



# Marine Management Organisation

## **Board Meeting Minutes: 6 February 2024 (Public)**

**Location: 12 Bloomsbury Square, London**

### **MMO Board**

Hilary Florek (HF) – Chair  
Belinda Howell (BH)  
David Lyall (DL) (via MS Teams)  
Peter Judge (PJ), Planning and Investment Committee Chair  
Tony Delahunty (TD)  
William Roberts (WR), ARAC Chair  
Rob Wilson (RW), RemCom Chair

### **MMO Executive Leadership Team**

Michelle Willis (MW) – Interim CEO  
Jenny Stewart (JS) – Director of Planning and Change (via MS Teams)  
Paul Errington (PE) – Interim Director of Finance and Resources  
Pete Clark (PC) – Director of Operations  
Trudi Wakelin (TW) – Director of Marine Development (Domestic and International)  
Stephanie Campbell (SC) – Director of Digital and Analysis

### **Defra**

Mike Rowe (MR) – Director, Marine and Fisheries, by invitation

### **Apologies**

None

### **Board Secretariat**

Julia Templeton (JT)

## Governance and Accountability

### 1. Welcome and Introductory Remarks/Declaration of Interests

- 1.1 HF welcomed attendees to the meeting, celebrating the success of the Board's recent session with CEFAS, where a session readout would be provided.
- 1.2 BH declared two new interests, firstly Member of the Export Guarantees Advisory Council of UK Export Finance, and secondly Chair of the Peat-free Partnership Forum.
- 1.3 The minutes of the 8 November 2023 Board Meeting and 14 December 2023 Strategy Workshop were accepted, minor points of accuracy should be shared with the secretariat outside of the meeting.

### 2. Update from the ARAC Meeting of 13 December 2023

- 2.1 The ARAC Chair provided an update from the 13 December 2023 meeting which celebrated the then recent laying of the Annual Report and Accounts (ARA) and put forward the proposal for greater reporting of grants in MMO's financial statements, with a stronger accompanying narrative.
- 2.2 The late running of the internal audit programme was shared with MMOB, alongside a summary of the reports completed to date. The ARAC Chair reported the committee's interest in any external review of the MMO, which meant that the Independent Commissioner for Aid Impact (ICAI) review of the Blue Planet Fund, administered in the UK by Defra and the FCDO, was brought to the meeting. It was noted that the MMO involvement in the fund, through its delivery of the OCPP, exposes MMO to substantial review and comment. BR championed the need for MMOB to have greater oversight of MMO's Global Marine function, particularly to note the good work undertaken by the organisation.
- 2.3 The ARAC Chair highlighted both the forthcoming Strategic Risk Workshop, to be delivered by the Executive, and current ARAC Effectiveness Review.

### 3. Update from the PIC Meeting of 8 December 2023

- 3.1 The PIC Chair celebrated the recent PIC meeting which offered a close working relationship with the Executive, which provided approval for the Marine Licensing Case Management (MCMS) Replacement Outline Business Case and received useful update on the Fisheries Export Service (FES) Project.
- 3.2 It was reported that the committee would retain regular oversight of the FES, I-VMS and MMO3Cs projects.

### 4. CEO Update

- 4.1 The Executive discussed their planning for the next Spending Review (SR), which is of increased importance as Defra has refocused around four objectives. There is likely to be a 3-5% reduction in cash terms.
- 4.2 It was noted the fundamental areas of focus for the MMO spending review will be data and monitoring systems and funding models, including opportunities to collaborating and partner with universities and/or private sector enterprises. MW and PE agreed to reflect on opportunities for cost recovery through the business' SR planning, the board highlighted the importance of ensuring MMO service users receive equal treatment.
- 4.3 Simplification of the regulatory landscape, including opportunities for co-management, were also discussed.
- 4.4 The Executive summarised Ministerial priorities, noting that the Board would receive a brief on FES in due course, and that there had been positive movement of installations of I-VMS. Defra continue their work on the I-VMS Statutory Instrument and will share recommendations with MMO for review.
- 4.5 The Executive provided an update on MMO's priority Harbour Revision Orders.
- 4.6 Employee relations were discussed, and updates provided to the board. The board were advised of the recent MMO decision to stop recruitment into London due to capacity constraints. It was agreed that MW would work with the RemCom to consider MMO's approach to workforce planning, and the skills needed for the future.
- 4.7 The Executive thanked BH for her recent chairing of a Marine Protected Area (MPA) scientific panel. Potential risks and benefits arising from Stage Three were highlighted for Board awareness.

### 5. Defra View from the Bridge

- 5.1 MR provided a policy update, including the recent zero TAC measures for Pollack which have particularly affected the South West. The Department are in ongoing discussion with Ministers and MMO around this, with

consideration to the economic impact of the closure.

- 5.2 MR celebrated MMO's role in Fisheries Management Plans (FMPs) throughout 2023, with the first five FMPs published before Christmas. The general stakeholder reaction has been positive.
- 5.3 MR noted the recent anniversary of the Environmental Improvement Plan (EIP). In addition to the tranche 2 MPA measures, closures to the Sandeel Fishery have been announced, this has been challenged by the Danish Minister.
- 5.4 A reminder was provided that the Minister is due a monthly update on the I-VMS project.
- 5.5 A discussion was held into project slippage across the UK Seafood Fund, highlighting that this is a matter for the Defra Executive Committee (ExCo) to consider.
- 5.6 Further updates were given in relation to new MPA designations and the upcoming finalisation of Highly Protected Marine Area (HPMA) byelaws.
- 5.7 A short update on Departmental business planning for 2024/25 was given, highlighting uncertainty in relation to headcount. Departments await targets to be set by Treasury following the Chancellors announcement conference last October.
- 5.8 Opportunities to progress Data and AI through this and future spending reviews were considered. It was agreed that the MMO's Planning and Investment Committee (PIC) would maintain oversight of MMO's proposed SR bid on behalf of the Board.

