



Marine Management Organisation

Board Meeting Minutes: 27 April 2017

Held in: Newcastle upon Tyne

Board

Sir Bill Callaghan (BC) – Chair
Anthony Delahunty (AD) – Board member
Rob James (RJ) – Board member
Terence Jagger (TJ) – Board member
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
Stephen Brooker (SB) – Chief Planning Officer
Phil Haslam (PH) – Director of Operations
Trudi Wakelin (TW) – Director of Licensing
Andrew Wareing (AWa) – Director of Business Development and Transformation
Michelle Willis (MW) – Director of Finance and EU
Claire Scutt (CS) – Board Secretariat
Kate Hargraves (KH) – Chief Staff Officer to the CEO
Jane Donaldson (JD) – PA to CEO and Chief Planning Officer

1. Welcome and Introductory remarks: Sir Bill Callaghan

1.1 Bill Callaghan (BC) welcomed attendees to the meeting.

2. Declaration of Interests

2.1 BC invited attendees to declare any interests. Previously advised standing interests for Robin Teverson's (RT) as Chair of a Select Committee on EU, Energy, Environment and Fisheries and Nigel Reader (NR) as a Board member of Natural England (NE), Natural Resources Wales (NRW), Joint Nature Conservation Committee (JNCC) and as an ex-officio member of the Defra ARC were noted. In addition, Anthony Delahunty's standing interest as a Director of the National Federation of Fishermen's Organisations (NFFO) and Terence Jagger's interest in Immersat were noted.

3. Minutes of the 9 February 2017 Board meeting including actions update

3.1 BC invited attendees to raise any points of accuracy in respect of the 9 February 2017 meeting. None were received and the minutes were confirmed as an accurate record of discussions.

3.2 The Board noted that the actions arising from the meeting were either complete or would be discussed later in the meeting.

4. Matters Arising from the 16 March 2017 Audit and Risk Assurance Committee (ARAC)

4.1 NR introduced his written report and draft Minutes from the 16 March meeting and invited Board members to note the business discussed.

4.2 NR highlighted the Board that the concern regarding internal audit continuity expressed at the previous meeting had now been resolved with KPMG's contract being extended by a further year to 2018. NR advised that succession arrangements would need to be arranged quickly to ensure a smooth transition could be achieved.

4.3 As both NR and Derek Langslow (DL) stepped down from the ARAC following the 16 March meeting, NR took the opportunity to express his thanks to DL and to welcome Jayne Scott (JS) as Chair and Terence Jagger (TJ) as a member of the Committee.

4.4 The Board also recorded their formal thanks to both NR and DL for their tenure on the ARAC.

4.5 The Chair thanked NR for the update which was noted.

5. Remuneration Committee Annual Report 2015 - 2016

5.1 JS introduced the Remuneration Committee Annual Report which reflected the business conducted in 2015 and 2016 over a period of 18 months.

5.2 JS advised that a formal handover had taken place following the Remuneration Committee meeting on 27 January with Andrew Wells (AW) taking over as Chair and Anthony Delahunty (AD) and Rob James (RJ) joining as Committee members.

5.3 JS drew the Board's attention to section 4 of the report which highlighted the areas the Committee had been most active in over the period. This detailed the formal work of the Committee in making recommendations to the Board on the MMO Pay Remit and SCS performance related awards as well as providing advice on emerging issues and other informal work.

5.4 JS pointed out that the organisation was now in a different space with the recent, permanent appointment to the Head of HR position and the informal work the Remuneration Committee had previously advised on was not expected to continue going forward. JS also referenced an ongoing piece of work on an Allowances Review.

5.5 The Board formally recorded their thanks to JS for her tenure on the Remuneration Committee and also for the report the contents of which were noted.

6. MMO People Survey

6.1 JT introduced a paper to invite the Board to note the outcomes of the 2016 People Survey and the actions to address the outcomes, confirming that the positive scores had increased across the board in 2016 and this was cautiously encouraging.

6.2 JT drew out some areas for comment, most notably that positivity in relation to pay and benefits had increased, which had been unexpected in the current financial climate, and results in relation to Bullying, Harassment and Discrimination were encouraging and showed this area was moving in the right direction following an investment in training and the implementation of Dignity

at Work advisors. JT advised that there was limited flexibility on Allowances and there was a need to be clear to staff on the art of the possible in that regard.

