

Board Meeting

Held on Tuesday 8 September 2020 via Zoom.

Present:

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

Executive:

Marcus Coleman (MC), CEO
Grace Baxter (GB), Interim HR Director
Declan Byrne (DB), Finance Director
Hazel Curtis (HC), Corporate Relations Director
Aoife Martin (AM), Operations Director

In attendance:

Chris Lamb (CL), Panel Chair, Consumer & Supply Chain
Jon Parker (JP), Panel Chair: Processing & Importers
Jerry Percy (JP2), Panel Chair: Domestic & Export
Lesley Cunningham (LC), PA to Declan Byrne (Minutes)

1 Welcome and Apologies

The Chairman welcomed everyone to the meeting. There were no apologies.

2 Declarations of interests

There were no declarations of interest.

3 (i) Minutes from the Previous Meeting – 21 May 2020

The Board agreed the minutes from the previous meeting with the following amendments:

3.1 List of Attendees

ACTION: LC to include Mike Mitchell to the list of attendees.

3.2 Page 8: 11.2 Sickness Absence Management

ACTION: GB to check the statistics and update the minutes accordingly.

3.3 Page 9: Chair's Report – Recruitment of new Board Members

ACTION: BY to draft wording for inclusion in the minutes.

(ii) Minutes from the Previous Meeting – 2 July 2020

The Board agreed the minutes from the previous meeting with the following amendment:

3.4 Page 2: Consideration of Options Available in Response to the Financial Situation

ACTION: DB to reword the paragraph to state the Board agreed the budget, to proceed with Option 2 and for the Love Seafood initiative to go ahead as planned.

(iii) Action Tracker

The Board noted the items in the Action Tracker.

3.5 Point 3: Seafish's Financial Situation

MC reported Defra's Sponsorship Team have been fully briefed on the financial situation.

3.6 Point 5.3: Annual Online Survey

HC confirmed the periodic survey of stakeholder sentiment will not go ahead before the SR.

STRATEGIC ITEMS:

4 Confidential Item

5 Confidential item

6 Financial Summary – Levy Income and Cash Reserves Forecast

DB updated the Board on the levy income and cash reserves.

6.1 Current Status of Levy

In July 2020, DB predicted there would be an estimated annual levy income loss due to Covid-19 of £1.25m – representing an approximate reduction in normal levels of around 25%.

6.2 Landings Data

Available data show that UK Landings are substantially down this year compared to March-June 2019 period.

ACTION: DB to incorporate the July import figures to the landings data.

6.3 Cash Received

It was reported that Cash Received had decreased by £805k over the past five month period compared to normal levels of income for the same time of year in the previous two years.

Landings of seafood suggest a reduction in levy of £515k over a four month period with the actual loss being somewhere in between those figures.

6.3 Cash Reserves

DB referred the Board to the Cash Depletion Average vs Forecast Cash Flow graph which demonstrates cash depleted on an average of £250k per month.

Cash flow is monitored on a daily and weekly basis by the finance and levy teams.

6.4 Looking Forward

September will be an expensive month due to redundancy and deficit pension payments due.

JerryP asked what the situation is in relation to levy collected on direct sales from vessels to consumers. DB stated there is no levy paid on direct sales at the quayside.

ACTION: DB to clarify payment of levy on direct sales from the quayside and report back to the Board.

DB confirmed there are 750 levy payers with 140 of them paying £10k or more per year. It is thought that between 30-40 payers are experiencing financial difficulties. The levy team has approached those companies in a professional manner and agreed individual payment plans.

DB stated further decisions will need to be taken in 2021 in relation to cash reserves which may be affected by the outcomes of Brexit and its impact across industry. DB will produce a paper on this for discussion at the February Board meeting.

MC stated the model relates to recent discussions where, over a period of time, there would be projected losses of £1.25m (2020/21), £500k (2021/22) and £250k (2022/23). If we experience losses above these levels then this will pose some further challenges.

It was noted that a second Covid-19 infection wave may occur from October. There is no good news on the horizon and DB will monitor and plan the budget cautiously.

7 Covid-19 Impact Assessment – Update on engaging with Industry

AM provided an update on the Challenge 1 work programme (Changing Landscape) and detailed the priorities over the next six months to support industry. The main areas of focus are to adjust to the end of the EU Transition Period and recovery from the pandemic.

7.1 EU Exit Transition

Due to the pandemic, EU Exit took a ‘back seat’ with Seafish, along with government and industry, all responding to Covid-19 challenges. Seafish has continued to support industry and over the past 6 months there has been a massive rise in workload around EU Exit. The on-line EU Exit Guide has been updated and launched in early September and renamed the End of Transition Period Guide. The guide will be updated frequently, as and when new information is available to share with industry businesses across the supply chain.

