

SEA FISH INDUSTRY AUTHORITY

Minutes of the Board Meeting

held on Wednesday 28 November 2018 at the Fishmongers Hall, London

- Present:** Brian Young (BY), Chairman
Jonathan Shepherd (JShep)
Alison Austin (AA)
Mike Mitchell (MM)
Nathan de Rozarieux (NdR)
Peter Hajipieris (PH)
- Executive:** Marcus Coleman (MC), CEO
Aoife Martin (AM), Operations Director
Declan Byrne (DB), Finance Director
Lindsey Ferries (LF), HR Director
- In attendance:** Chris Lamb (CL), Panel Chair: Supply Chain and Consumers
Jon Parker (JP), Panel Chair: Importers
Anne Freeman (AF), Defra
John Speers (JS), DAERA
John Davidson (JD), Scottish Government
- Minutes:** Lesley Cunningham, EA to Declan Byrne

WELCOME

1. Welcome and Apologies

BY welcomed everyone to the meeting.

Apologies were received from Bethan Jones, Welsh Government.

2. Declarations of interest

There were no new declarations of interest.

3. 3.1 Minutes of the previous meeting dated 26 September 2018

The minutes from the last meeting were agreed as a true and accurate record.

3.2 Action Tracker

3.2.1 Strategic Opportunities and Threats regarding Levy

MC confirmed that the item will be discussed at the Board Development Day on 9 January 2019 in London.

3.2.2 Transition of the Responsible Fishing Scheme (RFS) to Global Seafood Assurances (GSA)

MC confirmed he is the Seafish member on the GSA Board.

STRATEGIC AND PLANNING

4. Administrations update: including updates on Home Nations Seafood Growth Strategies

4.1 AF: Brexit Overview

AF gave the following Defra Brexit overview:

AF reported the admins across the UK have been affected by the tempo of activities with an increase in workforce to deal with the sheer scale and challenges of Brexit.

In terms of exit, Defra and the UK Government are preparing to deal with different scenarios. This is challenging given that the scenarios are complex and require multi-planning with uncertain outcomes.

The Government is expecting a deal to be made but must be prepared for all eventualities.

AF highlighted the need to talk to businesses, industry and interested parties regarding their contingency planning in case of a 'no deal' scenario in March 2019.

4.1.1 Marine and Fisheries Exit Projects

AF reported that Defra and the devolved admins are currently working on the marine and fisheries exit projects as follows:

4.1.2 Project around fisheries and negotiations

Nigel Gooding is currently working on the fisheries elements of the withdrawal agreement. These will lead on the fisheries aspects of any future agreements. This work stream will look at the RFMOs to consider when the UK can join these associations or they may not be allowed to join until after the UK has left the EU. The crucial meaningful vote on the withdrawal will take place on 11 December 2018.

4.1.3 The Legislative Framework Project

The project is managed by Anne Freeman. In summer 2018, engagement on the White Paper took place. The Committee will meet next week and continue through to the end of December 2018. The Bill is a framework, which will give Government and devolved admins powers over time. It is a 'no deal' bill as it gives Defra access to UK waters, with time to decide who fishes in these waters. The Bill is required to be in

before March 2019, but this will depend on what happens at the vote on 11 December.

4.1.4 European legislation into UK law

This project will bring across all the European legislation into UK law. The team working on the fisheries policies legislation have been going through the documentation line by line to ensure the paperwork is correct and the powers over the withdrawal act can work.

4.1.5 UK Framework

Once the UK leaves the EU, the withdrawal act comes into UK law and the power will be devolved to the Admins in Edinburgh, London, Belfast and Cardiff where each Admin Team will be able to amend the framework. This could lead to 4 different fisheries policies. There is recognition to preserve the market and deal with internal trade with a need to manage common resources. There will also be a need to work more closely in some areas compared to others.

4.1.6 Fisheries Management Admin Agreements

The Fisheries Management agreements will require updating.

4.1.7 Future Funding

To look at future funding to replace EMFF. The Treasury will ensure that the funding will continue until April 2020. There is discussion on how this will work after this date and if it would be a UK-wide fund or devolved. There will be a need to update powers and put in a grant scheme which will work with coastal prosperity fund. This is an important work stream managed by Simon Brockington.

