

Board Meeting

Held on Thursday 23 May at 0830-1300 hours at Slebech Park Estate, Harverfordwest, Pembrokeshire, SA62 4AX

Present:

Brian Young (BY) (Chair)
Michael Sheldon (MS) (Depute Chair)
Jonathan Shepherd (JS)
Alison Austin (AA)
Mike Mitchell (MM)
Nathan de Rozarieux (NdR)
Linda Rosborough (LR)
Jimmy Buchan (JB)
Peter Hajipieris (PH)

Executive:

Marcus Coleman (MC), CEO
Aoife Martin (AM), Operations Director
Declan Byrne (DB), Finance Director
Hazel Curtis (HC), Interim Corporate Relations Director
Linsey Neill (LN), HR Director

In attendance:

Chris Lamb (CL), Panel Chair: Supply Chain and Consumers
Jon Parker (JP), Panel Chair: Processing & Import
Jerry Percy (JerryP), Panel Chair: Domestic & Exporters
Lesley Cunningham (LC), EA to Declan Byrne (Minutes)

1 Welcome and Apologies

BY welcomed everyone to the meeting. There were no apologies.

2 Declarations of interest

There were no declarations of interest.

3 Minutes from the Previous Meeting – 27 February 2019

The minutes from the previous meeting were agreed.

3.2 Action Tracker - Point 81

MC confirmed that no activities were deferred from the Annual Plan. However, due to the uncertainty of Brexit some of the activities may have a longer timescale for delivery.

4 Seafish Annual Plan for 2019/20: Final Draft Plan for Approval

The draft Annual Plan for 2019/20 was circulated and discussed with Panel Chairs and their members to ensure the delivery of the plan is on track and structured. The Panels agreed to continue to support the Plan with new activities identified for the year ahead.

The discussion included the following points:

4.1 Challenge 2

CL referred to difficulties faced by Northern Ireland's livestock 20 years ago in relation to the challenges/opportunities of the entire food chain and recommended Seafish learn from this.

ACTION: CL to email Northern Ireland contact details to AM.

ACTION: The Board asked that reference is also made to the positive opportunities facing the industry alongside the ongoing challenges the sector is experiencing.

AA suggested that the Board minutes should explicitly reference the fact that Seafish is taking forward the activities described on Page 7 under 'Key areas' 1 and 2; i.e.

"Key area 1: Defining and validating universally agreed messaging to ensure seafood's Unique Selling Points (USPs) are consistently and widely shared

Key area 2: Devising and delivering consumer campaigns of value to the whole sector"

4.2 Item 6b – Improving Standards

PH supported Seafish's model to approach industry to find potential solutions in relation to the exploration of improving standards amongst fish wholesalers and suppliers to foodservice.

4.3 Draft Seafish Annual Plan – Wales Seafood Strategy

JP is continuing to work on the implementation of the Wales Seafood Strategy through the Seafish Wales Advisory Committee.

The board approved the Seafish Draft Annual Plan for 2019/2020.

5 Budget 2019/20: Draft for Approval

DB presented the budget to the Board for approval.

5.1 Background and Underspend in Year 1

The paper presents the financial commitments to the second year of the 3 year cycle of the plan. In year 1, there was a commitment to spend 36% of the budget. However, only 29% was spent.

The reasons for the underspend relate to:

- Long term vacancies within consumption and fishermen's training;
- An underspend in the Regional Delivery budget;
- Strategic Investment Fund: only expenditure on Fishing Innovation Scotland with a further commitment to spend monies for the Inshore Fisheries Management Conference.

5.2 Budget by Team and by Challenge

DB referred to page 2 of the document and stated that Seafish intends to spend 38% of the budget in year 2 of the CP1821.

5.3 Reserves Position and Pension Liability

DB confirmed the projected reserves are about £1.2m which excludes any movement in the pension liability. At previous ARC meetings, there were discussions with NAO in relation to the pension fluctuations being out of Seafish's control.

There is a need for the Director of Finance to assess control mechanisms for projects over £20k.

3 years ago, the budget was overspent compared to the current budget. There is still a need for prudence on how to best spend the budget going forward due to the uncertainty of Brexit.

The Board agreed for the £1.2 budget underspend to be reviewed at the next ARC meeting with discussion regarding contingency and where monies might be spent to ensure prudence and with no significant underspend in Year 3.

CL stated to see reserves increase from £6 to £9m there would be a need to consider the future of levy and recommended ARC revisit this when it is appropriate to do so.

PH asked if there had been any signals from industry regarding the budget underspend. MC noted that having the facility to respond in a more flexible manner to industry requests has been hugely useful and welcomed. There have been no comments about expenditure otherwise.

