positive as well as it having highlighting issues which required address; when looked at holistically, the MMO was in the middle to upper level across the Defra group.

4.8 BC queried the published service standard in connection with customer service and JT confirmed that the customer service process was currently being revised with the possibility of introducing a rolling customer survey.

4.9 The Board agreed the end of year position, commenting favourably on the presentation and format, whilst acknowledging that given resource pressures, the report represented an excellent result. JT confirmed that he would pass on thanks to staff.

**Action: 50/02: Performance against published service standard relating to Official Written Warnings to be reported back to November 2016 Board meeting**

## 5. Audit and Risk Assurance Committee: (a) ARAC Annual Report (b) and Matters Arising from the 5 July 2016 meeting

5.1 NR introduced the Audit and Risk Assurance Committee (ARAC) Annual Report for 2015/16.

5.2 NR advised that he would like to draw the Board's attention to two specific areas of the report. The first of which outlined at item 10 and related to assurance to the MMO Board and Accounting Officer. In this regard, NR was pleased to be able to report positively and updated that risk management and financial management were effective and reliable.

5.3 NR gave a further update on the internal auditors KPMG, advising that the relationship between KPMG and management had been reset and he had requested regular updates to the ARAC. NR reported that the relationship with National Audit Office (NAO) continued to be very positive.

5.4 NR pointed out the improvements in both Licensing and Legal Procurement highlighted during recent audits and drew the Board's attention to the table at item 6.2 which contained details of the 2015/16 audits and their associated assurance ratings.

5.5 BC queried whether the Board should be concerned about the areas which had attracted moderate or limited assurance. NR confirmed that management had adopted a risk based approach to the audit programme; specifically requesting audits into areas where there were known issues, and in this context a rating of 'Moderate' was reasonable.

5.6 The Board expressed their concern regarding any audits in which a 'Limited' Assurance rating was given and requested a note on progress in addressing the resulting recommendations in this situation. JT gave assurance that all audit recommendations would be followed up robustly.

5.7 Following discussion it was agreed that the ARAC would stand over 'Brexit' implications and this should be added to their list of priorities for 2016/17.

***Action: 50/03: An update to the Board on audits which attracted a 'Limited' assurance to be prepared***

***Action: 50/04: 'Brexit' implications to be added to ARAC 2016/17 priorities***

5.8 NR updated the meeting on the short ARAC meeting which had taken place earlier that day.

5.9 NR advised that the Committee had received sight of the Audit Completion Report and NAO had confirmed their intention to issue a clean audit. The ARAC had also had the opportunity to give final scrutiny to the Annual Report and Accounts prior to recommending sign off to the Board and updated on the sub process which had been set up to sign off following Ministerial comments.

5.10 BC thanked NR and colleagues for the report and update.

## 6. MMO Annual Report and Accounts 2015/16

6.1 JT presented the final version of the Annual Report and Accounts ahead of his sign off as Accounting Officer.

6.2 Michelle Willis (MW) took the Board through the changes which had been made since the last draft advising that the foreword had been paired down following Board feedback and the risk section within the Governance statement had been expanded.

6.3 Some further minor changes were discussed including some wording on 'Brexit' which was being developed in conjunction with Defra and a further addition to the text regarding non-closure of fisheries which had been suggested by Robin Teverson (RT).

6.4 The Board confirmed that subject to the receipt of a final version highlighting amendments to the text in track changes they were happy to approve the Annual Report and Accounts for sign off by the Accounting Officer.

6.5 MW passed thanks to colleagues, Darren Sanders, Paul Errington and John Humphreys for their contribution into the report and accounts.

## **7. Update from the 29 June 2016 Remuneration Committee meeting**

7.1 Andrew Wells (AW) gave an update on business conducted at the 29 June Remuneration Committee meeting in the absence of Jayne Scott (JS).

7.2 AW advised that the Remuneration Committee had considered and endorsed the proposals for the MMO Pay Remit for 2016/17 which recommended a 1% increase for all staff. The Pay Remit also set out the levels of performance related pay awards to staff.

7.3 AW updated that due to a change to last year's Pay Remit which related to the payment of the 1% increase to staff who had not met their objectives the Committee had engaged in a good debate and challenge session with management. They had subsequently been assured by the rationale for making the change to award the payment this year.

