

The Sea Fish Industry Authority

A discussion with industry

October 2011



Llywodraeth Cymru
Welsh Government



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Rural Development**

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Ministerial Foreword



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Both Seafish and the industry it has a statutory duty to serve have changed considerably over recent years. Recent elections in all four Administrations within the UK, as well as the new UK Government priorities have also changed the context in which Seafish operates. In addition, the UK Government is taking forward public bodies reforms to improve accountability and transparency. More specifically to fisheries policy, further significant change is on the horizon, for example through reform of the EU Common Fisheries Policy and continuing changes in consumer demands.

June 2011 saw the successful conclusion of the lengthy legal challenge to Seafish and the restoration in full of its levy raising powers. With this behind us, the lessons learned and developments since then mean that now is an appropriate time to take stock of the organisation and its future.

This discussion paper is part of a wider emphasis on engaging more closely and collaboratively with industry to improve outcomes and to inform how Seafish should respond to the change around it. To do this effectively, Seafish needs Government and industry involvement.

We want a mature and open debate with the sea food industry and interested parties. This will involve tackling some difficult issues. The broad statutory duty of Seafish and the diversity of the industry it has to serve will mean it will be challenging for all to develop Seafish in a way which pleases everyone.

Following the discussion, Ministers will consider whether or not any changes are needed, how best to implement them and over what timeframe. The results of this discussion will be launched at an industry event in February 2012¹. As well as written responses² we are keen to engage through a series of workshops planned across the country³. We hope that you can attend one of them.

We look forward to hearing your views.

¹ See section 7 for information

² A summary of the questions asked is in annex A

³ For the programme, see section 7

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1. The context for this discussion

In December 2009 the Fisheries Administrations commissioned Peter Cleasby to conduct a review of Seafish⁴. This was part of the programme of regular reviews of Non Departmental Public Bodies (NDPBs) which ensure they are acting appropriately, have sound governance and are fulfilling the role for which they were established.

This review of Seafish was conducted in a compressed timescale in order to feed into and inform the then UK Government's Public Value Programme. This time constraint meant that it did not include the normal level of engagement with the industry, although limited, targeted engagement was carried out.

At the time of the review, the power of Seafish to raise a levy on imported seafood was subject to legal challenge. The Court of Appeal handed down their judgment against Seafish's levy raising powers in 2010, days after the finalisation of the review. Given the uncertainties the judgment created about the future of Seafish, the review was neither published at the time nor was a Government response prepared.

In June 2011 the Supreme Court unanimously overturned the Court of Appeal's judgment, restoring in full Seafish's levy raising powers.

As the Cleasby Review recognises, Seafish has reformed itself significantly in the last few years – engaging industry more effectively, changing priorities and the way it delivers its activities. However, there remain some areas which need to be addressed and where Seafish cannot act alone.

This discussion occurs at a midway point between the Cleasby Review and the first "Triennial Review" of Seafish (the Cabinet Office has introduced new requirements for all NDPBs to be reviewed every three years) which is expected to take place in 2014 although the timetable is yet to be confirmed. It is intended that any short-term changes made as a result of this discussion are implemented for the start of the 2012/13 financial year, allowing them to bed in over a two-year period before the Triennial Review. Other changes may take longer and require primary legislation (through amendment of the Fisheries Act 1981). The triennial review would consider the context and the evidence collected as part of this discussion.

This discussion will address key themes identified in the Cleasby Review and help frame the Government's response to the review:

- The role and purpose of Seafish
Seafish, its levy-payers, the wider sea food industry, Government and other interested parties should be clear about and agree what Seafish is for, the

⁴ Published on 2 September (<http://www.defra.gov.uk/environment/marine/www/seafish/>)

outcomes it is to deliver and how it is going to do so. It should also be clear what Seafish is not going to do;

- The funding of Seafish
Seafish should ensure that it delivers value for the public money it collects and spends on behalf of the sea fish industry;
- The organisational structure of Seafish
Seafish should deliver its statutory duty in the most effective, transparent and efficient manner making the best use of levy money and resources;
- Accountability for Seafish
Government, the Board and the industry should be clear about their responsibilities and accountabilities.
- The longer-term future
There should be greater clarity about the longer-term future and whether changes should be made to the Fisheries Act 1981.

2. The rationale for Seafish

2.1. The Sea Fish Industry Authority

Seafish (the Sea Fish Industry Authority) was established by the Fisheries Act 1981:

“for the purpose of promoting the efficiency of the sea fish industry and so as to serve the interests of that industry as a whole”

Accordingly, Seafish serves a broad range of stakeholders with a diverse range of activities and views⁵. This can create tensions, particularly as not all of the industry it is required to serve actually pay directly the levy directly, given that it is collected at the first point of sale⁶.

Seafish at present delivers a wide range of activities aimed at improving long term sustainability of the seafood industry, including economic, environmental and social sustainability. Activities encompass provision of information on issues such as sustainable sourcing, promotion of the health benefits of seafood and support for training, particularly for fishermen. It uses levy receipts of approximately £8m to provide benefit for a sea fish industry worth £6bn.

2.2. Purpose

The statutory duty of Seafish is to promote the efficiency of the sea fish industry so as to serve the interests of that industry as a whole, whilst also having regard to the interests of consumers.

Seafish’s mission is *securing a sustainable and profitable future for the UK seafood industry* and to be ‘the authority on seafood’. This is a clear expression of the desire of Seafish to be the independent, respected point source of reference for consumers, industry and Government on all issues related to the seafood industry⁷, reflecting the views expressed by industry on Seafish’s 2010-2013 Plan.

2.3. The need for a statutory body

Seafish was set up to help bring together a fragmented supply chain of sectors and businesses; a classic “market failure” situation which the Cleasby Review⁸ recognises still exists to an extent today. As an organisation which collects a statutory levy, Seafish is necessarily a Non Departmental Public Body (NDPB) established by and accountable to Parliament and Ministers from the four fisheries administrations.

⁵ Paragraph 1.4 of the Cleasby Review refers

⁶ Paragraph 4.2 of the Cleasby Review refers

⁷ NB: Non Departmental Public Bodies must not lobby the Government

⁸ Paragraphs 7.4 to 7.7

Seafish’s discussions with the industry and the evidence in the Cleasby review have shown there is recognition that an organisation like Seafish is useful for addressing pan-sectoral issues through initiatives which deliver benefit across the broad seafood industry. Examples include being an authoritative independent source of information for the consumer, government and industry, providing accurate data and analysis to aid transparent decision making across the supply chain, establishing industry-wide minimum standards on issues such as safety and labelling, and encouraging pan-industry approaches to make fish supply chains more sustainable and profitable.