The Board approved the annual budget.

6 Consumer Marketing Strategy: Outcome of Engagement Process with Sector Panels

HC presented an overview of the discussions at the Sector Panels on the question of the strategic approach to promoting consumption that Seafish should take. HC appreciated the clear guidance from board members at the February board meeting on the strategic approach for consumer marketing; in particular what role was appropriate for Seafish, as a public body. The Panels came to largely the same conclusions and noted that it would be a long term endeavour for Seafish and industry to achieve a shift in culture and attitudes towards consuming seafood.

HC confirmed the Panels all supported strategic approaches most closely aligned to Option 1: Pre-Purchase and Option 2: Purchase Supportive in the Panel Paper, focusing on interventions to shift culture and attitudes among reluctant and occasional seafood consumers, to encourage them be more open to considering seafood as an acceptable part of their diet and lifestyle.

The Panels agreed that the key message for all consumer marketing activities should be simple and emotionally powerful to ensure success in delivery. It is also crucial for Seafish to partner and seek collaboration with industry organisations to ensure harmony and joined up messaging.

CL stated that the Consumer and Supply Chain Panel agreed that Seafish should focus on what we can achieve by taking consumers on an educational journey and informing them of the social and environmental issues faced by industry. This knowledge is important to remove fear and assist consumers in making informed decisions.

JonP noted that the Processing and Import Panel held a good debate about what Seafish, as a public body, should be doing, where it can effectively intervene, and, in contrast, what private businesses should be doing to promote consumption of seafood.

JerryP noted that the Domestic and Export Panel discussion had been very useful; the paper presented had been particularly helpful in not driving a single desired decision and therefore engendered a robust and full discussion. There was emphasis that the message about the benefits of eating seafood needed to be very clear.

Further discussion included the need to have clarity around whether Seafish and industry efforts were aiming to increase frequency of purchase by consumers or to convert consumers to seafood from other proteins. There was also mention of the need to be clear on how Seafish would assess the success of the new strategic approach, how to detect shifts in consumer attitudes.

Discussion included the contribution and role of Seafish's Marketing Optimisation Group, with a note that there seemed to have been different views on this matter. It was noted that when the MOG was formed there was no professional marketing expertise on the membership of any of the Panels but that now the C&SC Panel benefits from membership of senior marketing directors of branded seafood companies.

The Seafish paper proposed an implementation role for the MOG and this was agreed. There was a suggestion that a new name for the group might be appropriate. The MOG would certainly benefit from having clear TORs, structured to support engagement with experts across the industry.

BY noted corporate governance requirements and noted that, in line with other expert and issues groups, it would be valuable to have the MOG chaired by someone who attends the board, to facilitate clear communication.

HC noted that in order to attempt to create a new consumer brand in time for Seafood Week 2019, it would be necessary to move quickly with the creative agency. If an acceptable brand identity was not available by mid-June, Seafood Week 2019 would be delivered using the Seafish and Fish is the Dish brands.

AA noted that it would be valuable for Seafish to have complete consensus from the board on the Seafish strategic approach to promoting seafood consumption and that therefore a short strategic paper for board approval would be useful.

The Board agreed:

- that Seafish should develop and implement an overall strategic approach to promoting seafood consumption in line with the majority views expressed at Panel meetings, as detailed in the Board paper:

- Seafish should focus on work that aims to shift attitudes and culture around eating seafood.
- A single, simple, emotionally powerful message is key to success. This should be applied to all consumer marketing activities.
- It is crucial for Seafish to partner with other bodies to maximise budget and reach of consumer marketing campaigns.
- Creating simple and inexpensive assets for other organisations to use is important.
- This is a long term effort, but we should have a two year plan including dates of clear activities for partner organisations to engage in.
- Key target groups are children and adults already eating some seafood.
- Seafish should measure the success of its consumer marketing activities by measure of shift in attitudes among target groups of consumers.

- that CL should chair the MOG and oversee the establishment of ToR that reflect a role focusing on implementation and execution of the agreed strategic approach.

- To conduct Seafood Week 2019 as planned.

ACTION: The Exec to circulate for Board approval a short paper on the Seafish strategic approach to promoting seafood consumption.

HC to circulate to the board for comment a draft brief to Seafish's creative agency to create a new consumer brand on which to execute campaigns under the new strategic approach.

7 Stakeholder Survey 2019

HC reported that the 2019 Survey questionnaires had been amended in line with suggestions received after the February Board meeting, and thanked Board members for their comments, guidance and input in producing the 2019 survey.

