

Minutes of Seafish Board Meeting

Held on Wednesday 23 March 2023 at 0900 hours at the Radisson Blu, 12 Holloway Circus, Queensway, Birmingham, B1 1BT

Present: Michael Sheldon (MS) Chair
Graham Black (GB)
David Brooks (DB)
Nigel Edwards (NE)
Jeffrey Halliwell (JH)
Heather Jones (HJ) Via Teams
Mike Mitchell (MM)
Linda Rosborough (LR)
Nathan de Rozarieux (NdR)
Harry Wick (HW)

Executive: Marcus Coleman (MC) CEO
Aoife Martin (AM) Operations Director
Kenneth McIntosh (KMcl) Director of Finance
Lynn Gilmore (LM) Communications and Engagement Director
Linsey Neill (LN) HR Director

In attendance: Stuart Caborn (SC) Chair, Importers and Processors Sector Panel
Tom Pickerell (TP) Chair, Supply Chain & Consumers Sector Panel
Michelle Jean Mullane (MJ), Board Apprentice

Minutes: Lesley Cunningham (LC) Secretariat

1 **Welcome from the Chair and Apologies**

The Chair welcomed the Board to Birmingham and stated Rachel Muckle from Defra would routinely attend future Board meetings as an observer. Apologies were received from Jeremy Percy (JP) Chair, Domestic & Export Sector Panel.

2 **Welcome and Introduction to Board Apprentice – Michelle Jean (MJ) Mullane**

The Chair stated Seafish along with other bodies have agreed to take part in the Board Apprentice Scheme, operated by the Department of Levelling-up & Communities. Seafish's has been allocated Michelle Jean Mullane (MJ) as their Board Apprentice. MS welcomed and introduced MJ to her first Seafish Board meeting. MJ welcome the opportunity to join the Seafish Board over the next year.

3 **Declarations of Interest**

MJ confirmed her role as a Project Manager at the Malt Whisky Society in Edinburgh.
NdR confirmed his appointment as a board member to the Cornwall Council Harbours Board.

4 **(4a) Minutes from Seafish Board Meeting: 24 November 2022**

The Board accepted the minutes from the Board meeting as a true record of the meeting.

4.1 (4b) Action Tracker

MC confirmed the Framework document is not included within the papers due to the 4 Administrations still considering its contents. LN is currently working on the board effectiveness survey and plans to share the results of the survey at the May Board.

STRATEGIC ITEMS

5 Seafish Levy Reforms - Update

The levy consultation process started on Monday 13 March 2023, with stakeholder workshops. The Workshops focussed on 2 main questions: (1) What should be included in the levy reform, i.e. increasing the scope to include canned and bottled products? and (2) views on changes to the levy rates and the phased increase. Outputs from the workshop were discussed. The views on the changes to levy rates and the phased increase discussions depended on which seafood sector was in attendance at the workshops. There were also strong reactions as to why salmon was not included in the levy reform process. The Board agreed to maintain our position for Seafish to collect levy from across the sector and not to pursue the levy in salmon at this stage, but to address this as and when Seafish can bring salmon into scope.

ACTION: The Executive Team to:

- Produce a paper for the May Board meeting which incorporates the evaluation of the feedback received from the companies who attended the workshops. This should ensure the largest levy payers have responded.
- Cockle, mussel & whelk sector: look at a smaller levy increase or a levy increase up to a penny over a period of time and assess the potential impact.
- In relation to other sectors: consider what impact a smaller levy increase would have over a longer period of time.
- Keep modifying the communication messages and make the point of the value proposition

The Chair stated the Executive Team would like the Board to sign-off the levy proposal before the document is shared with the Minister. The Chair noted that there is an opportunity to discuss with the Minister on 6 June 2023.

6 Revised Seafish Framework Document for Board Approval

The draft revised Framework Document is with Defra. The item was not discussed.

7 Seafish Corporate Plan – Next Steps

LG presented the development and contents of the Corporate Plan. The Board welcomed staff's involvement in the CP and AP plans including the inclusion of a photograph from the all-staff conference.

8 West Yorkshire Pension Fund – Exit Valuation and Proposed Approach

KMCl confirmed that the paper covers (1) the funded and (2) the unfunded elements of the pension scheme exit. He further confirmed that an exit valuation had been received yesterday afternoon in respect of the funded part of the scheme, which shows a shortfall of £946k.

ACTION: KMCl said that work would be undertaken to fully consider the possibilities for dealing with the funded and unfunded liabilities, and that proposals would be presented at the May board meeting.

KMCl went on to explain that there remain 2 options for dealing with the **funded** liabilities:

(1) Seafish accept the exit valuation of 946k and settle in with one payment or negotiate with WYPF spreading the settlement over several years, which would incur interest charges.

(2) Or, continue monitoring in a **deferred debt** arrangement, accepting that this would in the near term improve the funding position, but would leave the organisation open to future volatility and administration costs. It was KMCl's opinion that the 1st option (i.e. crystallise and settle the exit debt), would be the likely recommendation.

In terms of the unfunded liabilities, the 2 broad options are laid out in the paper: (1) Buying-out, or buying-in the debt, which would be very cash demanding. Or (2), the least cash demanding option, which would be to continue to meet the obligations as they fall due, via operating a payroll – either in-house or via a 3rd party.