The challenge for Seafish is to enable the industry to take action to address these issues on a collective basis where individual businesses would not see benefit from acting independently. The statutory levy is the funding mechanism designed to ensure that all businesses contribute to the investment required to take collective action across the supply chain. This also means that it would be unrealistic to expect all levy-payers to support Seafish in everything it does – the levy is, after all, a para-fiscal tax.

It is important that Seafish works only in those areas where its status as a statutory body offers a unique position and advantage to industry, policy makers and consumers, so that the levy is used to best advantage and duplication of roles performed by other bodies is avoided. Seafish, as a statutory levy body funded by the industry, for the industry, can be independent of both Government and the industry and provide informed, independently sourced information to industry, government and the consumer.

One of the questions Seafish has faced and will continue to face is the extent to which it should seek to assist in the delivery of Government priorities⁹.

1. Do you think the industry continues to need a body such as Seafish?

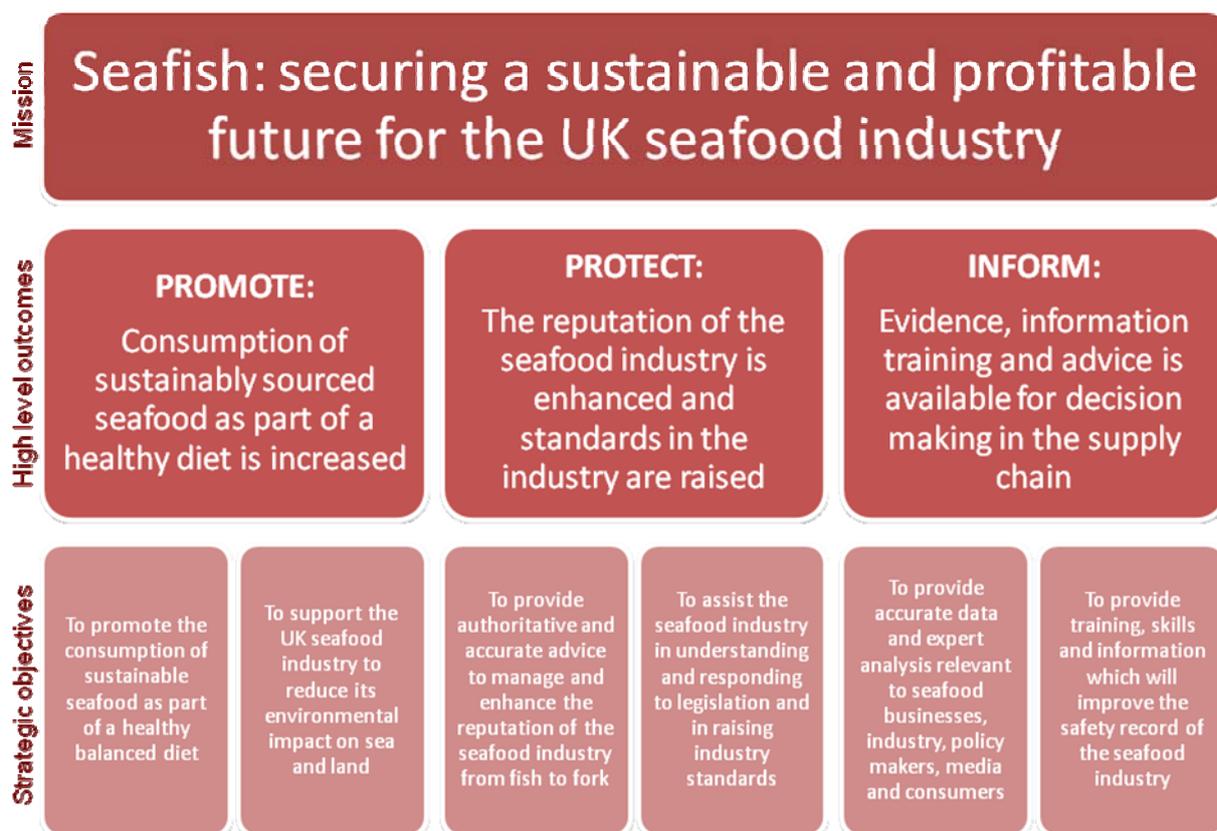
2. If you do think such an organisation is still required;
a. should it work to help deliver Government objectives as well as industry priorities? and
b. should it position itself as “the authority on seafood” on behalf of the industry?

⁹ Paragraphs 6.6 to 6.9 of the Cleasby Review

3. Seafish’s strategic approach

3.1. Seafish’s outcomes and objectives

The purpose outlined in section 2.1 for Seafish should underpin the outcomes the organisation is aiming to achieve. The broad statutory duty gives Seafish a diverse range of industry stakeholders. In 2009, a consultation with all sectors helped to identify the desirable outcomes that should define Seafish activities between 2010 and 2013. These have been refined since and are encapsulated in the following diagram:



This diagram summaries the three key workstreams which Seafish identified in consultation with its levy payers in 2009/2010.

- **PROMOTE:** Focussing on the public health agenda and the government recommendation of eating two portions of seafood a week, this contributes to Seafish’s statutory role by delivering economic benefits to industry whilst also addressing the issue of sustainability for the long term.
- **PROTECT:** Managing the industry reputation, provision of information to consumers and the establishment of pan-industry standards contribute to Seafish’s statutory role by bringing economic benefits, improving efficiency and having regards to consumer needs.

- **INFORM:** Informing industry, government and consumers by providing evidence and authoritative advice, and developing skills to raise industry standards. This addresses Seafish’s statutory role by enabling access to better information to inform decision-making by all businesses involved in the sea fish industry.

These objectives are delivered through the following workstreams: Consumers, Environment, Information, Standards, Regulation, Safety and programmes addressing local needs across and within the four UK Administrations. In addition, Seafish runs an Industry Project Fund that provides funding to research and development partnership projects and grant assistance for innovative ideas through an application and rigorous selection process¹⁰.

More detailed objectives including the work programmes that Seafish is currently undertaking are available on the Seafish website¹¹.

3a. Do you agree with these outcomes, strategic objectives and workstreams for Seafish?

b. Are there objectives or outcomes which you would like to see included?

4. Should strategic objectives continue to be set at UK level or should priorities be set on a on a sectoral basis or across the four UK Administrations?

3.2. 2010/11 activities

Seafish’s first industry-led, three-year plan significantly shifted the focus of the organisation towards responsible sourcing and sustainability. The current plan, covering the period 2010 -2013, prioritises the areas of promotion, protection and information.

