



Marine Management Organisation

Board Meeting Minutes: 16 May 2024 (Public)

Location: Watermen's Hall, London

MMO Board

Hilary Florek (HF) – Chair (via MS Teams)
Belinda Howell (BH)
David Lyall (DL)
Peter Judge (PJ), PIC 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
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

Additional Attendees

Mike Rowe (MR) – Director, Marine and Fisheries, by invitation
Graeme High (GH) – Head of Grants

Apologies

None

Board Secretariat

Julia Templeton (JT)
Gemma McKenzie (GM)

Governance and Accountability

1. Welcome and Introductory Remarks/Declaration of Interests

- 1.1 The Chair welcomed attendees to the meeting.
- 1.2 Declarations of interest were requested, with one new declaration made by RW who would become Chair of the Consumer Council for Water from June 2024.
- 1.3 The minutes of the 6 February Board Meeting were adopted, records of previous Board meetings were accepted.

2. Update from the ARAC Meeting of 21 March 2024

- 2.1 The ARAC Chair summarised the March meeting which focused on internal audit, reporting that the 2023/24 internal audit programme is running slightly behind schedule. The 2024/25 programme will be condensed focusing on priority areas. Positive reflections were given in relation to MMO's involvement in an ICAI review of the Blue Planet Fund.
- 2.2 Externalities continued to receive committee consideration, notably the financial pressure of the impending spending review. A strategic risk workshop was also held, which would be progressed further at the next ARAC meeting.
- 2.3 The Board discussed MMO's avoidance of a significant financial penalty from the UK European Maritime and Fisheries Fund (EMFF) Audit Authority thanks to the efforts of UK Managing Authority who provided the necessary assurances for two high value public contracts. The case brought to light the risk to MMO in its mandated use of Defra Group Corporate Services, bringing a reliance on departmental assurances to verify that commercial frameworks are complaint, the risk is to be added to MMO's Risk Register. The Board thanked JT and JS for their work on this case.
- 2.4 The ARAC Chair further reported on the ARAC Strategic Risk Workshop which considered externalities against MMO's strategic goals, assisting the simplification of the MMO Strategic Risk Register.

3. Update from the PIC Meeting of 27 March 2024

- 3.1 The PIC Chair reflected positively on the March meeting reporting the effective working of the committee.
- 3.2 The meeting focussed on the Fisheries Export Service (FES) Health Check and Marine Licensing Case Management System (MCMS) replacement, which was commended for its quick, below budget delivery.

4. CEO Update

- 4.1 The Acting Executive updated on MMO's May Ministerial Delivery Meeting (MDM). Ministerial interest was given in relation to Data, Digital and AI and FES, where MMO are to return to the Minister with a further update in four weeks. The Chair noted that the Minister was complementary of MMO leadership and progress on the I-VMS project.
- 4.2 A broader update on the FES Health Check was given to the Board. It was confirmed that a clear vision has been set for the project, which will move to a wholly agile delivery approach reconfiguring team design to suit this. The review expects to complete by the end of May, after which time the project replan will be provided to the Minister.
- 4.3 The advancement of the Port of London Authority (PLA) Harbour Revision Order (HRO) by MMO legal and licensing colleagues was commended, with a significant funding issue flagged. The board discussed customer expectations management noting MMO and DfT timescales. It was reported that SoS and Ministerial Offices are engaged on this issue, the Board expressed a need for strong representation with respect to funding arrangements going forward.
- 4.4 The closure of the scallop fishery in ICES areas 7D and 7E was discussed, the decision was underpinned by the best available evidence.
- 4.5 A briefing on the Pollack Compensation scheme outlined positive progress, with only five claims outstanding. Payments have been issued to fishers within 24 hours of receipt.
- 4.6 A pre-action protocol from a French fishing consortium around Marine Protected Areas (MPA) Stage Two was flagged, the Department are managing the action with support from MMO legal.
- 4.7 Spending Review (SR) 24 was considered, a three percent budget reduction is to be expected. Defra sponsors have advised that MMO position its bid on three items of strategic importance; an improved statistical database,

MCMS/FES and Remote Electronic Monitoring (REM), where Defra will bid for funding.

- 4.8 Momentum on Defra's new Outcome Framework was discussed, the board expressed concern around the complexity of the framework and alignment to MMO2030, Departmental leads are to be invited to a future meeting to share MMO's contribution. In the context of achieving shared aims, the secretariat was asked to collate feedback from the MMO CEFAS joint board session to inform future sessions.
- 4.9 The group were updated on a Ministry of Defence (MoD) personnel data breach with shared service providers, SSCL. It was confirmed that Defra are securely managing the incident response on behalf of MMO and have given assurances that MMO have not been affected, the ARAC are to be given full visibility.
- 4.10 The room were briefed on Gold Command, after a significant power outage affected three Defra servers holding MMO applications. The event proved that MMO's business continuity arrangements are functional, with opportunity to review and update identified.

5. Defra View from the Bridge

- 5.1 MR briefed the Board on pertinent policy matters including the timing of upcoming consultations for the next round of FMPs and legislative target for MPAs Phase Three.
- 5.2 A recent Secretary of State visit to Hastings was flagged.
- 5.3 MR provided a further update in relation to the French pre-action protocol.

6. Proposed Board Schedule January – June 2025

- 6.1 The Board and its Committees were asked to indicate their availability to establish a January to June 2025 schedule, this item would be handled outside of the meeting.

