

# Board Meeting

Held on Thursday 21 May 2020 via Zoom.

## Present:

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

## Executive:

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

## In attendance:

Jon Parker (JP), Panel Chair: Processing & Importers  
 Jerry Percy (JP2), Panel Chair: Domestic & Export  
 Chris Lamb (CL), Panel Chair, Consumer & Supply Chain  
 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

The following Declarations of Interest were received from:

Nathan de Rozarieux	Trustee, Fishermen's Mission
Mike Sheldon	Board member, Second Term at the AHDB to March 2022 Director of Livestock Information Ltd extended to March 2021
Jonathan Shepherd	Non-executive Director, Moredun Scientific Ltd

## 3 (i) Minutes from the Previous Meeting – 26 February 2020

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

- 3.1 **Page 1: Executive:** Remove Interim from Hazel Curtis' job title.
- 3.2 **Page 3, Item 5.1 Strategy:** LC to include consumers.
- 3.3 **Page 6, Item 8.1 RFS Background:** should read "no later than May 2020".
- 3.4 **Page 9, Item 10.2 Digital Transformation Board:** MC to look at the sentence, "the revision of current/new digital projects and the....".

## **(ii) Action Tracker**

The Board noted the items in the Action Tracker with the following comments made by MC.

### **Action Point 14.4: Trade Shows**

Seafish will not be attending the Japanese Expo and will review its attendance at all future trade shows. To review risk assessments for all Expo events.

### **Action Point 9: Responsible Fishing Vessel Scheme**

MC confirmed the messaging was clearly communicated to the GSA Board. GSA is looking at taking cost saving measures and it remains to be seen how they will push forward in 2020.

## **ITEMS FOR DISCUSSION:**

### **4 Coronavirus**

AM gave an update to the Board on how Seafish responded to the impact of the Coronavirus with staff and stakeholders.

#### **4.1 Impact and adjustments for staff**

- i. All staff across the organisation have been given the resources, ergonomic guidelines and additional support were needed to work from home.
- ii. HR organised a COVID-19 Issues Group to identify any issues arising with regular updates communicated to staff.
- iii. The Executive Team have encouraged all staff to take annual leave at this unprecedented time to ensure their well-being is maintained.
- iv. The Executive Team and Managers are mindful of the challenges of the pandemic and continue to support team members at these uncertain times.

#### **4.2 Support for Stakeholders**

Seafish continues to engage with stakeholders to give advice and guidance on how they grapple with and respond to COVID-19.

Seafish teams are working hard to help industry where they can. AM pointed out there are initiatives through Government and other organisations in place to support industry stakeholders. Seafish will review the impact and the longer-term implications of COVID-19 on the UK seafood industry.

Board members made the following comments in relation to the Coronavirus pandemic:

JB continues to work closely with AM and HC and various Seafish teams who have reacted to a situation changing day by day, hour by hour and the response has been fantastic. Seafish have done more than the call of duty at a difficult time for all and Seafish should be commended for their work in doing a fantastic job.

NdZ stated the catching sector in the south west was disappointed in the speed at which Seafish responded to the wider industry due to pandemic. AM and Gus Caslake were made aware of the sector's reaction.

AA asked if Seafish is aware of any other organisations stepping into seafood territory and, if this is the case, is the Executive Team managing to map the landscape.

AM confirmed Seafish continues to work with Defra, devolved administrations, and MMO to ensure we do not offend those who are responsible for what they have the authority to do. Seafood Scotland has also been active in some of the same work areas as Seafish. Seafish directors have been discussing roles and responsibilities to try to ensure actions are complementary and to reduce the risk of inefficient use of resources.

AM stated Seafish is in discussion with the MMO, Food Standards Agency and Environmental Health to ensure all are aware, all parts of the supply chain need to obey rules and comply with regulations. AM has been informed by the MMO and Environmental Health that commercial co-operative direct sales businesses on the quayside are on their radar in relation to non-compliance risk.

JB stated the Scottish Seafood Association members have asked for a licencing scheme to be put in place for those “pop up businesses” that are not obeying to rules and regulations. If these non-compliant companies continue to undercut prices, this could mean that compliant businesses may close as they are unable to compete. JB confirmed he has written to Fergus Ewing, Cabinet Secretary for Rural Economy & Tourism to bring his attention to these issues in Scotland.

