

SEA FISH INDUSTRY AUTHORITY

Minutes of a Board Meeting

Held on Wednesday 25 June 2009

Present: *Mr Charles Howeson (Chairman)*
Mr John Whitehead
Mr Quentin Clark
Ms Linda Cross
Prof Mike Kaiser
Mr Paul Kerr
Mr Iain MacSween
Mr Ole Norgaard
Mr Mike Park
Mr Mike Parker
Mr Alex West
Mr James Wilson

Executive: *Mr John Rutherford*
Mr John Campbell
Dr Jon Harman
Dr Paul Williams

In attendance: *Mrs Pauline Cox*
Mr Tony Tait

A. WELCOME TO NEW MEMBERS

The Chairman introduced and welcomed Mr Clark, Mr Kerr and Mr Wilson.

B. APOLOGIES

There were no apologies to report.

C. CHAIRMAN'S INTRODUCTION

The Chairman provided an introduction on the business the Board were required to consider at this meeting.

D. MINUTES FROM PREVIOUS MEETING

(i) 25 March 2009

The minutes were agreed and the Chairman was authorised to sign them.

E. MATTERS ARISING

(i) Advisory Committees

The Board noted the paper presented to them for review.

There was general agreement to condense the advisory committees into only two main groups chaired by Board members and reporting back to the whole Board, using sub committee groups where appropriate. There was concern about a lack of cross fertilisation of members and interests which may result in a distance being formed between the catching and importing sectors.

The Board discussed the role of catchers, importers and processors and it was concluded that there needed to be cross cutting of both individuals and themes over the two newly established advisory committees.

The Board agreed that the role of the advisory committees is to provide (and should continue to provide) key guidance and advice to the Seafish executive and Board on current and potential issues affecting the industry.

Mr Rutherford and Mr Whitehead commented on the Importers Forum, their remit and how they consider, with development, this group will produce the desired results as a sub-committee.

The Board agreed to rename Catching and Production to UK Catching and Processing.

Dr Harman agreed to circulate a list of potential members for consideration, and to present this proposal for consideration at the Industry Conference in September.

ACTION:

CIRCULATE MEMBERSHIP (JH)

(ii) Tribunal update

Mr Rutherford confirmed that a date had been set for one hearing at which he would be giving evidence. It was noted that the settlement received by the claimant was generous and that Seafish had tried and exhausted all avenues to accommodate the individual with the relocation to Grimsby in 2008. The Board were comfortable with this approach and offered a letter of support to the executive, if required, for the tribunal's consideration.

(iii) WYPF update

Mr Campbell advised that Seafish continued to be members of the West Yorkshire Pension Fund and that Hymans Robertson were advisers to Seafish.

The Government had been kept informed of the financial position of the scheme which Seafish continued to monitor; the FRS-17 deficit as reported in the 2009 Accounts has increased from £8.7m to £9.8m.

(iv) Marine Services / SHIP project

Mr West declared an interest in the Fisheries Legacy Trust.

Dr Williams advised that EFF funding for SHIP, the sub sea hazard project, was still pending agreement from the Scottish Government but was expected shortly. The Board noted that if funding was not granted, Seafish have agreement from the Fisheries Legacy Trust that they will fund any gap.

The Board agreed that in future the onus for funding including grant application should rest with the industry and that Seafish should simply quote for delivery.

Quite separately, Seafish might, as the 'expert body' endorse or comment on such grant applications if invited to do so by funders.

(v) Seafood Excellence Awards 2011

Dr Harman apologised as the paper presented contained typos which were noted as:

- Project costs equated to £140k (not £40k);
- External management fee for 2009 is £25k although for the two years this rises to £80k.

The Board debated the pros and cons of the event and how this event was perceived by others. There was some concern with the event organisation moving in-house although Dr Harman was confident he would manage this appropriately.

It was noted that the event could help raise the profile of Seafish as the '*authority on seafood*' and to engage with the end consumer.