Seafish’s income was significantly reduced following the Appeal Court’s judgment in March 2010. Working within this constraint, the organisation delivered the following achievements:

- Provision of insight and assistance on issues to industry, Government and NGOs. Cross sector requests have covered fish and fishing related topics as

¹⁰ <http://www.seafish.org/processors/business-support/industry-project-fund>

¹¹ <http://www.seafish.org/about-seafish/our-achievements>

well as issues from consumers and retailers. Seafish's communication team successfully influenced the Channel 4 "Fish Week" which aired in January 2011. The data and insight provided by Seafish meant the production team acknowledged the complexity of the issues facing the industry. Seafish also kept industry briefed and updated throughout the "Fish Week" which was well received by industry representatives.

- Continuation of a range of industry dialogue groups (e.g. the Common Language Group, Discard Action Group, Aquaculture Common Issues Group and Legislation Expert Groups). Additionally, key issue specific groups were established for scallops and skates and rays. These groups are well attended from a wide range of industry, NGO and Government organisations. They are led by industry and coordinated by Seafish.
- A fundamental review of the Responsible Fishing Scheme. Launched in 2006 this scheme is engaged with over 600 vessels. The review proposed that the standard on which the scheme operates will become a Seafish standard and that it will seek to increase the commitment of the sector to collecting data on behalf of the science sector.

3.3. The way Seafish works

As Section 2 of the Cleasby Review details, the context in which Seafish operates has changed since it was established. In response to this, over the last eight years Seafish has carried out radical and fundamental change to its operations, including significantly reducing its fixed costs by:

- Moving to competitive tenders to contract services (e.g. flume tank) to improve flexibility of directing resources towards activities that are industry-led and appropriate to a changing marketplace;
- Rationalising the structure to move away from overlarge offices to modern rented accommodation in Grimsby and seeking to reduce office space in Edinburgh by two thirds;
- Restructuring the Seafish workforce including reducing overall staffing levels from 130 to 65, with ten of these posts being routinely funded from sources outside the levy (such as grants) and Marine Services now being cost neutral to Seafish; and
- Creating less rigid, more flexible, multi-skilled teams with appropriate abilities to deliver projects.

These actions have allowed Seafish to allocate a greater proportion of funding to projects and industry-directed activities than 10 years ago whilst maintaining the levy at the same rate in cash terms since 1999; a significant reduction in real terms.

Another clear change has been the increased involvement by industry in prioritisation of Seafish's activity programme. Seafish's priorities and activities are developed through consultation with the sea food industry. Priority areas are identified by the network of "open source" and "issue" groups established by Seafish (e.g. the Common Language Group, Discard Action Group etc) and by periodic formal industry consultations (e.g. on the three year plans). All resultant projects and services, whether proposed by industry or by Seafish, go through a rigorous evaluation process¹². The Board has the final decision on what activities are progressed, considering the highest scored projects against available resources. Further information on this process can be found on the Seafish website¹³.

On top of the levy, Seafish continues to secure approximately £2m per annum of additional funding from commercial, grant and other sources, which is used to the benefit of the industry. Further details on the response of Seafish to the changing industry context are in Section 3 of the Cleasby Review.

5. Do you think Seafish has an effective engagement strategy with industry to define its activities and priorities?

6. Do you find the range of activities undertaken by Seafish useful (bearing in mind they might not all be relevant to you)?

¹² Firstly being reviewed by the Seafish Advisory Committees of industry representatives, then scoring by technical evaluation panels

¹³ <http://www.seafish.org/about-seafish/strategic-direction>

4. How much should Seafish invest to achieve its aim?

4.1. Levy Income

In a normal year, Seafish collects approximately £6 million from levy on imports, £2 million from levy on domestic landings and generates an additional £2 million through grant or contract funding.

4.2. Levy status

The Fisheries Act 1981 allows Seafish to collect a statutory levy. The Supreme Court has clarified that the statutory levy supporting Seafish is, and always has been, legal.

As set out in section 3, Seafish was set up to be funded by a statutory levy to ensure that the cost of tackling market failure in supply chains is born across the whole industry. The options for how this organisation is funded are explored in the table below. Any change to the status quo would require amendment of the Fisheries Act 1981 and is therefore not something that is likely to be achieved in the short term.

Funding type	Pros	Cons
Levy funded (status quo)	<ul style="list-style-type: none"> - Everyone pays set rate, everyone benefits: avoids “free riders”¹⁴ - Cost of levy is factored into price of fish through supply chain via consistent point of collection¹⁵ - Duty to benefit the industry as a whole - Government retains accountability for levies (i.e. Ministerial approval needed to raise rates) - Established track record 	<ul style="list-style-type: none"> - Those who pay may not perceive that they /wish to receive the benefit or - NDPB status places significant demands on Seafish which can deflect resources from delivery - Links to Govt. may hamper response to fast changing demands of industry - Some businesses see levy as a bureaucratic hindrance
Voluntary levy	<ul style="list-style-type: none"> - Only those who wish to pay do so, on basis that investment should only be made where investors are convinced of value of voluntarily investing - Body would not be an NDPB and so it entirely answerable to those who pay for it 	<ul style="list-style-type: none"> - Free-riders could benefit from activities despite not contributing - Loses “independent” status - Voluntary levy would break up the current Seafish levy - likely to lead to a reduction in income and less money available

¹⁴ Free-riders are defined as people or groups who do not pay for a service, but who nevertheless benefit from it

¹⁵ Although the levy is paid by certain businesses and not all, the payment at first hand sale actually acts as a point of collection with the cost of the levy being factored into the price of fish throughout the supply chain.

Funding type	Pros	Cons
	<ul style="list-style-type: none"> - Allows other sectors to contribute where they see value in Seafish's work (e.g. salmon) - Incentivises body to be responsive to needs of investors 	<ul style="list-style-type: none"> - Protracted process to dismantle, and resolve assets and liabilities - Potential to lose its pan-sectoral coverage - Potential difficulties in establishing what exactly is required and who would define/direct needs of the sector
Mixed: lower statutory levy with voluntary top up	<ul style="list-style-type: none"> - Those who value more highly Seafish's work can pay extra to receive more benefit - Allows other sectors to contribute where they see value in Seafish's work (e.g. salmon) 	<ul style="list-style-type: none"> - Free-riders benefit from activities despite not contributing - Accountability becomes more blurred with potential difficulties in establishing what exactly is required and how industry needs are weighted

7. In your view should the levy - at whatever level - remain statutory, or should it be changed in any of the ways outlined?

4.3. Overall balance of investment

How much should Seafish invest in the industry to realise its aim? This section considers the amount of levy raised and how it is invested as part of a longer term vision for Seafish.