4.1.8 Future Fisheries

This project has a number of aspects related to it. There will be one body that will licence these vessels. These includes considering how fisheries might operate if there is a need to swap international quota.

4.1.9 How would western waters work in the future?

This project is looking at management of shellfish and demersal stocks in western waters. There is also a need to look at the future science and data collection mechanisms.

4.1.10 Classification of the UK as a "third country"

Defra is expecting the EU to class the UK as a "third country" with a need for catch certification on imported and exported fisheries products. Government is working to deliver an easy to use IT system in relation to catch certification for imports.

4.1.11 MMO Exit Project

This project will look at what regulatory assets are in England and how the rest of the UK might support control and enforcement.

4.1.12 Marine Exit Project

This project aims to ensure the marine EU legislation and management is up to date.

4.1.13 Trade

A separate project on fisheries trade will look at specific issues in relation to fish and aquaculture products.

AF reported that Seafish has been interacting with Government in relation to invaluable economic data and fleet reports.

AF stated that Defra are in negotiation with the Treasury regarding future grants. There is a spending review early next year and there will be a need for future grants to be taken into consideration. The Treasury will be required to demonstrate there is public value in spending grant funds. It was noted that there are no guarantees beyond 2020.

4.2 JD - Scottish Government Update

JD stated Scottish Government want to remain in the EU and to have a second vote.

There is also an interest from the wider food and drink industry with respect to trade aspects mentioned earlier by Defra.

4.3 JS - DAERA update

JS, (NI) stated the UK/EU Border issues will have an impact as there will supply and trade concerns going forward for the fisheries and other sectors.

JS pointed out that in relation to NI communications, Lynn Gilmore, Seafish has a seat on the stakeholder Brexit group. JS recorded his thanks and appreciation for the work of Lynn in Northern Ireland.

4.4 Other Updates

MC informed the Board that the Regional Team Manager has decided to move on. Seafish is currently recruiting for a new head of this team.

AA reported that Kimberley Cullen is project managing the Seafood 2040 initiative. One of the key areas is a piece of work about understanding the extent of natural

resources in the marine environment and Seafish has done a fantastic job in mapping this information. The document was written for England, but it was noted that there is communality across the home nations.

5. Update on work within Seafish Corporate Plan Challenge 1: 'A Changing Political, economic and regulatory landscape as the UK exits the EU'

The paper provides an update on Seafish's EU exit work programme which is part of Challenge 1 within the Corporate Plan. Seafish is delivering a range of projects focused on helping the seafood sector to identify and secure business benefits from the UK's exit from the EU.

The current work programme covers activities in the following five key areas:

- Governance and Marine Management
- Seafood Markets and Trade
- Seafood Regulations and Standards
- Labour Requirements
- Access to future funding

AM stated that Seafish is only 8 months into the Challenge with the nature of the work covering 2 elements:

- (1) The potential for free trade agreements.
- (2) To support the industry and to make them aware of the challenges and changes for their individual businesses.

AM signposted the Board to the following items within the document:

5.1 Seafood Markets and Trade

Seafish has developed and currently testing a new online Trade & Tariff tool which will enable seafood businesses to easily access tariff information, including import and export data. AM would hope for the tool to be available before Christmas with any teething problems ironed out and finalised before the end of March 2019.

ACTION: AM and JD (Scottish Government) to arrange a meeting to discuss markets and trades for seafood.
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5.2 Seafood Regulations and Standards

AM reported the changing regulatory landscape is complex and in November 2018, Seafish produced a 'Rules of Origin - 'for dummies' guide. AM highlighted to the Board that the guide will only apply once the UK has established a Free Trade Agreement with EU.

5.3 Labour Requirement

Over previous years, UK seafood businesses have relied on EU workers and, due to a continuing trend for them to return home or to other countries, there is now an impact on available labour sources.

Economics undertake data collection on labour availability, nationality including skill levels within the catching and processing sectors. These results are shared with Defra, Marine Scotland and the Migration Advisory Committee.