MS looked forward to the proposal to be presented in May, with a series of options and recommendations.

On behalf of the Board, the Chair thanked KMCl for the clear and concise pensions paper.

9 **Draft Annual Plan and Budget Setting 2023/24**

9.1 **Draft annual plan** - This is the first new plan and focuses on what Seafish will deliver over the next 12 months.

9.2 **Corresponding proposed budget** - KMCl stated there is a considerable amount of uncertainty at the present time in relation to pensions exit settlement, and secondly the levy review. As a result it had been important to undertake longer term cash-flow planning with these uncertainties in mind. He referred the Board to the Appendices 1, 2 and 3 containing 5 year outlook scenario's.

- Appendices 1 and 2: both scenario's anticipate the levy reform being successful but with different timing of the new levy rates taking effect
- Appendix 3: this scenario shows the impact if the levy reform does not happen.

In short, the conclusions from this analysis is that it is essential the levy reform takes place if Seafish are to meet the demands of the Corporate Plan.

KMCl pointed to some key figures in the budget paper, explaining current year underspend; proposed budgeted levy revenue of £7.2m, which is flat with current year activity, and pointed to the year on year movements between the current full year forecast and proposed budget, with details again outlined in the paper.

New projects including the Seafood Emissions Profiling Tool, GIS plotting software, and high level of fisheries management activity in the coming year were also highlighted and discussed. The Board supported the Annual Plan and agreed the approval of the budget as presented, subject to clarification of the figure for pension exit funding.

10 **Review of Sector Panels & Advisory Committees – Proposed approach to this Strategic Review approach**

MC referred to the strategic review where one of the actions was to revise and look more closely at the Sector Panels and Advisory Committees including their Terms of Reference (ToRs). After a brief discussion regarding the value of the Sector Panels from an engagement and insight perspective the Board asked MC to take forward further discussions with the Sector Panel Chairs and feed back to the Board in due course. It was noted that the Sector Panel arrangement has served Seafish well to date it would be good practice to take stock in the manner being suggested.

11 **Planning for Northern Ireland Visit**

LG shared a taster video of Kilkeel Harbour and highlighted the Nautilus Centre (base camp) and other businesses on the site that would be visited in May.

The Chair thanked Sally Chamberlain, Harry Wick and Lynn Gilmore for all their work on pulling together the trip and itinerary for the Board.

12 **Management Report**

MC provided the Board with a synopsis of Seafish work since the last Board meeting in November 2022. It was noted that Rachel Muckle, Deputy Director, Marine & Fisheries, has asked to attend Seafish Board meetings which is standard practice in other Defra ALBs.

12.1 **Performance Dashboards** - The Dashboards were noted.

12.2 **HR Dashboard** - The Board were updated on HR and matters relating the recent pension consultation.

13 **Digital Transformation – Proposal to end the DT Board**

At the Digital Transformation (DT) Board's meeting on 1 March 2023, the committee recommended that the DT Board is no longer required, and meetings would cease from 31 March 2023. The Board acknowledged the IT systems are in a healthier place and approved the recommendation to close the DT Board at this time. The Audit & Risk Committee will monitor IT and digital progress, performance, and risk on a quarterly basis. The Board thanked Mark Raeburn, IT Manager for his engagement and training impacts on the IT Team.

14 **Financial Position: Year to Date**

The financial position paper was presented as read, with reference to the earlier discussion on the budget paper which in part covered the current year to date activity contained in this paper.

15 **Risk Appetite Statement for review/adoption**

The initial draft was received by the Audit & Risk Committee with their comments and observations included in the revised draft. The Board were asked to review the final revised draft Risk Appetite Statement and decide to adopt it formally for inclusion in the Seafish Risk Strategy. The Board agreed to remove 'averse' from the Risk Appetite table and to nuance the wording and then the Board would adopt the document with those alterations.

16 **Chairs Report**

The Chair updated the Board on his activities since the last Board meeting.

It was noted that several Board members will be ending their non-executive roles at the same time. The campaign for new recruits starts in Autumn 2023.

17 **ARC, RemCom Committees and Sector Panel Insights Minutes**

17.1 **ARC, RemCom Minutes** - The Board accepted the minutes from the ARC and RemCom meetings as true records.

17.2 **Sector Panel Minutes** - The minutes were provided for reference.

18 **Forward Plan**

MC to include annual obligations to the Forward Plan. The Board would welcome staff and stakeholders to future meetings.

19 AOB

TP confirmed his resignation from the Seafish Board and as Supply Chain and Consumer Sector Panel Chair. The Chair thanked TP for his time and support on the Board and as Panel Chair.

The Board congratulated Stuart Caborn in his new role at Diageo.

MC informed the Board at future meetings, Jo Walsh would be taking the minutes in her new governance role and LC would be attending the board meetings in an organisational role.

20 Dates for 2022 Board Meetings

23/24/25 May 2023 – Northern Ireland

26/27 September – Edinburgh

21/22 November – London

21 Close

The Chair thanked the Board for their attendance, continued support and wished all a safe and onward journey. The meeting ended at 2.15pm.