The significant reduction in Seafish's income during the recent legal action showed that Seafish is able to cut its cloth according to its income and the organisation continued to develop benefit on a levy income of £2m. Inevitably though, the less Seafish invests, the lower the return to the industry.

In some of the recent engagement with industry, the view has been expressed that the amount of levy paid is of secondary importance. For some, the more important question is how the levy is used. Seafish themselves acknowledge that despite the efforts made to date, there is more to do to ensure the levy is spent more effectively and on the priorities wanted by industry in its broadest sense.

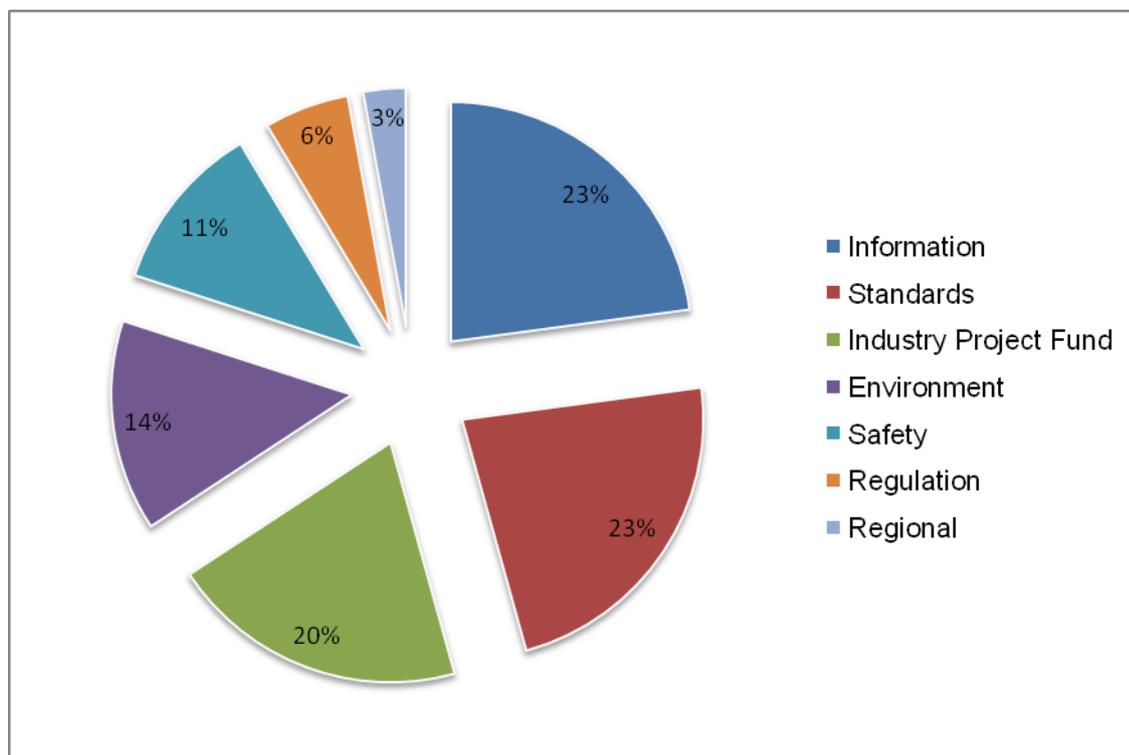
On the other hand, a reduced levy might provide the necessary stimulus for a more focused approach clearly identifying the key priorities for action and reducing possible overlap with the work of others. Although Seafish continues to look at reducing

overhead costs¹⁶, there is a limit to the savings this can bring. A real change in Seafish’s investment could be achieved by taking the following approaches:

1. “Salami slice” – i.e. reduce the spend in all areas relatively proportionately;
2. Re-prioritise or re-allocate the funding that Seafish currently has; or
3. Stop doing some activities (or start doing different activities instead of current ones), prioritising those activities that deliver the highest benefits for levy money spent.

Another alternative is that Seafish’s income should be increased although this is not covered in detail here.

The pie chart below shows how current investment is distributed across Seafish’s key activities. The activities relate to the six strategic objectives identified in section 3.1 as well as specific investment in regional engagement and the Industry Project Fund.



All three scenarios for changing Seafish’s level of investment would impact on the value of benefits received by the industry for Seafish’s work. An example of how each of the three scenarios would affect investment across Seafish’s priority areas has been summarised below with a more detailed model in Annex B. The proposed

¹⁶ As has been detailed in section 3, Seafish has already considerably cut staff numbers over the last few years, to a very lean structure of core expertise. Seafish is also in the process of selling its Edinburgh office in favour of smaller, more flexible office space to reduce overheads further.

changes to investment in each of the examples are illustrative in order to demonstrate the effect that each scenario would have.

Under scenario 1, benefits would reduce across all workstreams proportionately, but the overall balance of investment would remain the same.

In scenario 2, Seafish would look to remove resources from certain themes such as “environment” and “regional” activities (local to each of the Administrations or at regional level within each Administration) in order to focus greater efforts on “consumer” activities where industry have recently asked for greater priority.

In reaching Scenario 3, Seafish have estimated the return on investment per £1 spent in each of the activity areas to help prioritise along value-added lines. Seafish’s analysis shows that safety and regulation deliver the best value for money and therefore spend levels in these areas have been retained at current levels. Conversely, local activity (in each of the four Administrations) and consumer activity deliver least value for money and accordingly the spend levels here have been reduced.

8. Do you think the current distribution of investment across Seafish’s activities is appropriate? If not, how should it change?

4.4. Changing the levy rate

If it was decided that the levy rate should remain statutory but be altered from its current rate, this could be operated in a number of ways which are considered below. Changes to the levy rates could be relatively straightforward to achieve (and there is an argument that levy rates should perhaps be considered every three years, to tie in with Seafish’s planning cycle), requiring a change in the Sea Fish Industry Authority (Levy) Regulations.

Changes to levy rates would mean changing the Regulations to rebalance the amount of levy raised on each fish. Changes could be made in the following ways:

- a. **Alter all rates proportionately** across all species by a set amount, likely to be a small change to each category – this could be to increase or decrease the rates;
- b. **A cap on levy payments** for the highest paying companies would address the imbalance of the minority of companies paying the majority of the levy, but would erode the principle that all businesses pay at the same percentage rate and it would be difficult to define “companies”;
- c. **Reduce the levy rate on whitefish and shellfish** by one third which would also erode, but not eliminate, the anomaly that pelagic fish are charged at a

lower rate. Conversely, the levy on pelagic fish could be increased to bring it into line with the whitefish and shellfish rate or all three rebalanced to a more equitable middle ground;

- d. **Bring in other species:** Canned and bottled seafood is currently excluded from the levy regulations and exempt from the levy. See section 4.5 for further examples.