7. ARAC Effectiveness Review 2023/24

- 7.1 The ARAC Chair summarised the committee effectiveness review to the Board, highlighting the recommendations given in relation to committee use of subject matter experts (SMEs), opportunities to increase ARAC oversight of climate-related risk and net zero strategy, simplification of the control environment and improving timely receipt of information. A total of 13 recommendations were put forward, with three priority recommendations concerning SMEs, climate and implementation of governance deadlines to be implemented.
- 7.2 The Board endorsed the next steps outlined with further work to be undertaken to identify the scope of the recommendations so that expectations can be managed.
- 7.3 With respect to climate change risk, BH flagged forthcoming Task Force on Climate-Related Financial Disclosures (TCFD) reporting requirements, offering bring learning to support MMO in its duty.
- 7.4 The Chair confirmed that she was pleased with both PIC and ARAC and feels both are well-run committees. Feedback for ARAC from NAO was exemplary, and the Board thanked WR and his team for all their efforts.

Strategy and Stakeholders

8. Reflections on the Stakeholder Event

- 8.1 Reflecting on the MMO Spring Stakeholder Event 2024, the Chair thanked the communications team, executive leads and Board members for their involvement in the event.
- 8.2 JS summarised early feedback, which highlighted the venue, breadth of speakers and valuable networking opportunity.
- 8.3 The group gave their thoughts on the event with a collective feeling of positivity. Discussion was had into the productive stakeholder conversations held, sharing positive feedback, areas for improvement and proposals for future engagements. The board considered how it could become more accessible to its stakeholders.
- 8.4 The Chair shared clear instruction from the Defra ALB Chairs forum surrounding opposition relations ahead of the calling of the general election.

9. Ministerial Priorities and Budget Setting 2024/25

- 9.1 The Board received an update on the Departmental recruitment freeze, noting MMO remain out of scope, the ripple effect of changing resources in the sponsor department was considered.
- 9.2 The Acting Executive spoke to forthcoming challenges surrounding headcount and contractual spending, highlighting known areas of risk including contingent labour and DDTS resource, which MMO are mandated to

use. MMO received its Delegated Authority Document (DAD) outlining a budget from the Department on 27 March, this item will return to Board once the business planning process is complete (end quarter one). Further ring-fenced budget would be made available to MMO via FCDO to deliver MMO's Global Marine work.

- 9.3 A summary of acute financial pressures was given, linked with a range of deliverables including offshore wind, HROs, a pay increase and EMFF extension. MMO's operating costs including at sea inspections were considered. Opportunities to review MMO's cost recovery arrangements were drawn out.
- 9.4 The board considered the scalability of MMO's Global remit.
- 9.5 The Board thanked the executive for their transparency, further work on MMO's Resource Action Plan (RAP) was requested to inform further budget discussion at Board level.
- 9.6 The Board were updated on Ministerial Priorities, noting that the business awaits its Chair's letter confirming priorities, and Permanent Secretary letter clarifying 2024/25 key performance indicators. A discussion was held on long term plans to increase automation, self-regulation and artificial intelligence, bringing savings to MMO's control and enforcement remit across a multi-year timeframe, REM was cited as an example.

Delivery Assurance

10. Quarter 4 (Q4) 2023/24 – End of Year Statement, Finance, Risk, Assurance and People

- 10.1 PE took the group through MMO's full year position at £39.92m, reflecting underspend (0.3%). The approved position includes in year transfers including the return of £2.23m to Defra and Other Government Departments linked to policy specific and/or ring-fenced initiatives.
- 10.2 With regard to internal control, updates on the consolidated Operational Risk Register and late running of the internal audit programme were given. PE was asked to provide the internal audit profile for 2024/25 with a view to agreeing Terms of Reference to allow the programme to be front loaded.
- 10.3 A commercial update was given covering key, in flight procurement for Offshore Patrol Vessels and Global Marine Satellite Surveillance. Both contracts require approval outside of the Board schedule. The Board endorsed the Executive request to delegate the contractual decisions to the Chair of the Board with assurance from the ARAC Chair.
- 10.4 An MMO3Cs end of year report was provided highlighting progress in the launch of recruitment training, implementation of a new corporate induction, delivery of health, safety and wellbeing training, and organisational wide move to a new performance management framework.

Decision 1605-01 Commercial Approvals: MMOB agreed to delegate the consideration of commercial approvals to the MMO Chair, with assurance by the ARAC Chair, for the following contracts;

- MMO Commercial Vessels
- Global Marine Satellite Surveillance

11. Quarter 4 (Q4) 2023/24 – Performance and Change

- 11.1 A brief was given on performance, noting that the last year has been positive. The group looked ahead to the performance measurement process for 2024/25, flagging the need to ensure alignment with new Ministerial priorities. The Board expressed willingness to be involved in this piece of work, which should tie in to discussion around the Defra Outcomes Framework. This discussion should provide assurance that performance outcomes are fully mapped and integrated to avoid duplication of activity with the Department.
- 11.2 A discussion was held on MMO Goals Baseline activity which has focussed on Goal 6: Assuring Sustainable Fisheries. A further update was requested.

12. Spotlight on Services: Grants

- 12.1 GH outlined MMO's Grants Delivery from 2016 to date, where MMO have administered £215M funding across several schemes, the socio-economic impacts of grants and positive recognition the service had received through Civil Service awards were highlighted.
- 12.2 The group thanked GH for his insightful presentation and deliberated how MMO could promote its grants remit further.

Closing Matters

13. Meeting Closure and AoB

- 13.1 The next Board meeting is to be held on 3 July 2024.
- 13.2 The Chair closed the meeting.

Decision Log			
Ref	Decision	Date	Agreed by
Decisions from meeting held on 16 May 2024			
1605-01D	Commercial Approvals: MMOB agreed to delegate the consideration of commercial approvals to the MMO Chair, with assurance by the ARAC Chair, for the following contracts; <ul style="list-style-type: none"> - MMO Commercial Vessels - Global Marine Satellite Surveillance 	16/05/2024	MMO Board