

**SEAFISH INDUSTRY AUTHORITY  
Minutes of Board Meeting  
Held on Tuesday 07<sup>th</sup> March 2017  
At Seafish Edinburgh Office**

- Present:** Brian Young (BY), Acting Chair  
Alison Austin (AA)  
Clare Dodgson (CD)  
Peter Hajipieris (PH)  
Mike Park (MP)  
Stephen Parry (SP)  
Jonathan Shepherd (JS)  
James Wilson (JW)
- Executive:** Marcus Coleman (MC), CEO  
Janice Anderson (JA), Business Services Director  
Mel Groundsell (MG), Corporate Relations Director
- In attendance:** Chris Lamb (CL) (Panel Chair – Supply Chain and Consumers)  
John Goodlad (JG) (Panel Chair – Domestic and Exports)  
Jon Parker (JP) (Panel Chair – Imports and Processors)
- Minutes:** Phillip Quirie, Executive Assistant to Mel Groundsell

## WELCOME

### **1 Welcome and Apologies**

The Acting Chair welcomed everyone to the meeting.

There were no apologies.

### **2 Declarations of Interest**

JS declared he is on the board for the Scottish Aquaculture Innovation Centre. He is a trustee of the Fisherman's Mission and also a Consultant for the International Fish Meal and Fish Oil Organisation.

MP also brought up that he is CEO of one of the primary organisations that will be using the RFS and asked whether this presents a conflict of interest. BY felt this did not represent a conflict, and welcomed MP's perspective during RFS discussions, and the rest of the Board agreed.

### **3 Minutes From Previous Meeting**

#### **(i) 07<sup>th</sup> December 2016**

BY ran through the minutes, ensuring the Board are happy with each page. PH asked about the omission of the Icelandic RFS pilot scheme, which was previously discussed. MC pointed out that particular discussion took place during the September meeting. The minutes were approved and signed off by BY accordingly.

## **(ii) Action Tracker**

The Board reviewed the action tracker. SP raised the status of action point 12 (FIS funding), explaining that he and JG will write a paper to submit to the Board in advance of the next Board meeting for consideration potential inclusion on the agenda.

## **STRATEGY AND PLANNING**

### **1 Financial Planning for 2017/2018**

#### **Levy Trend Update**

JA introduced the papers by beginning with an update on levy trends, saying levy is coming in well and we're well up on budget. The landings obligation and Brexit (specifically the falling value of the pound; and a possible shortage of labour) were highlighted as the most significant factors affecting potential levy income in the near future with the loss of EMFF grant funding and changes to the UK fishing areas having an impact two years after Article 50 is triggered. JA acknowledged these cannot be quantified at this stage.

JG offered the suggestion of monitoring the pelagic landing condition. At the last election, the SNP pledged that a condition encouraging pelagic landings for processing in Scotland would be put in place. Fergus Ewing is now well into the process of ensuring this pledge is realised on an individual vessel basis. The aim of the condition is to have each vessel landing at least 50% of their pelagic catch for Scottish processing, resulting in an accumulative total of well over 50% of all pelagic species being landed in Scotland for Scottish processing. Consequently, this could have significant positive effect on levy.

This sparked a discussion about other political factors which could affect Seafish levy. JW mentioned the recent budget cuts by the Donald Trump Administration, in particular the NOAA (the National Oceanic and Atmospheric Administration) budget cut, and PH was keen to suggest a link-up between the UK Seafood Alliance and Seafish in relation to the Brexit report currently being drafted. The overall agreement was that Seafish is to regularly review the political and economic landscape to identify any potential impacts on levy income.

#### **Draft Seafish Budget 2017/18**

JA presented the draft annual budget, demonstrated how it links into the Corporate Plan, and explained the position of the pension liability and how it is subject to fluctuations out-with Seafish control. The budget format was discussed and it was agreed that when the revised budget is presented to the Board in May 2017, that the mitigating actions to increase the reserves be noted, along with one off expenditure approvals out of reserves. The Board discussed budgets and spend, agreeing that a certain fiscal flexibility needs to be maintained due to the ever-changing nature of the industry and economy. BY assured that Executive that it wasn't the actual spend the Board were scrutinising, as the Board approved each fiscal decision.

Two capital expenditure requests were then presented to the Board by JA:

- Replacement of IT hardware, chiefly PCs and laptops: it was proposed that these would be replaced over a staggered period of six months at an estimated cost of £120k. A discussion took place on the merits of evolving our technology, and the Board agreed to the expenditure request.
- New software for the Kingfisher Bulletin service (which informs fishermen of potentially conflicting offshore operations and hazards): it was highlighted that no investment had been made in 25 years, and the current system was struggling to be fit for purpose. The Board agreed to the £75k expenditure request.