5.4 Access to Future Funding

The work within this area has initially focussed on assessing the value that the EMFF has provided.

BY welcomed the comments from the Panel Chairs.

JP stated the Welsh agenda raised a question in relation to the aquaculture industry regarding rivers and marine environment.

ACTION: Anne Freeman stated that she would need to discuss the above with Simon Brockington and report back to the Board.

6. Seafood Week 2018

A short animation on Seafood Week was shown to the Board and then MC gave an update on the retail sales figures that correspond to Seafood Week 2018 and advised that the Food Service figures were not yet available.

MC covered the following items within the new rebranded and revamped look for Seafood Week 2018:

- Seafood Week 2018 advertised on buses (Manchester, Newcastle, Glasgow, Cardiff, Edinburgh, Aberdeen, Belfast) and in London tube stations.
- Influential engagement on Instagram: targeting young and old consumers.
- More visitors accessed the website during Seafood Week activity.
- 40 new Scottish businesses were involved in Seafood Week.
- ‘Restaurants Rock Stars’ were recruited from leading restaurants.
- Initial retail sales observations noted a significant decline in the purchase of salmon.
- Seafood Retail week figures were comparable to those reported for the same week in 2017. While this was disappointing in some respects, it was noted that set against a backdrop of general consumption decline, this was not entirely unexpected.
- The launch of a new campaign – Shellfish Week – was set for March 2019.

ACTION: The Exec to visit the sales and food services figures and present them at the next Market Optimisation Group meeting in late January and subsequent Panel meetings for discussion.

7. Sector Panel Feedback

All three Sector Panels met in October 2018 and the paper provides an update on the matters arising from those meetings.

7.1 Domestic and Export Sector Panel

MC chaired the meeting with three issues raised:

- Representatives from the North East of Scotland were concerned about the business rates that their processing companies are required to pay in relation to other processing hubs in the UK. Scottish Government and the Local Authority have met and industry stakeholders are hoping for a resolution to the situation.

- Panel members from Northern Ireland and Shetland were concerned about the standard of port logistics infrastructure and poor onsite facilities which could hamper growth in the sector.

- Concerns were raised regarding IT systems which may not be able to manage new infrastructures for catch and environmental certification.

BY reported that Jerry Percy, who is currently a member on the Domestic & Import Panel has been appointed as Sector Panel Chair.

7.2 Processing and Import Sector Panel

JP stated Mike Glavin drove a discussion at the Panel meeting about the risks and issues arising throughout the Brexit process. This discussion was valued by colleagues at the meeting.

There was also discussion about the need for the Fish & Chip sector to drive up standards and take into consideration issues in relation to nutrition & health, portion size and types of packaging used.

MC stated that Seafish have taken the opportunity to encourage and support a new strategy group for the Fish & Chip sector. This will be lead /hosted by the NFFF with representation invited from Seafish AHDB, NFFO, NEODA, SFF and FASFA

Labour research funded by Defra was presented to the Panel and it was noted that the competition for workers is not confined to the processing sector, but impacting on food service and transport logistics.

7.3 Consumer and Supply Chain Sector

The Panel welcomed a presentation from Seafish on marketing and consumer insight. The presentation raised awareness of the work that Seafish is doing to promote seafood and understand how supply and demand is currently working.

Panel members also raised their concerns regarding:

- Supply of raw material
- Price increases
- Health
- Consumer preferences
- Younger age groups not eating seafood
- Use of plastics
- The Panel welcomed sight of the “UK Seafood Supply Based to 2030” information regarding potential risk to future supplies.

All Panel Chairs welcomed the work of the secretariat towards ensuring Panel papers are accurate and thanked Hazel, Simon and Helen for all their efforts.

8. Responsible Fishing Scheme Version 2 – Terms of Reference

AM reported that Seafish and Global Seafood Assurances (GSA) are committed to work in partnership to ensure the future of the scheme is fit for purpose. Both agreed to develop Version 2 of the RFS Standard which requests that the Seafish Board approves the Terms of Reference (ToR) Version 2.