7.2 The Northern Ireland Protocol (NIP)

Due to the complexities and impact facing Northern Irish and UK businesses Seafish is developing an online guide to cover issues relating to seafood produced and traded from Northern Ireland.

7.3 Free Trade Agreements (FTAs)

Seafish continues to work with colleagues in the Department of International Trade (DIT) to inform the negotiations in relation to seafood.

7.4 EU Exit

Seafish is aware that seafood companies have different levels of understanding of how EU Exit will impact on their business.

Over the coming months, Seafish will endeavour to:

- Deliver a series of webinars associated with different points of the supply chain;
- Convene the Export and Importers Forums;
- Issue frequent updates through Seafish's Regulation newsletter;
- Provide an emergency advice and support service over the Christmas and New Year period.

7.5 COVID-19 Recovery

Over the summer, Seafish worked closely with Defra and MMO to develop the Fisheries Response Fund.

The SeaForYourself Campaign continued over the summer months. The campaign achieved significant reach through social media, press and the Fish is the Dish website.

The first quarterly impact report will be released shortly and features information on how different parts of the seafood chain have been affected by COVID-19.

The annual processing and fleet survey reports collated information on how the catching sector and businesses have been affected by the pandemic. This data will be shared with Defra and Marine Scotland.

During these challenging times, Seafish continues to develop guidance for the supply chain to assist businesses to navigate post COVID-19. Produced advice for fish & chip shops and the catching sector to operate safely while adhering to COVID-19 guidelines.

JP asked Seafish to liaise with the Marine Management Organisation (MMO) to advise them on how to best engage and give advice to industry in relation to the validation of catch certificates. To also look at how we can collectively reach out to remote fishermen and those who do not communicate with MMO to ensure their data is up to date in advance of EU Exit on 1 January 2021.

ACTION: AM to liaise directly with MMO and discuss the communication of the information to inshore fishermen with Seafish's Regulation and Communication Teams.

8 Strategic Risk Register – Review

MC noted that the Board continues to play a pro-active role in taking decisions in response to the strategic risks.

MC referred the Board to the Active Risk Register which was scrutinised by the Audit & Risk Committee at their May 2020 meeting. The main risks identified at this meeting were the increasing demands from the West Yorkshire Pension Fund (WYPF) administrators, the impacts of EU Exit and COVID-19.

MC stated the Executive team and Board need to look at potential risks and think of alternative options to sustain Seafish through a difficult financial period and refer these to ARC.

The Board raised the following risks:

- Downturn in income due to the reduction of levy monies;

- The loss of key personnel due to recent redundancies being a potential risk;
- To consider furlough if this option becomes available;
- To consider contingency planning and discuss a way forward as Seafish delivery important services to industry;
- Seafish being asked to increase pension contributions over the next few months.

MC thanked the Board and will update the Risk Register for discussion at the next ARC meeting.

ACTION: MC to discuss these risks with ARC in due course and bring any priority risks to the Board in November.

OPERATIONAL ITEMS:

9 Love Seafood – Launch Preparations

HC stated the purpose of the paper is to give the Board an update on the new consumer brand Love Seafood, a UK based initiative. The launch of the brand is planned for 1 October 2020.

Preparations include webinars for industry and Seafish colleagues to explain that the Love Seafood platform is to inspire and influence consumers to eat more seafood. The launch period will run for 8 weeks and during this time data will be collated to measure the success of the launch.

The eventual aim of the initiative is to encourage the public to eat more seafood and consume two portions of seafood per week.

CL, as Chair of the Consumer & Supply Chain Panel and the Love Seafood Group, informed the Board that the panel members from both Nomad and Youngs have been a great asset and assisted Seafish in focussing and giving direction to the launch of Love Seafood and subsequent campaigns.

The Board made the following comments:

- Industry has welcomed the Love Seafood campaign and await its launch;
- Sustainability must be part of the journey;
- The need for companies such as Nomad/Birds Eye, Youngs, etc to inform consumers of the long shelf life, the preparation and convenience of frozen fish and seafood. For them also to focus on frozen and tell a great story.
- Consumers have commented on the freshness of fish being bought directly from fishermen and mobile vans.

JP raised the issue of the Welsh language and engagement with industry and asked why Seafish logo was integrated within Love Seafood.

HC stated the inclusion of the Seafish logo as part of the Love Seafood logo is to inform consumers that Seafish is connected to the initiative. Seafish owns the Love Seafood logo, but would not have been able to register it if our logo had not been incorporated.

ACTION: HC to check availability of Love Seafood assets in Welsh.

The Chair on behalf of the Board wished the Love Seafood initiative well.