6.3 JT advised that four areas had been scoped for further action: **People Management, Information Flows, Pay and Benefits** and **Office Environment and tools**.

6.4 Terence Jagger (TJ) asked if the team were thinking 'out of the box' in terms of information flows and additionally asked if other areas could be considered as part of the Pay and Benefits workstream; namely secondments, visits and learning and development.

6.5 JT acknowledged that MMO may not necessarily be using the most current methods for information flows and Andrew Wareing (AWa) was looking into this area with the Head of Communications. In terms of TJ's second point, JT confirmed there had been a big push on people development and the availability of coaching services as well as continued support for learning and development had been responsible for the increase on positivity scores in this area.

6.6 PH commented that there had previously been a perception amongst coastal staff that it was not worth asking for flexibility, for example, in terms of relocation/job share etc. PH reported that this was no longer the case and it was his belief that coastal staff now feel such requests will be considered fairly.

6.7 BC noted the outcomes and planned actions and thanked JT for the update.

7. MMO Framework Document

7.1 MW introduced the MMO Framework Document (FD) and invited the Board to note progress on revisions.

7.2 MW drew the Board's attention to key areas; which encompassed new wording in relation to Ex-Co and the planned circulation of a Board Operating Framework which would set out how group level governance interacts with the powers and responsibilities of ALB Boards.

7.3 TJ commented that there were limited references to partnership working throughout the document and considered MMO had an opportunity to include those things we expect clarity and collaboration on also.

7.4 Rob James advised that the FD was a public document and whilst it was not legally binding it could be referred to in judicial review proceedings. JS commented that the document would be key for the Board on how guidance was given to the CEO and Directors and there was a need to reconcile the role of ExCo with an independent Board.

7.5 The Board recognised the need to impact the content of the Board Operating Framework on the FD once received and agreed that a Board sub-group should be set up to draw up a response to Defra. NR remarked that a response from a collective of NDPB's would be a good way forward to address generic points.

7.6 It was agreed that NR, JS and AW would continue as the Board sub group to take forward and TJ and BC would feed in comments to MW and CS.

Action 54/01: Board sub-group of NR, AW, JS to continue to progress the work on the Framework Document with MW.

8. Board and sub-committee Terms of Reference

8.1 MW introduced a paper to ask the Board to consider and comment on the revised Terms of Reference for the sub-committees.

8.2 MW advised that the draft revisions to the Terms of Reference (ToR) for the Remuneration Committee and Audit and Risk Assurance Committee (ARAC) had followed the Financial Reporting Council Code of Corporate Governance, Her Majesty's Treasury Handbook and advice from Defra.

8.3 MW went on to explain that work to revise the Board ToR would follow once the Framework Document was finalised and the Board Operating Framework had been circulated and digested.

8.4 MW updated the Board that an agreement had been reached at the 27 January Remuneration Committee to remove the reference to *providing assurance to the Board on HR strategy* within the Remuneration Committee ToR.

8.5 MW commented that the other area for discussion was whether the Remuneration Committee should continue to make recommendations on CEO remuneration. MW pointed out that any CEO performance related award recommendation was dealt with by the Chair following an annual appraisal discussion with the CEO. Andrew Wells (AW) remarked that this needed to be looked at in the round via the Remuneration Committee who, under the draft ToR, retained the responsibility for providing assurance to the Board on SCS1 remuneration for Executive Directors and the Chief Scientific Advisor which would be paid out of the same 'pot' as that of any award to the CEO. JS advised that the Remuneration Committee should be expected to provide assurance to the Board on compliance with the process upon the appointment of a CEO.

8.6 Following discussion it was agreed that the Remuneration Committee should follow the revised, draft ToR with a view to revisiting these once the revised Board ToR were finalised.

8.7 The Board noted the revised ToR for the ARAC had been circulated to members out of committee and comments had been reflected. It was agreed that the ToR for ARAC were to be adopted as of today's date.

Action 54/02:

(a) Board ToR to be revised once FD completed and BoF impacted

(b) Revised, draft ARAC ToR to be adopted

(c) Revised, draft Rem Com ToR to be used as an interim measure and revisited once the Board ToR are revised.