HC stated this year's survey results have been positive overall, however, there is still room for improvement. The online survey produced better response rates and more positive sentiment than the phone survey. The phone survey did not achieve the desired number of respondents, in part due to issues with contact data reliability since the updates to comply with GDPR. Therefore, there are also plans to improve the CRM system and its operation.

The explanations that survey respondents gave for positive or negative sentiment provide useful guidance on how to develop a deliberate, structured way of working that is likely to maximise stakeholder sentiment and therefore enhance the degree to which industry stakeholders are willing to engage with and benefit from Seafish initiatives and activities. HC also proposed to work up a plan for a more comprehensive, continuous programme of detecting and assessing stakeholder sentiment and satisfaction, including collecting feedback at point of delivery of Seafish outputs, e.g. publications, events, etc. MS noted that the Seafish paper was the right quality of reaction to the survey findings. A regional breakdown of survey findings might help with plans for improving relations with industry.

BY noted that the quality of people who are now members of the Seafish Sector Panels is a good reflection of Seafish doing the right things, and noted much qualitative evidence indicating positive sentiment.

The Board agreed the development of stakeholder sentiment to involve a comprehensive approach to the improvement and assessment of qualitative ways by means of communication and to ensure more stakeholders engage with Seafish.

ACTION: HC to develop ideas about future sentiment tracking and submit a paper for consideration at future Board meeting.
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8 Longer Term Outlook for Seafish and Future Funding

DB informed the Board that The Fisheries Act 1981 allows Seafish to collect a levy on the first sale of seafood in the UK. These monies are used to finance Seafish activities/projects listed within the Corporate Plan including staff costs and overheads.

Discussions took place at ARC and at the Board Development Day where it was noted that there had not been an increase to the levy rate since 1999. The Board had previously agreed

for the Executive to look at various options to increase levy payments and present them at the May Board meeting.

8.1 Option A: An increase in levy rate

DB stated from January 2019, Seafish has:

- held discussions with Marine Scotland and HMRC to ascertain if their data sources contain information on company's who may be eligible to pay levy that Seafish is not aware of.
- DB met with the Finance and Levy Teams to improve debt recovery credit control procedures.
- The possibility of increasing levy to include inflation. This option would require approval and consultation with Defra. This may be challenging due to the uncertainty of Brexit.

8.2 Option B: Switch to an 'Ad Valorem' Model

To calculate a proportion of the value of the fish rather than its weight.

8.3 Option C: Widen the reach of the levy

To include products and species that are currently exempt. Focus on prepared canned tuna, sardine and other preserved fish.

8.4 Option D: Retaining the Status Quo

To maintain current service levels going forward or to reduce staff levels to operate with a diminishing budget. This option would not be popular as the quality of service that Seafish provides to industry could be compromised alongside the risk of losing staff.

The Exec stated their recommendations within the paper and welcomed comments from the Board.

The Board welcomed the paper and asked the Exec to consider:

- The strategic timeline to progress with stakeholders when addressing market/economic analysis.
- To consider the outcomes if there is a change to Government.
- The uncertainty of Brexit.
- Current situation in relation to levy not being collected on some species
- The extent of Seafish reserves and the potential for their utilisation.

MC noted that while he was mindful of the sensitivities relating to potential levy increases or other changes, he reminded the Board that a mechanism for change does exist and has been exercised on several previous occasions. i.e. the precedence for change exists. He also noted that Seafish was being asked to support the UK Seafood industry in an ever increasing number of ways. i.e. demand for support is high. He further observed that Seafish work was

currently held in high regard and that the stakeholder satisfaction bore out an upward direction of travel in relation to sentiment towards Seafish. He suggested that there was a strong argument for pushing ahead towards the goal of securing additional levy funds.

The board welcomed the excellent paper and agreed that Seafish need a long term plan in relation to the collection of levy. It was noted that it is not the right timing to pursue an immediate levy increase.

ACTION: It was agreed that Seafish would not pursue any immediate increase in levy rates or in scope species but that the Exec should continue to assemble the case for change for a time when the conditions for pursuing change might be more favourable. This would include informal discussions with Defra, better definition of the impact on different sizes of levy payers, assessment of the organisations impacted by potential species changes.

The Board also agreed that it would be appropriate in the next Corporate Plan to (at least) maintain current spending power by drawing upon resources such that existing service levels and available direct funds could be maintained.

9 Confidential Item – Decision on Future Direction

AM and LN presented the paper and the Board agreed for the Exec to continue discussions with RemCom.

10 Chair's Report

The Chair was due to have his annual appraisal with George Eustice. Unfortunately, Mr Eustice resigned and the Chair is awaiting a new appraisal date. The Chair shared his appraisal documentation with AA as a non-executive member and with MC as part of the Executive Team. Defra had acknowledged receipt of the appraisal documentation.