### **Draft Seafish Annual Plan 2017/18**

MG provided an introduction to the draft Annual Plan and the supporting comms plan. A delivery report will be published shortly after the Annual Plan, and MG highlighted the importance of the delivery report to show return on levy. The Board widely commended the draft plan, but with the recommendation that there is a rebalancing of images to ensure each sector of the industry is represented equally. Furthermore, MP made the point that the explicit mention of particular industry organisations whilst others go entirely unmentioned could perhaps be detrimental. PH suggested the inclusion of a stakeholder map or matrix could be a useful solution. The Board concluded that the Seafish Executive should ensure appropriate management of the Brussels insight work in the run up to EU exit.

**Action Point: MG to consider the inclusion of a stakeholder map in the Annual Plan 2017/18.**

**Action Point: MG to remove the explicit reference to individual trade bodies in the body of the Plan.**

## **2 Determining Future RFS Direction**

### **RFS Policy & Procedures Manual for Seafish Board**

MC began by inviting discussion on the ratification of the policy and procedures manual. It was suggested by both PH and JG that a clear message outlining that the scheme is B2B would be enormously helpful. MC asked the Board that if this message was conveyed clearly in the manual if they would then ratify the document, to which the Board agreed.

**Action Point: Exec to ensure the B2B aspect of the scheme is clearly conveyed in the manual.**

The discussion continued and the following statement was devised and agreed by the Board:

*At its meeting of 7<sup>th</sup> March 2017, the Seafish Board confirmed its goal to make the Responsible Fishing Scheme (RFS) a globally recognised third party verification scheme for socially responsible fishing.*

*The Board confirmed its commitment to achieving that goal by supporting the recommendations agreed by the RFS Oversight Board on 14<sup>th</sup> February 2017, and by setting out a clear road map for delivery on an international stage.*

*Those recommendations include the internationalisation of RFS through a number of pilot schemes, which will operate within a defined framework and act as demonstrator projects to highlight the benefits, challenges, or otherwise of the scheme's current five core principles in other nations/regions.*

*It was agreed that a fully representative International Working Group will be the vehicle for running the pilots, in parallel with the RFS Oversight Board, and within a clearly defined and managed framework.*

*While work to progress the international pilots will now pick up pace, it is key to remember that in terms of the UK fleet, it is business as usual. Seafish will continue to roll out the RFS in its current form in the UK and promote its new support materials. The RFS Technical Committee will review the RFS audit processes and work through industry feedback, to ensure the audit process is as smooth as possible for the domestic fleet.*

*Key message for Board/staff:*

- *RFS UK continues apace.*
- *RFS international roll out being considered through a number of balanced pilots representing three supply chains and not just one country.*
- *A decision on how to roll out thereafter based on that learning.*
- *RFS international rollout, and potentially v2 (without element 4 & 5) may be considered at that point, after the five elements have been tested and better understood.*
- *Throughout this process, Seafish will remain the standard holder.*

### **3 Seafish Corporate Planning for 2018-21**

A progress update was introduced briefly by MC, and he explained a recent costing exercise carried out by the Seafish team heads which revolved around work prioritisation, value for money, and cost versus benefit. This exercise is to be presented at the forthcoming sector panel meetings.

MC then went in to further detail about sector panel administration and the costs involved, which has prompted the forthcoming sector panel effectiveness review. This initiated a wider discussion about the structure of the panels, the recruitment process, attendance, and general enthusiasm of panel members. It is agreed by all three present panel chairs that the structure of the panels, expectations, responsibilities, and recruitment process needs to be tightened up and formalised.

The Seafish Board noted the effectiveness review has commenced.

### **4 Scotland Proposal Update**

JA provided a recap of the meeting she and MC had with Mike Palmer and Jim Watson last August, and provided a summary of the communication that had taken place since that meeting. JA tabled a document outlining the draft principles of the proposed Scottish Advisory Committee, and briefly addressed each of the points. Clarification was provided on the structure of the existing regional advisory committees and how they relate to—and differ from—the industry sector panels, which pushed the discussion on to measurability of the regional deliverables against the Corporate Plan. MC explained the KPIs are measured on a regional level, which then flows back in to centralised KPIs, and in turn this is demonstrated in Seafish delivery reports.

It was recognised that great progress had been made in coming to an agreement on this structure with the four Administrations.

MC finished by commenting that a Scottish Advisory Committee will be a good opportunity to engage stakeholders and potentially assist industry at a local Scottish level, which has arguably been lacking historically.