9. MMO Corporate Risks and Issues

9.1 JT presented the paper on MMO Corporate Risks and Issues inviting the Board to consider and discuss.

9.2 JT informed the Board of two key areas which were currently being driven forward, namely

1) strategic direction of the MMO, and

2) the capacity/resource pressures on the organisation in terms of Brexit

9.3 JT gave reassurance to the Board that he and the Directors meet regularly to review each of the risks and issues and monitored them closely.

9.4 TJ suggested that it would be helpful for the Board to have each of the risks and issues marked with a completion date as this would assist the Board in their understanding of the importance and impact attached. AWa confirmed this would be incorporated into the next report.

9.5 JT went on to provide an update regarding the loss of suitably qualified experienced persons (SQEPs), notifying the Board that this has improved slightly over recent months, however this risk would remain as high likelihood and high impact given the future potential impact on MMO resilience.

9.6 The Board noted the update.

Action 54/03: AWA to include an action/review date against each of the risks and issues for the next Board Meeting.

10. CEO and Directors Report, including:

a) Health and Safety 6 monthly report, end of year financial position and Finance Pack to February 2017)

10.1 JT introduced the CEO and Directors Report and drew the Board's attention to the update on Health, Safety and Wellbeing which highlighted the continued work of the team in ensuring all officers are equipped for the high risk activity carried out in coastal locations.

10.2 It was agreed, following NR's suggestion, that the Health, Safety and Wellbeing Officer would be invited to attend a future Board meeting and provide a short presentation to the Board.

10.3 JT also took the opportunity to highlight the improvement in the work of the Marine Licensing Team who were consistently achieving published targets.

10.4 PH provided the Board with a short update on Bass management and the measures taken to help protect and improve the sustainability of stocks which had resulted in MMO issuing 1147 authorisations to fish for Bass and 1599 non-eligibility letters in February 2017. PH explained that approximately 40% of applications were appealed, and of those, 62 subsequently received authorisation to fish. PH highlighted a concern of the increased risk of non-compliant behaviour and an increase in media interest.

10.5 PH also provided the Board with an update on the 'Proteus' project advising that a new data processing system will go-live in the Isle of Man on 28 April. This would allow live testing of all aspects before roll out across MMO, the Welsh Government and Northern Ireland.

10.6 JT updated the Board on the ongoing future working developments with the IFCA's. JT confirmed that the workshop due to be held on 5 June would look at four to five delivery options for future joint working and discussion would explore the best way of moving forward together. JT advised that the Board and IFCA Chairs would meet to discuss strategic direction in a separate meeting to that of the and the Directors and Chief Officers who would drive the operational direction with the two groups later coming together for a combined session.

10.7 The Board noted the Finance Pack to February 2017.

Action 54/04: Secretariat to invite the Health, Safety and Wellbeing Officer to attend a future Board Meeting.

b) Delivery of the 2016/17 Action Plan

10.8 AWA introduced a paper to invite the Board to consider and agree the end of year position in respect of delivering the MMO Action Plan for 2016/17.

10.9 The Board noted the Action Plan delivery and commented on the very good result, offering congratulations to the CEO and Directors.

11. Board and Committee Forward Look

11.1 The Board and Committee noted the Forward Look to May 2017. BC asked the Secretariat to invite the Minister to a subsequent Board Meeting.

Action 54/05: Secretariat to invite the Minister to a future MMO Board meeting

12. Next meeting: Board Meeting: 23 June 2017

12.1 BC confirmed the next meeting would be in the form of a Board Workshop which would take place on Friday 23 June 2017 in Newcastle.

12.2 Secretariat confirmed that the July Board and sub-committee meetings would be held in London taking place on the 5 July with a visit to Thames Tideway Tunnel planned for the 6 July.

13. Any other business and close of meeting

13.1 BC invited attendees to signal any items for discussion under any other business.

13.2 TJ requested indicative timings for future meetings were notified to the Board as soon as possible, ahead of each meeting, to assist with travel arrangements.

13.3 The Board requested dates for meetings in 2018 were arranged as early as possible to ensure availability.

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

Action 54/06: Secretariat to send indicative timings for each meeting at the earliest opportunity