Any changes to any levy rates would be subject to a full formal consultation. The responses to this discussion document will help inform whether we hold such a consultation and therefore we are using this opportunity to gauge early opinions.

4.5. Addressing apparent anomalies

The principles behind the levy also contain what may now appear to be anomalies (as a result of changing production and consumption patterns), primarily about the types of fish covered by the levy. As these are generally embedded in the Fisheries Act 1981, they will be more difficult to alter than the Regulations, which govern the levy amount.

On the basis that it is logical to consider seafood as a sector, rather than sea fish alone, there is an argument about including other species currently excluded from the levy in the Fisheries Act 1981, such as fish with any part of their life cycle in freshwater (e.g. popular and growing aquaculture species such as salmon, pangasius, trout and tilapia). This could be seen as being more equitable as the work that Seafish currently carries out on promotions, market data and protecting the industry reputation all benefit the sales of these species. It would also allow Seafish to carry out more work on aquaculture – considered to be a key area for continued growth over the next 5-10 years.

Both the sea fishery and aquaculture industries may wish to give an indication as to how these apparent anomalies could be dealt with in the longer term.

9. Should the range of species to which levy is applied be expanded to include freshwater species such as salmon and pangasius?

10. Do you think there is a need to change the current levy rates?

5. The Seafish organisational structure and governance

At present, Seafish operates two offices and has a number of home-based staff. As explained in section 2, Seafish currently consult industry on Seafish activities and the Seafish Board, comprising industry representatives and independent members, is responsible for signing-off the budget. There are a number of groups across the four Administrations that Seafish contributes towards and the level of influence from central Seafish over their activities is variable.

For example, in Scotland some of Seafish's activities are carried out by Seafood Scotland, which is a separate organisation with its own board. Five staff of Seafood Scotland are employed and fully funded by Seafish and seconded to Seafood Scotland. Seafood Scotland operates a Memorandum of Understanding with Seafish which identifies Seafood Scotland as the key delivery partner for Seafish activities in Scotland under which it undertakes to provide Seafish with advice on Scottish industry priorities consistent with the Seafish three-year plan. The Scottish Government provides some funding towards projects and Seafood Scotland is also able to raise other grant funding in the same way that Seafish does. Seafish inputs to activities by retaining a place on the Board of Seafood Scotland.

There are a number of alternative structures under which Seafish could operate. Five models are summarised in section 5.1 with more detailed models found in Annex C. The first four models could be implemented in the relatively short term, but there are many variations and combinations within these that could be envisaged.

The fifth outlines a more radical model which reflects the aspirations of Ministers in Scotland for Seafish to be dissolved as a pan-UK body and succeeded by fully devolved arrangements. This would see responsibilities for Seafish's functions devolved to the Scottish Government and, where so desired, to the other Administrations. These functions would be funded, where so desired, by raising devolved charges which would replace the current UK-wide levy and be legislated for by the Administrations. Before taking such steps further formal consultation would be required, but we are keen to use this opportunity to hear the views of stakeholders on this question.

Scottish and Northern Irish Ministers have expressed a preference to withdraw from the current legislative arrangements at the earliest opportunity. The Minister in Northern Ireland wishes to develop an alternative strategy to support the wider food industry, including seafood.

If supported, the achievement of these Ministerial aspirations in Scotland and Northern Ireland would require the amendment of the Fisheries Act 1981.

Linked to the structural issues are governance issues. Seafish is accountable to the Government, in this case comprising the four fisheries administrations, and has a duty to serve the industry. In the past, it has not always been clear how the lines of

accountability work between Seafish, the industry and the Government or what the role of each party is in determining Seafish's priorities.

The Coalition Government has introduced refreshed guidance on the corporate governance¹⁷ of Non Departmental Public Bodies (NDPBs) with a focus on transparency and accountability. The corporate governance structures of Seafish need to be revised in the light of this guidance and following this industry discussion in order to give greater clarity about accountability and responsibilities.

The intention is to set out clearly and formally the corporate governance for Seafish through documentation, in line with Cabinet Office guidance for NDPBs, which sets out the core guiding principles covering accountability; roles and responsibilities; effective financial management; communications; and conduct and behaviour. Following this discussion with the industry, a Framework Document will be drafted setting out the aims and functions of Seafish as well as the roles and responsibilities of Ministers, the sponsoring departments, industry and the body. The structure of Seafish will have a fundamental role in defining these responsibilities.

11. Which structural / constitutional model best allows Seafish to meet the objectives and outcomes outlined above, bearing in mind structural / constitutional change will have cost and delivery implications?

¹⁷ As set out in the 2011 *Guidance on Reviews of Non Departmental Public Bodies Annex B*, Corporate Governance is: "the way in which organisations are directed, controlled and led. It defines relationships and the distribution of rights and responsibilities among those who work with and in the organisation, determines the rules and procedures through which the organisation's objectives are set, and provides the means of attaining those objectives and monitoring performance. Importantly, it defines where accountability lies throughout the organisation." http://www.civilservice.gov.uk/Assets/triennial-reviews-guidance-2011_tcm6-38900.pdf

5.1. Illustrative models for Seafish organisational structure

Further detail on each model is included at Annex C.

	1. Centralised	2. Hub and spoke	3. Decentralised	4. Sectoral	5. Devolved
Summary	Prioritises major pan-sectoral issues over those specific to one or other Administrations. Industry engagement at UK level informs Board's decision on priorities and budgets. All work across the four Administrations is funded on a one off, tendered process.	A hub of central expertise with groups in Eng, Scot, Wales and NI delivering local support programmes. Focus on pan-UK, pan-sectoral benefits. Closest to the status quo.	Industry engagement within the four administrations sets priorities for activities in each administration. The budget is allocated either by the Board or according to an agreed formula on an annual basis. Pan UK activities carried out where Board identifies generic themes.	Similar to hub and spoke model but with Seafish investment split along sectoral lines (e.g. catching/domestic and importers/processors). Retains a proportion of spend for pan-industry issues.	Separate levy raising bodies in each Administration wishing to establish devolved arrangements. Structure of each body determined by each administration through engagement with their industry. Would be longer term option as requires amendment of UK legislation.
Governance / Role of the Board	Board determines strategy and budgets and holds Executive to account for delivery. Board includes geographical representation.	Board determines strategy and budgets based on advice from Advisory/Expert Committees and holds Executive to account for delivery. Board has no geographical representation.	Board's responsibility is to ensure Seafish discharges its statutory duty and holds the Executive to account for delivery. Potential role in budget allocation and to determine pan-UK activities where generic themes. Board has no geographical representation.	Board determines strategy and budgets based on advice from Sector/Expert Committees and holds Executive to account for delivery. Board has no geographical representation.	To be decided by each Fishery Administration in consultation with the industry.
Industry involvement in development of priorities	Consultation on 3 Year Plan plus membership of Advisory/Expert committees.	Advisory/Expert Committees advise on priorities and workstreams. Seafish staff form industry groups in each Administration to determine delivery of Seafish initiatives at local level.	Decentralised industry groups in each Administration determine priorities and workstreams submitted to the Board. Board expected to agree priorities so long as they fall within purposes of Fisheries Act 1981.	Sectoral/Expert Committees representing different sectors as well as a broader industry view advise on priorities and workstreams (including pan-industry work).	To be decided by each Fishery Administration in consultation with the industry.