**Decision: PIC to maintain oversight of MMO's proposed Spending Review on behalf of MMOB**

## Operational

### 6. Quarter 3 2023/24 Finance, Risk and Assurance

- 6.1 PE provided MMOB with an update on MMO's Q3 position by exception.

#### **Finance**

- 6.2 PE highlighted that £37 million of the expected £40 million 2023/24 budget has now been received, including £10 million in year transfers. The challenges linked to timing of in year transfers, and high portion of conditional or ring-fenced budgets (40%) were shared with the Board. MMO's budget figure includes £1.5 million that has been handed back to Defra (relating to SR21) and other Departments (relating to NSIPs).
- 6.3 The business expects a full year spend position of £39 million, leaving a forecast underspend of £900K primarily relating to attrition, recruitment, retention and contractual underspends, where MMO's current fleet offers lower running costs. The forecast underspend will be managed through Defra's risks and opportunities process throughout Q4.
- 6.4 It was reported that Defra have challenged MMO to make further savings in the next SR period, MMO will carefully manage the resource it considers to be required, noting the positive progress made in achieving the Resource Action Plan (RAP).
- 6.5 The board welcomed the detailed management information provided in relation to MMO's grants, which would be discussed further at a future meeting.

#### **Risk**

- 6.6 PE looked ahead to the Strategic Risk Workshop which will be delivered to MMOB shortly.
- 6.7 High level, operational risks were considered noting movements across the register. Fisheries Export Service (FES) risks were discussed as part of this, noting the need to articulate which risks are owned by the MMO, and where policy risks should be owned by the Department.

#### **Assurance**

- 6.8 PE updated the Board on the state of play with respect to internal audit, confirming that at the end of Q3, five of the planned audits have been completed, a further three audits are at the fieldwork stage with two in discussion. It was highlighted that one internal audit may be deferred to the next financial year, with the ARAC to remain sighted on the possibility of this.

### 7. Ministerial Priorities and Quarter 3 2023/24 Performance and Change

#### **Performance and Corporate Plan**

- 7.1 JS summarised the performance report, highlighting that the organisation is performing well, and is now reporting against the board agreed revised targets ahead of formal implementation in the next financial year,

subject to the necessary consultation with the Department or Minister.

- 7.2 JS acknowledged the positive achievement of the Marine Licensing KPI, and slippage on the Habitats and Wildlife Licenses due to low volumes, JS proposed that the measure itself should be reviewed.
- 7.3 Factors impacting performance were shared, particularly weather and resources which have impacted the Marine Licensing Inspections KPI.
- 7.4 Slippage to the Global Marine KPI was reported, noting the position should recover once programme change requests have been resolved.

#### **Change**

- 7.5 JS summarised the business' progress toward implementing all the Board decisions relating to Corporate Plan re-prioritisation from December 2023.
- 7.6 An update was provided on key priority projects including phased delivery of FES, the Marine Licensing Case Management System (MCMS) replacement and I-VMS. It was further confirmed that the remaining EU funded Control and Capability Programme (CCP) projects, including Mobile Working are subject to controlled closure.
- 7.7 It was reported that MMO has slowed or paused activity on its Step Back projects, which aim to provide strategic direction in relation to MMO's services, as agreed by the Board. The Marine Planning and Licensing Step Back project will deliver slowly, linked to capacity, noting its strong relationship with the MCMS replacement project, while the Fishing Vessel Licensing Step back will pause pending further Departmental steers in relation to Remote Electronic Monitoring (REM).

### **8. MMO Commercial Surveillance**

- 8.1 The Executive gave an update on MMO's current arrangements for Offshore Patrol Vessels (OPVs), which will expire in September 2024. The benefits of MMO's at sea capability were discussed. MMO finance, in conjunction with Defra have recommended that MMO tender for a replacement contract.
- 8.2 The board expressed support, requesting a clear articulation of the risk and benefits of the proposed commercial approach. The Board asserted that this should not hinder the commercial process and agreed to provide its formal decision by written correspondence once the necessary assurances have been provided. Further, the Board requested that MMO consider opportunities for cost recovery or exchange of resources linked to its OPVs.
- 8.3 TW updated the Board on MMO's Global Satellite Surveillance, highlighting a recent positive market engagement session. It is envisaged that the tender will go live during March 2024, with a further update to be brought to the May Board meeting.

**Decision: MMOB provided their approval for MMO to proceed to select a single supplier for commercial vessels through the open market subject to the fulfillment of the related action**

## **Closing Matters**

### **9. Meeting Closure and AoB**

- 9.1 It was agreed that the MMOB People Item, seeking to update the Board on MMO3Cs, Health, Safety and Wellbeing, and the MMO Staff Survey would be deferred to March.
- 9.2 The meeting closed.

<b>Decision Log</b>			
Ref	Decision	Date	Agreed by
<b>Decisions from meeting held on 6 February 2024</b>			
0602-01D	PIC to maintain oversight of MMO's proposed Spending Review on behalf of MMOB	06/02/2024	MMO Board
0602-02D	MMOB provided their approval for MMO to proceed to select a single supplier for commercial vessels through the open market subject to the fulfillment of related action	06/02/2024	MMO Board