Work has been underway since July 2018 with stakeholder engagement and intelligence gathering from across the UK and international seafood supply chains. AM thanked members who were involved in collaborative work between Seafish and GSA.

The principles of the standard include:

- The operational management of vessels: H&S of the crew and vessel.
- Certification model: a good management system is required to ensure crew members working conditions are appropriate for health & well-being.
- Certification requirements: this is to ensure skippers are confident on how auditors will assess individual vessels and meet expectations.
- A Unit of certification is required to ensure the skipper of the vessel is responsible for the operation, maintenance and equipment of the vessel while at sea.

AM reported the key stages of the development of the process will be to form a Technical Advisory Committee to work with GSA and Seafish.

A new RFS standard Version 2 will be piloted and tested on a number of UK supply chains. The standard is required to meet ISO certification protocols for UK vessels to supply the UK and export markets including UK supply chains that obtain catch from non UK registered fishing vessels.

JShep stated from reading the initial consultation documentation there would be a need to trace how fish is managed from the quayside.

8.1 ToR (page)

PH stated that regulation must be clarified and asked the Exec to check the wording of the documentation very carefully.

MC stated that Global Aquaculture Alliance (GAA) presented at the recent Seafood Summit to engage people in discussion regarding the business model. Their first Board meeting will take place in January 2019.

PH raised the point that the GAA Board members are mostly from the USA with no other international profile and would welcome representation from Norway, Iceland and other EU countries. PH recommended that Seafish ensures international countries are also approached during this process.

The Board agreed that it would be easier for GSA to sell Version 2 of the business model once discussions have been held with supply chains, retailers and vessels with recommendation that Seafish manages the governance and standards.

The Board agreed the ToRs.

9. Marine Survey Update

Confidential Item.

OPERATIONS AND GOVERNANCE

10. Chair's Report

BY confirmed the Board Development Day will be held on 9 January 2019 at the Institute of Director's (IoD) 116 Pall Mall, London, SW1Y 5ED.

ACTION: LC to find overnight accommodation for those who require it and make arrangements for dinner on Tuesday 8 January for Board, Panel and Exec members
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as required.

BY updated the board on the following items:

- The recruitment of two new board members and one panel chair who are:
Michael Sheldon (AHDB) will take the role as Deputy Chair and will Chair ARC going forward. BY stated AHDB is currently involved in a 'call for views' from their stakeholders. Seafish may have to go through this process at some point and would welcome support from Michael Sheldon if this is the case.
- Jimmy Buchan, from the Seafish Scottish Advisory Committee. Jimmy will also attend future RemCom meetings.
- Linda Rosborough, Marine Scotland, who has vast experience on governance and legislation in Scotland. Linda will join the next ARC Committee with guidance from BY.
- Jerry Percy is a member of the Domestic Panel and will Chair the committee at future meetings.

BY confirmed the new Board members and Panel Chair will attend the Board Development day on 9 January 2019.

11. Agenda and Planning for Board Development Session

LF stated that David Nicholl from On-Board Training will deliver the key principles and effectively operating as a Board including adding value as a Director.

Anne Freeman will cover the political and policy context with top tier governance structures being delivered by Paul Kilner who is also from Defra.

It was also agreed for the Board to discuss the strategic challenges and opportunities for the future of levy at this meeting.

ACTION: Board members to contact Lindsey with top 3 Challenges for discussion at the meeting. It was agreed to exclude Brexit from the discussions.

12. CEO Report

MC stated that the document is the CEO's perspective of the period since the last Board meeting in September 2018 and highlighted the following:

- MC and AM were invited and attended the recent Groundfish Forum meeting.
- *Trade and Tariff Tool*: Economics are working on producing a model and received

positive feedback from stakeholders at the recent UK Seafood Summit.

- *BFFF/Seafish Importers Forum*: There is a need to get more stakeholders on board to ensure they understand and are preparing for the new importing administration to avoid border delays after 29 March 2019.

- *Seafood Week 2018*. The 2018 film had 30,000 downloads and was being viewed through other digital options.