The Board agreed that subject to the forthcoming strategic review process, any such event would:

- not be coupled with the 2010 Industry Business Conference
- be held in London
- process managed by Dr Harman within budget constraints
- be a biennial event, the next one scheduled for 2011

(vi) IPF future plans

Dr Williams advised that following each round of funding a review of the process was conducted and a paper was presented for discussion. Key items agreed and discussed were:

- The primer funding £5k cap had proved successful and would be retained.
- 40% of available funds would be filtered towards strategic projects with the remaining 60% going towards urgent, reactive work.
- The IPF should be disengaged from the budget process meaning that AC meetings would be held in May and October.
- Application forms would be amended to provide a value for money assessment following completion of the project. Only once this had been conducted and evidence obtained would final payment for the project be released.
- AC members with a conflict of interest would be asked to leave the room when their project is under review to ensure a fair and transparent process.
- Applications would only be accepted if they fell into one of the seven strategic themes.

- Advertising for specific submissions would assist with providing value for money to all sectors.

F. LEGAL ISSUES

(i) Trial update

Mr Rutherford provided the Board with an informative brief following the British Seafood trial held the previous week and disclosed two letters, one from Nabarro, our legal team reporting on the trial and the other from Defra explaining Board responsibilities in these circumstances. The Board understood the arguments presented and were now awaiting the judgement which was expected in late July.

The Board agreed to meet via conference call to discuss the judgement immediately it was delivered. No external comment on possible outcomes would be made at any level until after that meeting.

(ii) Costs

Reported as £600k to date and discussed under item F(i).

(iii) Verdict and responses

Discussed under item F(i).

G. EXECUTIVE REPORTS

(i) Chief Executive

The report was noted.

(ii) Research

The report was noted.

(iii) Business Development

The report was noted.

(iv) Finance

The Board noted that the shellfish market was continuing to decline and it was likely that this was due to companies destocking. Mr Norgaard commented that despite a slight sales increase at the beginning of the year the decline of about 15% he had predicted is now coming through.

The Board had some concern with the levy received and activities undertaken for the first two months of the new fiscal year. After some discussion it was agreed to monitor the position until the next board meeting where a further discussion would be held if necessary. Monthly management information and levy trend statistics would be circulated for information.

ACTION:

CIRCULATE MONTHLY MGMT INFO AND LEVY STATS (JR & JC)

H. MARINE SAFETY AND TRAINING

(i) Safety at Sea

Dr Williams advised that the paper presented was prepared to highlight to the MCA the work Seafish are involved in to implement MCA policy. External funding for Safety at Sea has been secured from the DfT (£250k) with a further £125k plus EFF match funding expected later this year. The Chairman was keen to secure a meeting with the Minister and MCA for further discussions about delivery of the safety at sea agenda and it was agreed that this could follow the meeting already scheduled between Dr Williams, Mr Whitehead and the MCA.

(ii) Training and Scottish Seafood Training Partnership agreement

Dr Williams confirmed that alterations to the payment timings and structure of the agreement had been made which satisfied both Seafish and the SSTP. The Seafish-seconded training co-ordinator had resigned and the SFO and SFF had offered to absorb this function for the remaining few months of the agreement.

I. INDUSTRY MEETINGS ~ FEEDBACK

The report was noted.

J. REGIONAL PARTNERS

(i) Seafood Scotland

The report was noted.

(ii) South West

Dr Harman confirmed that progress to develop both Devon & Dorset Seafood / Seafood Cornwall continued. Dr Harman reported the SW RDA had advised that revenue expenditure was under a two week review and therefore there was still uncertainty about funds originally thought secure.

The Chairman was keen to ensure closure on the funding position as soon as possible and offered to intervene if necessary.

(iii) Northern Ireland Seafood

Dr Harman advised that agreement from DARD for an EFF Facilitator / Project Manager had been secured. Mr Kerr confirmed that he would be seeking clarity from DARD on the exact remit for this individual.

It was noted that Mr Kerr should help form a new NI Seafish advisory group (Seafish NI) of which he would become the Chairman.

(iv) Yorks & Humber Seafood Group

Dr Williams advised the Board of their current workload and staffing issues, and it was noted that the YHSG Board had these matters in hand.

(v) Seafish Wales

Professor Kaiser reported that progress had been slow in Wales.

Professor Kaiser and Dr Williams had held meetings with representatives of WAG who were individually supportive but clearly heavily burdened with other priorities including the Marine Bill. Dr Williams had hosted a visit to Grimsby which the WAG representatives found very useful and informative.

Dr Williams agreed to prepare a formal proposal to WAG on the discussions held and the collaborative approach that could be implemented for their approval.