10 Seafood 2040 – Summary of latest outputs

HC reminded the Board that the Seafood 2040 Programme had been due to end in September 2020 based on the initial EMFF grant. The programme will continue to the end of February 2021 with another grant application being submitted at the beginning of January 2021.

Neil Auchterlonie, an aquaculture expert and previously an advisor to industry and government, has taken on the role of Chair after Alison Austin stepped down from the post. Neil is settling into the position and is concentrating on the key outputs from the 2040 programme: These include; Socio economic impacts of increased seafood consumption and to develop an aquaculture strategy for England.

Meetings have taken place with George Eustice, Environment Secretary, Victoria Prentis, Fisheries Minister and Defra officials to consider the 25 recommendations. Although Seafood 2040 is an English initiative, Defra is keen to use the vehicle across the whole of the UK.

Seafish will continue to deliver the programme and feedback to the Seafood Industry Group.

ACTION: MC to consider inviting Neil to a future Board meeting.

11 Health & Safety – Measures to ensure staff wellbeing

The purpose of the paper is to give an oversight on Seafish's response to COVID-19 and its ongoing support to employees through the pandemic

GB stated Seafish responded quickly by:

- Forming a COVID-19 Issues Group with representatives from the Health & Safety Committee, Administration, IT and Communication Teams;
- Closure of offices in Edinburgh and Grimsby and priority to ensure all employees could work safely at home;
- The production of safety guidance for staff which included ergonomic assessment advice, health information specifically related to COVID-19;
- Made the offices safe to access for essential staff workers;
- Produced Remote, Offsite Working and Edinburgh/Grimsby Office Guidelines.

In September 2020, a Personal Needs Assessment will be issued to gauge the health, safety and wellbeing of staff.

It is anticipated that Seafish staff will not return to regular office working until at least January 2021.

Seafish will continue to follow Government and Defra's guidance in relation to the pandemic and continue to monitor staff wellbeing and give updated guidance as and when is required.

NR asked how Seafish would manage the performance of staff during the pandemic. GB

stated this year's objective setting has been slightly delayed and will take place during the months of September/October.

MC pointed out the [REDACTED] system allows managers and staff to meet every 2 weeks or on a monthly basis where work objectives are discussed.

MM asked how Seafish is monitoring staff's wellbeing due to them working from home. He pointed out the benefits, but also the pitfalls due to loneliness and disconnections with office colleagues. MM suggested sharing Seafish's management of staff working from home with industry.

GB would hope information collated from the Personal Needs Assessment (to be circulated to all staff in September) would highlight any impact(s) on staff by working from home or other issues in relation to COVID-19.

12 Digital Transformation Programme - Update

DB updated the Board on the Digital Transformation programme.

12.1 Migration to Cloud

There are 2 data centres with aging equipment in the Edinburgh and Grimsby offices. Work has started migrate data to the cloud. This will ensure more security and for enabling systems to be updated as and when required.

12.2 Finance Systems

DB confirmed at the beginning of September the following Finance systems were moved to the cloud:

- Core Financial System (Sun)
- Purchasing System (P2P)
- Time @ Work (Recording time and expenses)

12.3 CRM/Levy

This phase of the migration is behind schedule with further testing taking place within the Finance and Levy teams in mid-October.

12.4 New Seafish Website

Over the past few months progress has been made to ensure the system is reliable to support our Stakeholder Engagement Strategy and allows Seafish staff to create, edit and manage content. The site is due to go live on 9 September 2020.

12.5 Email Upgrade

DB is working with the interim Head of IT to:

- Migrate to Office 365;
- Look at leasing mobile phones and laptop devices to simplify the management and reduce demands on the IT Team.

All these items will be discussed at the next Digital Transformation Board meeting in September.

LR asked:

- (1) For sight of the overall costs as there were no figures in the budget.
- (2) that we are building a system appropriate for the size of the organisation.

DB confirmed the costs are c.£900k over 3 years. If we need to review figures due to remote working then a paper would be produced for discussion at the Digital Transformation Board.

13 **CEO Report**

MC congratulated the Executive team on the super work done over the past few months in relation to the pandemic and dealing with the reorganisation.

Seafish continues to support industry in a range of different ways. There have been some casualties, eg not being able to host events due to the pandemic. In general terms, the key elements of support are still continuing and may even attract new interest and audiences.

MC invited the Board and Panel Chairs to join future meetings and events, eg Seafood Ethics Group, Common Language Group, etc.

MC highlighted an issue in relation to Personal Location Beacons (PLBs) and Personal Flotation Device (PFDs). Seafish had produced a short video using images to demonstrate the ways in which PLBs could be attached to PFDs. Unfortunately, the manufacturer took exception to Seafish providing this advice. The video has been removed and instead Seafish has advised fishermen to take their PLBs and PFDs to a recognised servicing agent.