	1. Centralised	2. Hub and spoke	3. Decentralised	4. Sectoral	5. Devolved
Budgeting	Single budget for Seafish determined by the Board based on the priorities identified by advisory committees and expert groups. Annual budget set in context of 3 Year Plan by Board.	Pan-UK/sectoral work balanced with budgets for local work based on Advisory/Expert Committees and applications from groups in each Administration. Annual budget set in context of 3 Year Plan by Board.	Two options: a) Board determines allocation to each Administration on basis of that Administration's priorities; or b) Budget is split according to agreed formula between Administrations. Groups in each Administration determine balance of spend across workstreams.	Budget allocation determined by the Board based on the priorities identified by Sector/Expert Committees. Work benefiting the whole industry funded proportionately by both sectors. Annual budget set in context of 3 Year Plan by Board.	Funding secured from a levy in each Administration where desired. Levy may not remain consistent throughout UK.
Benefits	<ul style="list-style-type: none"> • Some regard concentration on pan-UK, international, and pan-sectoral issues as benefit • Single site location would simplify staff management, improve staff interactions and deliver 	<ul style="list-style-type: none"> • Core of expertise without duplication of resources • Good level of engagement across Administrations • Highly flexible model, able to deploy resources as necessary • Transparency of benefits received at a local level 	<ul style="list-style-type: none"> • More responsive to diverse arms of the industry across the UK • Transparency of benefits received at a local level • Clearer accountability to local industry and fisheries administrations 	<ul style="list-style-type: none"> • Recognises that different sectors may have different priorities. • Transparency of spend distributed in proportion to levy collection. • Sectoral committees allow input from across the industry, but also recognising levy payers 	<ul style="list-style-type: none"> • Devolved bodies are more responsive to the needs of the local industry • Clearer accountability to local industry and local fisheries administrations • Able to maintain clearer lines of communication to local industry and Administrations
Risks	<ul style="list-style-type: none"> • Engagement and activity across Administrations more difficult (although not impossible) • Single office might lead to perception that whole industry not treated equally • Single site leads to loss of key staff and expertise 	<ul style="list-style-type: none"> • Some regard as insufficient local autonomy • Others regard groups in each Administration as a distraction from pan-UK, cross-sectoral, international work 	<ul style="list-style-type: none"> • Autonomy of groups in each Administration distracts from pan-UK, cross-sectoral, international work • Potential disagreement between Board and Administrations over budget allocation, in extremis requiring resolution by the Fisheries Administrations 	<ul style="list-style-type: none"> • Potential disagreement between sectors on work to be joint-funded • Some regard as insufficient autonomy for each Administration 	<ul style="list-style-type: none"> • Loss of economies of scale. Potential duplication of efforts • Reduced ability to carry out priorities best addressed on a pan-UK basis (although not impossible) • Less well-placed to take a pan-UK or global view of the industry

6. The Seafish Board and Board membership

The Cleasby Review noted some potential issues with the composition of the Board¹⁸ and as noted in the previous section, the UK Government's expectations about corporate governance have changed. The Board will have to change, to adapt to any changes to Seafish and to play a stronger role in governance and holding the Executive to account for performance.

As most of the current Board are nearing the end of their appointments, an appointment process will be started towards the end of this year. The Fisheries Administrations have asked John Whitehead to stay on as interim Chair until December 2012 to oversee the process. An appointment process for the Chair's position will start in the second half of 2012.

The Fisheries Act 1981 requires the Fisheries Administrations to consult "organisations representing the sea fish industry" as appropriate on the appointments of the industry members. We are doing so through this consultation.

6.1. Proposed size and composition of the Board

In comparison to other NDPBs of a similar size and with similar turn-over to Seafish, the current Board is relatively large with 12 members as of September 2011.

The Fisheries Act 1981 requires there to be at least 4 independent members, with up to 8 others "appearing to Ministers to represent the interests of the sea fish industry".

Whilst the Act makes clear that the Seafish Board must have a balance between independents and those who represent the interests of the sea fish industry, it is clear that once appointed, the Board must act to uphold Seafish's statutory duty – namely to promote the efficiency of the sea fish industry and to serve the interests of that industry as a whole.

There is an argument that a smaller Board of 7-9 might be more focused and effective and this is the proposal presented in each of the first 4 models in section 5 of this document. A devolved model (model 5) would leave it open to each region to put in place their own Board arrangements. A smaller Board will also mean some savings can be made in remuneration costs.

It is unrealistic, even with a Board of 12, for each part of what is a complex and diverse industry to be represented. Given too, the argument that the Board must act in the interests of the sector as a whole, it ought to be possible to reduce the size of the Board

¹⁸ Paragraph 6.4 and 6.5 of the Cleasby Review

provided there are members that can bring their expertise of the key parts of the industry (catching, processing, importing and possibly retail) to the benefit of all. There is an argument that the Board should also be comprised of people from outside the seafood industry, to bring a broader perspective to its dealings from beyond the industry.

12. Do you think there is a need to reduce the size of the Seafish Board?

The Seafish Board has also, by convention, had at least one member each representing Northern Ireland and Wales, and five appointments each from England and Scotland. The Fisheries Administrations believe that (with perhaps the exception of the centralised model in Section 5) there is no additional benefit to be gained from maintaining this convention because the interests of the industry as a whole should be adequately served by sectoral representatives rather than geographical ones and that this restriction places limitations on the people available for appointments. We therefore propose to abolish the convention for members to have regional representation and instead appoint members on the basis of their merit for the position.

13. Do you agree with the proposal to remove the convention for geographical representation of Board membership?

6.2. The role of the Board

The roles and responsibilities of the Chair and Seafish Board will vary depending on how Seafish is structured in future. However, there are some common elements required of all Board members and Chairs of Non Departmental Public Bodies. An initial description of the broad role of the Board is attached at Annex D.