The Board offered thanks to the Seafish team for doing an exceptional job in supporting industry at these uncertain times.

## **5 Seafish Strategic Review**

MC noted the overlap between the short-term financial necessity and the strategic financial necessity, and confirmed that the Exec would bring forward proposals to the Board, by the end of June, to address the immediate financial situation.

<b>ACTION:</b> MC to brief Defra officials regarding the financial situation
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MC introduce the paper on the Strategic Review and confirmed meetings have taken place with Defra regarding the planned Strategic Review to understand what requirements Defra would have of a Tailored Review.

Defra examined the Cabinet Office Tailored Review Guidelines and made the following observations:

- i. Defra and Seafish will need to agree Terms of Reference
- ii. The need to assess how Seafish activities support the wider Defra policy landscape and the Departmental Plan
- iii. The requirement for a full, transparent engagement strategy
- iv. There will be an independent review of efficiency and effectiveness, possibly involving benchmarking and cost benefit analysis
- v. An assessment on governance effectiveness should be included
- vi. An assessment of compliance with the transparency requirements of the Code of Good Governance should be included
- vii. There will be an assessment of compliance with the Public Sector Equality Act.

An independent Challenge Board will be appointed by Defra to review the above points. The Board would be likely to include a Defra Non-Executive Director and representatives from the Devolved Administrations and others deemed appropriate by Defra.

Brian Young, Mike Sheldon and Mike Mitchell met with the Executive and agreed to act as a sub-group of the Board to work with the Executive as required if interim decisions or direction are needed. BY reported that although opposite to initial discussions, the pandemic circumstances meant that now it would be more appropriate not to proceed in formally engaging with organisations in the UK seafood supply chain, but instead to hold in-depth discussions with the four Fisheries Administrations, starting with Defra, to develop a model as a basis for consultation with industry stakeholders.

There was discussion about appropriate timing to inform industry stakeholders about the Strategic Review, given the change in order of approach and current industry focus on impacts of the pandemic. MC noted that some stakeholders acknowledge and understand the expansive work carried out by Seafish and have positive views of Seafish. However, given the focus of industry stakeholders on surviving the Covid crisis, the value of their views on the future of Seafish would likely be called into question.

The Chair noted the need to avoid some stakeholders feeling left out if Seafish were to take a staged approach to discussions. The Board agreed that when consultations with government departments had concluded, the sector panels would be key providers of feedback on the first model produced.

## **ITEMS FOR APPROVAL:**

### **6 Seafish Annual Plan for 2020/21**

AM presented the annual plan and noted the Executive Team has reviewed the plan over recent months in light of the impacts of EU Exit and COVID-19. There is an urgent need to reflect on how Seafish is working under lock-down and be clear where we are no longer able to deliver some services.

AM asked the Board to consider the challenges facing Seafish, the daily-changing situation and to consider this a “point in time” plan, reflecting the uncertainty caused by the pandemic and acknowledging that major aspects will change within this year.

AM noted the Annual Plan is shorter than the previous year and timeframes are not given for projects, but could be included on the Dashboard reports for the Board.

The Board made the following recommendations in relation to the Annual Plan:

- i. To modify the actions under the five challenges so these clearly fit under the five strategic challenges.
- ii. To ensure flexibility is incorporated within the plan to enable Seafish to respond to challenges as and when these arise.
- iii. Strengthen the wording in the training section, to reflect importance of offshore, processing and catching sectors benefiting from accredited Seafish courses.

The Board agreed to approve the plan as a continuity plan, but given the circumstances regarding financial issues and the strategic review the Board would wish to revisit the Annual Plan at the June Board meeting. The Board asked the Executive to include a budget with timings, to enable further review and discussion.

BY asked the Executive Team not to entirely rewrite the document, but to review the context and include more descriptive information within the Annual Plan

**ACTION:** Seafish Exec to edit the Annual Plan as indicated

## **7 Annual Accounts and Budget Approval 2020/21**

DB presented the 2019/20 draft accounts for noting. This paper presents the draft Statement of Comprehensive Net Expenditure (SoCNE) and the Statement of Financial Position (SoFP).