The issue of the interoperability of safety equipment will be raised at the next Fishing Industry Safety Group (FISG) meeting. There is clearly an issue that needs broader industry attention.

MC and the Executive team are mindful of the financial position of Seafish and understand the need to get the balance right in terms of staff working from home. There is a need to engage with staff and ascertain how many wish/need to return to offices and then consider solutions.

JB asked for costs for the Edinburgh and Grimsby office buildings. MC confirmed the Edinburgh office is owned by Seafish and the Grimsby building is rented. Furthermore, Seafish is in a monthly flexible payment position with the Grimsby landlord.

ACTION: MC to look at the Edinburgh and Grimsby offices spaces over the next few months and update the Board at the November meeting.
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14 **Committee and Sector Panel Updates**

14.1 **RemCom**

AA referred the Board to the minutes dated 11 March and 7 May 2020 and stated there was no update other than what was recorded.

14.2 **ARC**

MS reported that the Audit Annual Report will be considered at the next ARC meeting. There were a total of 12 low impact recommendations within the report.

BDO and the NAO appreciated assistance provided by the finance staff who were involved in the review. Seafish continues to have positive working relationships with BDO and the NAO.

14.3 Minutes of the Processors & Importers Panel

JP reported there was discussion about the Roundtable Industry Outlook and Brexit.

14.4 Update: Supply Chain & Consumers Panel

CL reported the panel:

- Welcomed the new Love Seafood consumer brand initiative;
- Discussed high fats and sugary foods strategy for industry and the possible effects this may have on fish & chips shops;

14.5 Domestic & Export Panel

The panel discussed:

- How the pandemic has impacted on the prawn industry due to export;
- The Panel welcomed the launch of Love Seafood and the Home & Dry safety campaigns;
- The uncertainty of Brexit and the differences between the 4 Administrations;
- The closure of some small scale operations due to COVID-19.

ADMINISTRATION:

15 Forward Plan

The 'draft' Forward Plan shows an overview of the Board papers and presentations planned over the next 12 months. DB stated due to the pandemic it is still unsure of what the travel situation will be for 2020/21.

Coronavirus is placed on the agenda for next year with ARC looking at contingency planning.

AA asked for Rem Com's Annual report to be included in the May 2021 agenda.

24/25 Nov 2020 via Zoom	22/23 February 2021 TBC	24-26 May 2021 TBC	27/28 September 2021 TBC
Coronavirus: financial and industry impact	Coronavirus impact update	Coronavirus impact update	Coronavirus impact update
Devolved Administrations update	Brexit update	Industry visits, presentations and dinner (TBC)	Review of Risk Register
Brexit update	Strategic Review update	Strategic Review update	Digital Transformation Update
Review of progress on Strategic Review	Draft Annual Plan 2021-22	Final Draft of Annual Plan 2020/21	
Seafish Presentation (TBC)	Review of Risk Register	Draft Accounts 2020/21	
Seafood 2040 Update	Digital Transformation Update	Draft Budget 2021/22 Rem Com Annual Report	

15.1 2021 Board Dates

The Board agreed the dates of the meetings and asked the Executive team to produce a

paper for the February Board on the proposals for the May 2021 meeting.

16 Chair's Report

The Chair would like the Board to continue to have open and frank discussions at meetings, but asked that these are kept confidential when being asked strategic information about Seafish.

16.1 Board Appointments

The Chair stated the recruitment process is on track to interview for a Chair and 4 new Board members. The Board members who are retiring are Brian Young, Jonathan Shepherd and Alison Austin. MS is able to apply to the post of Chair, but this would mean losing him as Deputy Chair. This would also raise concerns in relation to the Board being quorate.

The recruitment panel will consist of 1 or 2 members from the Devolved Administrations and an independent person. CVs will be reviewed during October and Zoom interviews being held November/December 2020.

If the recruitment process is completed in time we would hope to invite new members to the February Board meeting.

The Chair informed the Board he attended the Defra Chair's Zoom meeting where discussion was held on land management, farming, the environment and public monies.

ACTION: The Chair to keep the Board informed of the recruitment of new members.
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17 AOB

LR and JP asked for sight of the recent confidential presentation from Nomad.

ACTION: LC to send the Zoom meeting link to LR and JP.

MC reported Stuart Caborn from Nomad thanked the Board for the invitation to present at the pre-Board meeting.

The Chair welcomed the excellent presentation by Matthew Frow, manager of Seafish's Kingfisher team, at the pre-Board meeting.

18 Dates for next Board meetings

Tuesday 24 and 25 November 2020 via Zoom.

ITEMS FOR NOTING:

Acronym List

The Chair thanked the Board for their input at the meeting and for their continued support and involvement.