Appointments to the Seafish Board need to have the appropriate balance of skills, experience, independence and knowledge in order to fulfil their duties as a Board member. In addition, the Government has recently set out a Code of Conduct covering all appointments to public bodies which will apply to all members of the Seafish Board¹⁹.

Roles of Board members should be clearly defined and reflect the skills that individuals will need to bring to the Board. Clear descriptions will help attract the right people to apply for these posts and allow for Board members to be held accountable to their positions. Initial role descriptions for the positions of Chair, Deputy Chair, independent

¹⁹ The Code is published in full here: http://www.civilservice.gov.uk/Assets/code-of-conduct_tcm6-38901.pdf

and ordinary members have been drawn up and are set out in detail at Annex E (although these will need to be refined once it is clear how Seafish is to be structured going forward).

14. Do you have any comments on the role descriptions for the Chair, Deputy Chair and ordinary Board members set out in Annex E?

7. How can I contribute to this debate?

This discussion will be open for responses until 16 November 2011.

7.1. In person – the workshop programme

To ensure that the UK seafood industry has a clear opportunity to contribute to this debate, a range of workshops will be held across the UK covering the themes in this discussion document. These are open events so you can just turn up, but in the interests of housekeeping it would be useful if you can let us know in advance if you plan to attend. Please let Seafish know by emailing: t_jordan@seafish.co.uk

Location	Date	Time	Venue
Cardiff	13 October	0930- 1300	Park Plaza Hotel
Glasgow	18 October	0930- 1300	Erskine Bridge Hotel
Plymouth	18 October	0930- 1300	Legacy International Hotel
Grimsby	19 October	1300- 1630	Innovation Centre
London	20 October	1000- 1230	Fishmongers Hall (before Seafish advisory committee)
Newcastle, Co Down (NI)	25 October	0930- 1300	Burrendale Hotel
Edinburgh	26 October	1000- 1230	Norton House Hotel (before Seafish advisory committee)
Aberdeen	27 October	1300- 1630	Thistle Aberdeen Airport

Further detail on these sessions can be found on the Seafish website at <http://www.seafish.org/about-seafish/october-2011-workshops>

7.2. In writing

Responses to this discussion can be made in writing. If you are a Seafish levy payer, it would be helpful if you could include your Seafish levy number.

Please email your responses to address response to seafish.discussion@defra.gsi.gov.uk

Seafish Discussion
C/o Douglas Stewart
Area 2C Nobel House
17 Smith Square
London
SW1P 3JR

All responses will be shared with all four fisheries administrations and Seafish.

7.3. Analysis of responses

Following the discussion, the four Fisheries Administrations will analyse the views expressed and put decisions to Ministers and the Seafish Board as appropriate. The fisheries administrations will publish their response to the Cleasby Review.

We will summarise all responses and place this summary on Defra's website at <http://www.defra.gov.uk/environment/marine/wwo/seafish/> and on the Marine Scotland website at <http://scotland.gov.uk/About/Directorates/marinescotland>. This summary will include a list of names of organisations that responded but not people's personal names, addresses or other contact details.

Members of the public may ask for a copy of responses under freedom of information legislation. If you do not want your response - including your name, contact details and any other personal information – to be publicly available, please say so clearly in writing when you send your response to the consultation. Please note, if your computer automatically includes a confidentiality disclaimer, this will not be regarded as a valid confidentiality request.

Please explain why you need to keep details confidential. We will take your reasons into account if someone asks for this information under freedom of information legislation. But, because of the law, we cannot promise that we will always be able to keep those details confidential.

If you have any comments about the process or you would like to discuss the document, please contact: seafish.discussion@defra.gsi.gov.uk

7.4. Presentation of findings

The conclusions of this debate will be presented to industry events to be held at Doncaster Racecourse on Wednesday 8 February 2012 and the Waterside Inn, Peterhead on Friday 10 February 2012. More details on this will follow and be available on the Seafish website.

8. Annex A: Summary of discussion questions

We welcome your comments on any aspect of our proposals but it would be helpful if you could focus on the questions we ask in the document. A full list of questions and the chapters in which they appear is set out below. You do not need to answer all of them if you do not wish to.

2. The rationale for Seafish

Question 1: Do you think the industry continues to need a body such as Seafish?

Question 2a: If you do think such an organisation is still required; should it work to help deliver Government objectives as well as industry priorities? and

Question 2b: should it position itself as “the authority on seafood” on behalf of the industry?

3. Seafish’s corporate strategy

Question 3a: Do you agree with these outcomes, strategic objectives and workstreams for Seafish?

Question 3b: Are there objectives or outcomes which you would like to see included?

Question 4: Should strategic objectives continue to be set at UK level or should priorities be set on a on a sectoral basis or across the four Administrations?

Question 5: Do you think Seafish has an effective engagement strategy with industry to define its activities and priorities?

Question 6: Do you find the range of activities undertaken by Seafish useful (bearing in mind they might not all be relevant to you)?

4. How much should Seafish invest to achieve its aim?

Question 7: In your view should the levy - at whatever level - remain statutory, or should it be changed in any of the ways outlined?

Question 8: Do you think the current distribution of investment across Seafish’s activities is appropriate? If not, how should it change?

Question 9: Should the range of species to which levy is applied be expanded to include freshwater species such as salmon and pangasius?

Question 10: Do you think there is a need to change the current levy rates?

5. The Seafish organisational structure and governance

Question 11: Which structural / constitutional model best allows Seafish to meet the objectives and outcomes outlined above, bearing in mind structural / constitutional change will have cost and delivery implications?

6. The Seafish Board and Board membership

Question 12: Do you think there is a need to reduce the size of the Seafish Board?

Question 13: Do you agree with the proposal to remove the convention for geographical representation of Board membership?

Question 14: Do you have any comments on the role descriptions for the Chair, Deputy Chair and ordinary Board members set out in Annex E?

9. Annex B: Levy rate illustrative scenarios

Further detailed breakdown of the scenarios for shifting the overall balance of levy spend as referred to in section 4.3. A reduced income stream has been modelled on the three scenarios set out. The proposed changes to investment in each of the examples are illustrative in order to demonstrate the effect that each scenario would have.