## **OPERATIONS AND GOVERNANCE**

### **1 Acting Chair's Report**

Board succession was the primary focus of the discussion, as five current Board members are due to retire on 31<sup>st</sup> March 2017. BY confirmed the following extensions (all subject to acceptance by the individual):

- Stephen Parry – six months
- James Wilson – six months
- Mike Park – twelve months
- Peter Hajipieris – three years
- Clare Dodgson – three years

The Board then unanimously endorsed BY's application to continue as Chair, and the continuity this would provide.

### **2 CEO Report**

MC supplied a brief synopsis of the paper, and was keen to highlight the recruitment of a Stakeholder Engagement Manager, and how that ties in with our fish and chips campaign in particular. MC also provided a progress update on the Brexit report currently being worked on, and briefly explained the new structure of the Executive team and the associated recruitment process. MC finished by inviting the room to quickly review the operational dashboards and delivery reports for comment.

JW raised the topic of the Brussels-based EU Stakeholder Manager role, and how effective and worthwhile the role is. The role currently provides a weekly update of Brussels activity, yet some of the Board fail to receive this update.



**Action Point: MG to ensure all Board members are added to the distribution list for the weekly EU update.**

### **Seafood 2040**

AA provided a background to the Seafood 2040 group, explaining its place as a ministerially appointed industry expert group as part of the government's long term seafood consumption plan. AA used the opportunity to thank Seafish for its input and expertise.

### **3 Risk Register Update**

JA reminded everyone that a Brexit risk register was established and included in the previous Board meeting. Further to this, she explained the inclusion of an RFS Newco risk register in this update. JA briefly ran through each of the risk registers, and asked the Board to review the risks and identify any they feel may have been overlooked. JA then rounded up by referencing the risk management strategy to illustrate how the risks are scored.

### **4 Committee Updates**

#### **Audit and Risk Committee**

As the latest ARC meeting was the previous week, SP explained that no formal minutes have been circulated. Without going into too much detail, SP's summary of the meeting included:

- That the outcome of the recent internal audit was very encouraging.
- That the committee discussed at length the valuation of the pension fund.
- That the importance of an organisation-wide IS update is recognised.

SP then invited MC to briefly explain the assurance map, with ARC having reviewed the first draft. The purpose of this was to give an overview of the various activities and set out the internal and external assurance that was in place to ensure that any associated operational risks were mitigated, and detail areas of improvement. Each activity was RAG rated and so a clear picture could be seen at a glance. The draft map had demonstrated that there was substantial assurance over most areas, with a small number of planned improvements.

BY deepened the discussion about the pension liability, explaining that it has been as high as £14m, and as low as £4m. These fluctuations can be down to a variety of factors, and BY and JA have agreed to seek further advice from an independent pension advisor.

#### **Remuneration Committee**

CD offered a brief insight into the topics discussed at the recent committee meeting, with Times 100 and the restructuring and recruitment of the Executive team being of particular focus. Phase two of the pay review is in the committee's sights, and CD also mentioned an effectiveness review of the RemCom is to be undertaken in the near future.

## 5 Forward Plan

BY confirmed the next Board meeting in May will be located in Whitby. MC stressed that it will be a busy and interesting few days, with many stakeholders to visit, and felt it would be worthwhile to invite each Head of Team to present on their areas of work, helping to provide further context and colour to any engagement with industry. A visit to Whitby Seafoods has also been arranged.

BY brought up the previously tabled idea of including a thirty minute slot at each Board meeting for a Seafish Head of Team to present to the Board an update on the various workstreams they are involved in, which is an idea warmly received by the Board.

MC also posted the idea of beginning a process of visiting key levy payers in Grimsby on a more frequent basis. Ironically, this seems to be an area of industry engagement Seafish has recently neglected, and MC is keen to begin this process when the Board next meet in Grimsby, which is a suggestion commended by the Board.

## 6 AOB

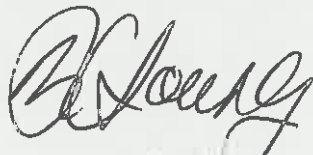
JA raised recent health and safety issues in the Grimsby office, which have been caused by food processing carried out by a new tenant in the building. Eye, skin, and respiratory problems have been reported by Grimsby staff, and JA sought Board support to put pressure on the landlords to look into the issue, which the Board duly provided.

## 7 Date of Next Meeting

The next Board meeting will take place on Tuesday 23<sup>rd</sup>, Wednesday 24<sup>th</sup>, and Thursday 25<sup>th</sup> May 2017 in Whitby.

The meeting closed at 14:45

Signed:



Date:

28/01/17