In addition, a letter from the Chairman to the Minister and First Minister would now be prepared and issued within one week to bring to their attention the lack of progress and to re-confirm the support currently being offered from Seafish.

ACTION:

PROPOSAL DOCUMENT TO WAG (PW)
CHAIRMAN'S LETTER (PW)

K. STRATEGY / THREE YEAR (2010 – 2013) PLANNING

Dr Williams explained that following the Board strategy session in February 2009 and endorsement from the outgoing Board in March, each theme had been allocated a manager and Board representative. The Executive were seeking clarification from the Board that the work in progress was as expected.

Dr Williams and Dr Harman were undertaking stakeholder meetings to discuss the themes with industry and to obtain feedback and guidance. The draft business plan would then be presented at the Industry Business Conference for further discussion.

The Board were aware that Value for Money was important to the new Three Year Plan and Mr Rutherford advised that managers were examining ways of attributing financial benefit to each theme. The Board were concerned about the effort which could be absorbed building such a theoretical financial model and recommended that in some instances Value should be measured through pre-determined non-financial achievements.

The Board were impressed with the results obtained from the customer satisfaction surveys over the past three years and recommended that a more sophisticated use of this independent survey could help strengthen the Seafish position both for the benefit of the Three Year Plan and the forthcoming quinquennial review.

The Board were advised that using such a service to help deliver results could cost circa £50k pa. Board opinion was that at this sort of level the costs could be justified, but that no decision was needed until after the plan was formally agreed by industry and ministers.

Dr Harman confirmed that the themes still required further work to ensure that the right information, including deliverable milestones and costs were captured, and this would be done over the period to the September meeting and Industry Business Conference.

It was also agreed that the theme paper would include:

- Information on what the impact would be of the work not being undertaken

- Where the value delivered would be tangible or intangible
- What would the benefit be to the overall sector, and
- Outputs should be strengthened to Outcomes.

L. FINANCIAL ISSUES

(i) Feedback from Audit Committee meeting 22 June

Mr Whitehead was disappointed to report that the meeting held was unsuccessful due to the unexpected delay in obtaining the promised Letter of Comfort from Defra.

The Board noted that the audit had been recorded as clean but it was likely the committee would be required to reconvene with the NAO for a second report once the Letter of Comfort was received. The Board recorded their thanks to Mr Campbell and his finance team for meeting all deadlines and NAO requirements with a True and Fair opinion to date from NAO.

(a) Effectiveness of Audit Committee

Mr Whitehead thanked the Board for their comments on the Audit Committee which had been noted.

(ii) Risk Register

The register was noted.

(iii) Annual Report 08/09

The Board were informed that the delay in NAO receiving the Letter of Comfort from Defra could delay the filing date of our Report and Accounts before Parliament. Government agreement to do this had been given orally to Mr Rutherford by Defra. Their Fisheries Director was now obtaining formal clearance for this.

Mr Rutherford commented that whilst the numbers within the accounts should remain unchanged as at 31 March 2009, subject to any clarification following the trial verdict, amendments to the text would be required (for example, confirming the appointment of Mr Kerr).

It was agreed that the Chairman should also co-sign the Directors' report with Mr Rutherford.

M. ADMINISTRATION ISSUES

(i) Sub Committees and their memberships

The Chairman proposed that Mr Whitehead be re-appointed as Chairman of the Audit Committee. This was agreed.

The Chairman proposed that Mr Kerr be appointed a member of the Audit Committee. This was agreed.

An additional member of the Remuneration Committee would be appointed towards the end of the year, and advisory committee responsibilities allocated when the final structure was agreed.

N. INFORMATION PAPERS

The report was noted.

O. AOB

(i) Industry Business Conference, Edinburgh

The event was noted.

(ii) Suspicious Activity Reporting

Mr Rutherford advised that he may shortly have to lodge his first suspicious activity report to the Serious and Organised Crime Agency (SOCA).

(iii) Freedom of Information

The Board noted that a Fol request had been received from the Daily Mirror. Mr Campbell confirmed that the same request covering costs and expenses had been issued to all NDPBs.

The Seafish response was as fair and as open as the data currently held made possible.

P. DATE OF NEXT MEETING

**(i) Board dinner & Board meeting
15 & 16 September 2009, Edinburgh**

The dates were noted.

There being no further business the meeting closed at 3.10pm.