7.4 AW reported that the Committee had also reviewed the HR Policies and Health and Safety Audit Report, passing on thanks to Moira Calboutin for the substantial level of assurance awarded in relation to Health and Safety.

7.5 BC thanked AW for the update and the Board agreed their endorsement for the Pay Remit to be passed to the Secretary of State for consideration following the recommendation of the Remuneration Committee.

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

8.1 JT introduced a presentation on Corporate and Strategic Risks and Issues for discussion with the Board. The purpose of the discussion was to determine whether the correct issues had been identified and whether any amendments/additions were required.

8.2 CMC took the Board through the various issues and the Board engaged in discussion on whether each represented an operational/reputational/financial risk. The discussion centred on: EU Referendum result, Board member departures, Target Operating Model (TOM), Marine Review, Defra Transformation, multiple change initiatives, loss of qualified and experienced staff, income targets, fees and charging, reductions in GiA and loss of trust and credibility with stakeholders due to a number of factors. The Board highlighted some further risks which should be added to the existing register relating to Executive Team turnover, change of Ministers and how this may impact the machinery of government and the potential for Ministerial direction which may be contrary to the independent nature of the organisation.

8.3 NR advised that National Resources Wales (NRW) had recently experienced significant Board member turnover and suggested it MMO may find it helpful to discuss their process for managing this risk. CMC agreed to make contact with NRW to explore this further.

8.4 The Board confirmed that they were happy with the first draft subject to the suggested additions and asked the ARAC to consider and develop the key risks in detail but without dilution of Board ownership.

**Action: 50/05: Secretariat to add Corporate and Strategic Risks and Issues to the ARAC Forward Look**

**Action: 50/06: CMc to make contact NRW to discuss Board member turnover**

## 9. CEO and Directors Report

9.1 JT introduced the CEO and Director report, beginning with CEO key messages to the Board.

9.2 JT advised the Board of recent award of Bronze Investors in People accreditation to MMO. Whilst this was an achievement to be celebrated, the assessor had identified some areas for development which JT would be taking forward with the leadership team.

9.3 JT also advised the Board on the current position with a judicial review brought by the State of Guernsey where a final hearing is listed for 12 July.

9.4 Finally, JT gave a read out from his attendance at the European Maritime Day Conference in Finland in May. JT had attended the event with two colleagues from the Marine Planning Team, Paul Gilliland and Tom Woolley, and reported that MMO had demonstrated significant levels of expertise, confidence and credibility within Marine Planning and the event had proved a useful platform for raising the profile of the MMO internationally as well as making key contacts.

9.5 RT asked if there had been any progress on cross warranting with the IFCAs. JT advised this was still being explored and he would advise the Board on developments as and when there was further information to report.

9.6 PH gave an update on coastal staff complement, particularly in relation to Marine Enforcement Officers and their progress, and his recent changes to the Directorate structure. PH advised the Board of the successful appointment of Emma Harding to the role of Head of Fisheries and Marine Conservation Management and remarked that he would be interviewing in September for a replacement for Neil Wellum who had announced his intention to retire within the next 12 months.

9.7 RJ requested an update on funding for Fisheries Local Action Groups (FLAGS) and MW confirmed that ten applications had been received and a full process had been undertaken to determine the successful applicants. MW updated that two applicants had appealed the subsequent decision. NR asked if there were appropriate checks and balances to ensure the monies awarded were spent wisely and MW confirmed this was the case.

9.8 BC requested an update on MMO Communications. JT confirmed that he and CMc had met with the Defra Director of Communications and following the meeting it was agreed that it would not be appropriate to move any of the MMO Communications staff to Defra although these staff would continue to work in close partnership with Defra colleagues.

9.9 CMc advised the Board that the MMO Evidence Strategy – Part 2 had been completed and would be published in July. CMc agreed to circulate this to Board members.

**Action: 50/07: CMc to arrange circulation of the MMO Evidence Strategy – Part 2**

## 10. Board and Committee Forward Look

10.1 The Board and Committee noted the Forward Look to December 2016. Secretariat advised that dates for 2017 would be fixed during the summer.

#### **11. Next meeting: Board Meeting: 5 – 6 October**

11.1 BC confirmed the next Board meeting will be held on 5/6 October. Following a discussion on location it was agreed that the meeting would be held in Newcastle to allow Board members an opportunity to attend the MMO Staff Conference on 4 October if they are available.

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

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

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

DRAFT