### **7.1 2019/20 Draft Accounts – Management Accounts**

DB stated this is the first draft of the accounts with the year-end Pension Adjustment not included. We expect the performance of the pension assets to be poor and expect a significant actuarial loss due to COVID-19. The pension liabilities figure is expected to be received in late June, when DB will review the accounts and the balance sheet. The final figure will be incorporated into the balance sheet before the audit in July.

The Board raised concerns regarding the pension deficit.

DB pointed out the levy income in February and March 2020 was less than budgeted and is expected to decrease as a result of COVID-19 pandemic impacting on March levy submissions.

At the recent ARC meeting it was noted that team activity expenditure in 19/20 had been £958k under budget and the reasons for the underspends were:

- i. £214k of grant income received in advance for Safety activities (but has not yet had the associated spend against this).
- ii. Receiving unbudgeted income, both contracted income and grant funding, notably within Economics, Communications and Safety teams.
- iii. Delays to EU Exit, leading to activities being delayed, especially in Challenge 1.
- iv. Marine Services net expenditure was £42k against the budgeted income of £28k.
- v. Overhead salaries are £98k higher than budgeted. This is due to the use of agency workers across the IT and Admin teams.

### **7.2 2020/21 Budget**

DB presented the 2020/21 budget to the Board for approval while noting that the budgeting process had been unusual this year due to the pandemic. Defra advised that we should use scenario analysis in our budgets and adopt a three-month holding budget.

The Executive Team identified one-off expenditure reductions for the 2020/21 budget valued at £1.5M. These spending reductions include not going ahead with the Grimsby Office move, reducing planned spend via the Strategic Investment and Flexible Funds, reducing spend on overheads, retaining funds not spent due to cancelled events, holding back on filling staff vacancies and retaining underspends from the 2019/20 financial year.

CL noted that Angus Garrett is conducting scenario planning as part of Horizons work and asked if this was being used in budgeting. DB confirmed AG and Michael Dick have built a very useful scenario model for financial planning.

NdR thanked DB for his comprehensive easy to follow financial documentation.

MC noted the need to monitor closely our cash reserves figure as a guide to the running costs we can sustain. Levy income reduction this business year is now unlikely to be less than £1M.

BY noted the importance of forecasting to ensure that cash reserves stayed above the agreed minimum and the need to be realistic about timings of any benefits being realised.

The Board felt it was not appropriate to approve the 2020/21 annual budget and asked the Executive Team to revise the budget and produce scenarios showing what the cash reserves would be if income drops by various amounts. The Board can review the budget subject to further spend reduction once there is a better understanding about future levy income.

## **8 Responsible Fishing Ports Scheme**

HC presented the paper seeking the Board's approval of a revised version of the Responsible Fishing Ports Scheme (RFPS) suitable for both small and large ports.

HC reminded the Board that the RFPS Scheme is a voluntary, independently audited, certified programme to demonstrate responsible food safety and good operational practices within UK fishing ports and harbours. To ensure credibility, an independent Oversight & Technical Board (OTB) has overseen the scheme's development.

The combined standard was tested through a series of pilot audits in ports across the UK in 2019 with every stage of the development process being agreed by the OTB. The OTB has approved the revised standard.

As Seafish is the standard holder, the Board is required to agree the current version of the combined standard and confirm if it is fit for purpose and is ready to be implemented.

The Board made the following comments about the standard:

- What is the cost to Seafish to facilitate the standard?
- Concern was raised about the possibility of discrimination against small ports not being able to access the scheme and small ports not being involved in the consultation process.

HC noted that the standard was designed specifically to avoid discrimination against smaller ports with limited facilities. MM confirmed that ports would not be audited on infrastructure that they do not have, to ensure no discrimination against small ports.

MM confirmed the bulk of the costs were in the development of the scheme. The last RFPS Steering Group meeting agreed to launch the scheme, then decide if Seafish would retain the standard or move to a professional standard management organisation to drive the scheme globally and not just within the UK.

MS stated if Seafish is to continue to maintain the standard there is a need to review the administrative costs, and aim to recover these costs by charging ports who apply for the standard so the delivery, maintenance and audit of the scheme is compliant.



The Board approved the standard and agreed to review the Scheme's success and charging costs over the next 6-12 months.

**ACTION:** The Executive Team to report on projected costs to operate the scheme and to decide if the scheme should be reviewed in 6 months or later.

## **9 Board Effectiveness Review**

BDO offered moderate assurance over the design and operational effectiveness of the controls in place surrounding board effectiveness.