11 Review of Board Terms of Reference

A recent audit by BDO suggested Seafish review and agree the Terms of Reference (TORs) for the Board. ARC and RemCom have recently updated their ToRs in line with governance practice.

While the Framework document states that "ARC and RemCom are to be chaired by the Deputy Chair". The Seafish Board agreed that this should not be the case and instead the Committees are chaired by Board members with appropriate experience and skillset.

DB stated the document would be used for Board effectiveness and placed on the Seafish website.

12 CEO Report

MC stated the report provides an overview since the last Board meeting in February 2019 and

highlighted the following:

12.1 Challenge 5: Deep Insight

The Horizon Scanning Steering Group met in March to review possible risks facing the industry with documentation shared with each Sector Panel.

12.2 HR

HR recently launched LifeWorks, an innovative well-being solution portal that gives staff access to:

- A confidential Employee Assistance Programme available 24/7 by phone, online or by mobile app. The service provides access to counsellors, financial self-assessment including self-help.
- Information, tips and updates to support individual well-being and success at work with peer to peer recognition.
- Perks and savings.

ACTION: LN to demonstrate LifeWorks services at the next RemCom meeting.

12.3 Key Dates

12.3.1 September Board Meeting – Edinburgh

Marcus confirmed Mike Bullock, Chief Executive of the Northern Lighthouse Board had agreed to host the pre-Board meeting on 3 September at their Edinburgh office and give a presentation about the Northern Lighthouse Board. MC would hope the presentation would raise discussion points of mutual interest, eg: safety, training, recruitment, impact of Brexit.

After Mike's presentation, The Board will receive updates from Greg Smith, Head of Seafish Marketing and Communications and from Michael Dick, Seafish Finance Manager, who will describe the progress being made with the Young Seafood Leaders Network.

12.3.2 UK Seafood Summit: 16/17 October

MC invited members of the Board to the Summit which will be held at Forrest Pines outside Scunthorpe. BY confirmed his attendance at the event.

12.4 Challenge Quarterly Report and Dashboard

12.4.1 Enjoy Fish

It was noted that both the Consumer and Two a Week campaigns were currently on hold pending decision from the Board regarding the Seafish marketing strategy.

ACTION: AM to review the Dashboard and send updated information to the Board.

AM stated Seafish are working with 'Menter a Busnes' to ensure their marketing initiatives are working for industry. Seafish are supporting 'Menter a Busnes', but AM noted that if they do

not accept the advice provided then Seafish will not continue and will withdraw from the project. Progress has been unsatisfactory to date.

12.5 Finance, Levy, IS, GDPR

The paper is an update on the progress of the Finance, Levy, IS and GDPR for the fourth quarter of 2018/19.

12.6 HR Dashboard

LN reported the HR projects are progressing well with the implementation of a pay progression model and the launch of the new performance framework

Seafish has registered to take part in the annual Best Companies staff survey process. Seafish's Staff Survey will take place between 2nd and 20th September.

13 Testimonials

The Board recognised the positive feedback received from stakeholders.

14 Committee Updates

14.1 Remuneration Committee

AA reported the committee discussed the Annual Plan at the meeting.

AA recommended the Board consider including equality and diversity as an agenda item at a future development day.

14.2 Annual Pay and Bonuses

The Board asked the Executive Team to leave the meeting room to enable discussion to seek approval for the pay and bonus awards for the performance year 2018/19.

14.3 Audit and Risk Committee

The recent BDO internal audit results gave substantial assurance of the key controls in place regarding corporate governance arrangements and moderate assurance for core financial controls.

BDO presented their draft audit plan for 2019/20 and ARC approved the plan.

15 Forward Plan

The Board agreed to:

- Remove Future Funding Progress from the meeting on 4 September.

The Board noted that there are no confirmed dates for the February and May 2020 meetings.

The Board agreed to visit Billingsgate Market in November 2019 and discussed options for the May 2020 Board meeting/visit.

ACTION: The Executive to consider the options for the May 2020 meeting and make recommendations at the September Board meeting.

15 AOB

JerryP noted how strongly the Board sought input from the Sector Panels and thought that this was a point worth noting with his Panel when it next meets.

16 Date and Details of the Next Meeting

The next Board meeting will take place on 3/4 September in Edinburgh.

Accommodation is booked at Motel One, Princes Street with dinner on 3 September at 6.15pm at Loch Fyne, Thistle Street.

17 Acronym List

The list was circulated for information.

BY thanked LC for her work on the Board including travel and accommodation arrangements in Wales.