- *Young Seafood Leaders Network*: was launched with 37 expressions of interest from aspiring seafood leaders between the ages of 25-40. Seafish are planning a reception on 30 January 2019 on back of the SECLG meeting.

- *Micro and Nano Marine Plastics*: Seafish invited tenders to assist the seafood industry with plastics entering the seafood chain, risks to products and safety implications for consumers. This research project will be a milestone regarding the use of plastics and its effect on the marine environment in the future. The contract was awarded to Eunomia.

- *Enabling Services and Organisational Development*: Seafish is continuing to make progress of being accredited as a Times 100 employer.

- *Managing Organisational Risk & Finance*: ARC appointed a new internal audit firm, BDO. BDO are an accountancy and advisory firm that operates globally.

- Key Dates in 2019:

23/24 January: National Fish and Chip Awards.

12/13 March: Seafish Approved Training Providers Conference, Manchester

26/27 March: Scottish Seafood Summit 2019, Aberdeen

21/22/23 May: Seafish Board Meeting, Wales. Arrangements for the trip are underway.

ACTION: Board members to let LC know if they wish to attend any of the above events.

BY confirmed the September pre-Board and Board dates are 3 and 4 September 2019.

12.1 Challenge Quarterly Report and Dashboards

12.1.1 Enjoy Fish

In October 2018, the first Marketing Optimisation Group met.

12.2 Finance, Levy, IS and GDPR – Report and Dashboards

DB updated the Board on:

12.2.1 Finance

- The budget represents a positive variance of £450k.
- Underspend in operational activities.
- Overheads and non-project salaries being on track.

12.2.2 Levy

- The levy figure is on track with a higher budget at £26k.
- Levy debtors have increased by £300k. The Levy and Finance teams are working together to reduce this.

12.2.3 IS

- A tender process to find a Digital roadmap for Seafish has commenced. The digital transformation strategy will run from one to five years to maximise the use of technology for staff and business.
- A tech refresh for all will be presented at the staff conference in December 2018.

12.2.4 GDPR

The GDPR working group continues to meet on a regular basis.

12.3 HR Report and Dashboard

Seafish are continuing to develop the competency framework and refreshed the Seafish values. The values will be shared with staff at the Staff Conference on 6 December. A new performance related pay system is being finalised.

12.4 Corporate Risk Register

12.4.1 AHDB are currently in the process of the review from stakeholders. There is no plan to start this process for Seafish.

12.5 Levy

A question was asked if there have been any discussions about changing levy charges. It was noted that the last change in the rates was in 1999. This item will be debated at the Board Development Day in January 2019.

13. Committee Updates

13.1 Remuneration Committee

AA stated Remcom discussed Seafish's bonus scheme and competency framework.

13.2 Audit and Risk Committee

ARC discussed:

- the risk register and heard from the new Internal Auditors, BDO.
- An update on the Grimsby office properties.
- An IS presentation and being reassured that the day to day resilience of cyberattacks is continuing to work well.
- Fraud – due to members within the levy and Finance teams retiring, the new members of finance are tightening up processes.

14. Forward Plan

DB presented the Forward Plan to the Board.

15. AOB

There was no other business to discuss.

16. Date of the next meeting

The Board Development Day will be held on Wednesday 9 January 2019 in London. Meeting venue, overnight accommodation for those who require it will be circulated by LC.

17. Information Papers

17.1 Health and Safety

DB reported:

- There were no major incidents during July-September 2018.
- Terminated the Hull lease and scheduled to fully evacuate the office by mid-December 2018.
- Seafish is in discussion with North East Lincolnshire Council regarding leasing new premises on the Europarc Business Park.
- DB is seeking to benchmark Seafish's data against other non-departmental public bodies and approached Peninsula to furnish the information to enable a comparison.

The Board asked for Health & Safety statistical information in relation to the fishing fleet.

ACTION: Exec to present H&S statistical information in relation to incidents within the fishing fleet at the February 2019 Board meeting.

17.2 Testimonial Report

The Board welcomed the encouraging testimonial report for the second quarter.

17.3 Acronym List

ACTION: MM to send additional acronym information to LC.