MS stated the findings from the review show there is a good level of assurance. Seafish should take comfort that there were only 7 low recommendations and the NAO being content with progress.

AA as Chair of RemCom would welcome the production of a skills matrix for shortlisting new Board candidates.

## **ITEMS FOR NOTING:**

### **10 CEO Report**

The paper provides the Board with the CEO's perspective of key developments for Seafish since the last Board meeting in February 2020.

MC pointed out the dashboard documentation had not been incorporated on this occasion.

#### **10.1 Young Seafood Leaders Network in Norway**

In early March, Seafish took a small delegation to the North Atlantic Seafood Forum in Bergen, Norway. The Young Leaders reported it was a great opportunity and experience of being able to network at the show. To build on their insight from the forum, it would have been ideal for them to attend the Brussels Expo, but this was cancelled due to COVID-19.

#### **10.2 Digital Transformation Board**

The first meeting of the DTB was held on 12 March with MS in attendance. The group agreed Terms of Reference for the DTB; reviewed the whole Digital Transformation Programme and progress to date; and approved two interim projects

#### **10.3 Scallops stock assessment and Northeast Atlantic Mackerel Advocacy**

HC and AM are leading these initiatives, somewhat in the background, but these are very positive development on behalf of industry.

#### **10.4 Sector Panel Meetings**

MC confirmed good discussions were held at all three Sector Panel meetings in April 2020.

## **11 Health, Safety and Wellbeing Report**

The paper highlights the work of the organisation in relation to health, safety and wellbeing during the quarter January to March 2020.

LN pointed to the following highlights within the paper:

### **11.1 Appendix 1: Reported incidents during 2019/20**

The document gives a summary of the location, detail and action taken after each of six incidents during the period. This is compared to nine incidents in the previous year.

## **11.2      Sickness absence Management**

There has been more long term absence compared to the previous year. Seafish is continuing to actively manage this and all sickness absence statistics are reported at RemCom.

## **11.3      Wellbeing**

Seafish is looking to achieve a “Healthy Working Lives” recognised award. The programme helps organisations to identify issues to improve health, safety and wellbeing in a structured and productive way to achieve a healthier and productive workforce.

## **11.4      Pulse Survey**

A Pulse Survey was circulated to staff in May 2020. The survey will assist in gaining a better understanding of the well-being needs of our workforce.

## **12      Forward Plan**

It was agreed that the Board would meet again in late June since planning beyond that date is precarious in the current pandemic situation.

## **13      Chair’s Report**

The Chair noted that three Board members will be leaving in March 2021.

Discussions have taken place with Defra regarding the expected retirement of members and the possibility of those Board members being able to stay on for another term after March 2021. However, it is unlikely that Defra will agree to this suggestion. The Board members who are retiring are Brian Young, Jonathan Shepherd and Alison Austin.

From September 2020, Defra will advertise four Board vacancies and BY is working with the team to set the recruitment process in place from this time. BY suggested Defra considers advertising for five new members.

BY is not allowed to view applications or responses to the advertisement and the Selection Committee makes the final decision on who is appointed.

BY stated the skills matrix would identify the skills and knowledge required to enable Defra officials to produce a person specification to test and then seek approval from the Minister.

BY stated he would update the Board and Executive Team where possible.

BY pointed out that the Seafish Board will not have a quorum in March 2021 if all the independent members leave and confirmed that AA, BY and JShep will be on standby in case required.

## **14      AOB**

### **14.1      RemCom Annual Report**

AA confirmed to the Board that a strong framework of assurance is in place.

RemCom recognises the Board and the Executive Team have difficult times to navigate and there may be tough decisions to make in the near future. AA confirmed the Executive Team have the support and guidance of RemCom and the Board as Non-Executive Directors.



MM noted the Seafish Executive Team has been doing a sterling job under these difficult times and circumstances.

JShep stated BY is a good chairperson where all members of the Board are able to equally share and air their thoughts.

AA thanked LN for all her work with RemCom and wished her all the very best on her maternity leave and welcomed Grace Baxter, Interim HR Director to RemCom. LN thanked the Board and AA for their well wishes.

## **15 Dates for 2020 Board Meetings**

The Board agreed to meet at the end of June.

BY thanked the Board for their input at the meeting.