	Current income stream and spend level	Option 1: Salami slice	Option 2: Reallocate	Option 3: Reprioritise based on best value
Levy Income (£m)	8	6	6	6
Other income	2	1	1	1
Staff costs	3	2.8	2.8	2.8
O'heads, location	1	1	1	1
Income less o'heads	6	3.2	3.2	3.2
Info	0.8	0.4	0.3	0.8
Safety	0.4	0.2	0.3	0.4
Environment	0.5	0.3	-	0.5
Regulation	0.2	0.1	0.2	0.2
Standards	0.8	0.4	0.5	0.8
Consumers	2.5	1.3	1.5	0.5
Regional	0.1	0.1	-	-
Activities total	5.3	2.8	2.8	3.2
IPF	0.7	0.4	0.4	0.0
Total Spend	6.0	3.2	3.2	3.2

10. Annex C: Detailed illustrative models

10.1. Model 1: Centralised model

This model decreases regional engagement in favour of addressing major pan-sectoral issues (including issues at home and abroad). This allows a decreased overhead by reducing staff locations. Decisions about Seafish’s priorities will be informed by industry engagement at UK level, with ultimate budgetary decisions taken by the Board.

Location	<ul style="list-style-type: none"> • Staff are located in a single office or are Home Based. • Grimsby location considered, given that Seafish already has an office base there and that it is close to many of the major UK seafood processors. • Alternatively, due to poor transport connections consideration may be given to a more accessible location (e.g. York).
Board and Governance	<ul style="list-style-type: none"> • A non-Executive Board appointed by Ministers has collective responsibility for determining Seafish’s strategic direction, ensuring it discharges its statutory duties, and has effectively engaged the industry and levy-payers. The Board ensures that the body is properly and effectively managed and provides stewardship for the public funds entrusted to the organisation. • Board agrees the 3 Year Plan priorities and measurements and holds the Executive to account for the delivery of the Plan. • Board could be reduced in size to 4 “independent members” and perhaps 5 representing the interests of the industry (see section 6 for further details). • Board members could also reflect geographical interests (as they do by convention now). • The four fisheries administrations will also meet the Seafish executive on an annual basis to discuss priorities and areas of common ground to help inform Seafish’s business planning. Ministerial agreement of the 3 Year Plan would be required.
Executive	<ul style="list-style-type: none"> • A single Chief Executive is responsible for the day to day operation of Seafish. • CEO is accountable to the Board of Seafish for the performance of Seafish and the achievement of its Three Year Plan objectives. • CEO acts as Accounting Officer, responsible to the Principle Accounting Officer (Permanent Secretary) of Defra.
Industry involvement in development of priorities	<ul style="list-style-type: none"> • Industry influences and proposes activities through membership on advisory committees, expert groups and the Seafish Industry Project Fund. • Seafish consults the industry on its 3 Year Plan. • Work requiring activity at a local level is funded by one off projects and subject to a tender process. Seafish does not fund any regional groups.
Budgeting	<ul style="list-style-type: none"> • Concentration on pan-UK, pan-sectoral (which can include issues affecting the international supply chain), high impact activities. • A single budget for the Seafish operation determined by the present system of Advisory Committees and Expert Groups to generate and review proposals for

	<p>projects and service provision.</p> <ul style="list-style-type: none"> • Annual budgets (and potentially the levy) set in the context of a rolling three-year plan generated by industry consultation and agreed by government. • The budget is approved by the Board.
Implementation costs	<ul style="list-style-type: none"> • Costs for closing Edinburgh office are estimated to be in the region of £1m. • Recruitment costs for bringing in replacement staff as required.
Benefits	<ul style="list-style-type: none"> • Concentration on pan-UK, international, and pan-sectoral issues would be regarded by some as a benefit. • Consolidation onto a single site would reduce overheads by some £250k pa. • A single site location would simplify staff management and improve staff interactions.
Risks	<ul style="list-style-type: none"> • Key staff expertise lost as result of closing the Edinburgh office and suitable replacements might be difficult to find, particularly into a Grimsby base. • Engagement and activity across the Administrations would be more difficult, although not impossible. • Industry not based in the Administration where the single office is located might regard themselves as disadvantaged whilst seeing others as having undue advantage and influence in their access to Seafish.

10.2. Model 2: Hub and spoke model (similar to status quo)

This model has a hub of central expertise addressing the major industry issues and market failures. The major projects and spend would be aimed at pan-UK, pan-sectoral benefit. The spokes are regional groups delivering local support programmes. This model balances Seafish's over-arching role to promote the efficiency of the sea fish industry as a whole. Decisions about Seafish's priorities will be informed by industry engagement at UK and regional level, with ultimate budgetary decisions taken by the Board.

Location	<ul style="list-style-type: none"> • Maintain two offices in Grimsby and Edinburgh, along with some home based staff. • Individual representatives in Wales and Northern Ireland.
Board and Governance	<ul style="list-style-type: none"> • A non-Executive Board appointed by Ministers has collective responsibility for determining Seafish's strategic direction, ensuring it discharges its statutory duties, and has effectively engaged the industry and levy-payers. The Board ensures that the body is properly and effectively managed and provides stewardship for the public funds entrusted to the organisation. • Board agrees the Three Year Plan priorities and measurements and holds the Executive to account for the delivery of the Plan. • Board could be reduced in size to 4 "independent members" and perhaps 5 representing the interests of the industry (see section 6 for further details). • Board would not represent geographic areas . • The four fisheries administrations will also meet the Seafish executive on an annual basis to discuss priorities and areas of common ground to help inform Seafish's business planning. Ministerial agreement of the 3 Year Plan would be required.
Executive	<ul style="list-style-type: none"> • A single Chief Executive is responsible for the day to day operation of Seafish. • CEO is accountable to the Board of Seafish for the performance of Seafish and the achievement of its Three Year Plan objectives. • CEO acts as Accounting Officer, responsible to the Principle Accounting Officer (Permanent Secretary) of Defra.
Industry involvement in development of priorities	<ul style="list-style-type: none"> • Seafish "local engagement staff" form a group in each Administration to deliver Seafish initiatives locally, to address specific local issues and to improve engagement with local businesses. • Advisory and Expert Committees advise on priorities and groups in each Administration propose workstreams. • Groups in each Administration have budgets allocated by the Board and the Board has final authority on activity programmes. • Explicit link to UK Seafish (i.e. Seafish Scotland, Seafish England) to ensure that industry recognise the contribution from Seafish and from levy funds. • Groups in each Administration would also aim to generate additional funding from grant and contracts.

	<ul style="list-style-type: none"> • Seafish consults the industry on its 3 Year Plan
Budgeting	<ul style="list-style-type: none"> • Pan-UK, pan-sectoral benefit would be balanced with smaller localised aid. • Specific allocations of funds for spend in each Administration would be determined by the Board, based on advice from Advisory and Expert Committees and applications from groups in those Administrations.
Implementation costs	<ul style="list-style-type: none"> • This model is closest to the present structure of Seafish, so implementation would not generate significant costs.
Benefits	<ul style="list-style-type: none"> • Would allow Seafish to build a core of expertise without replication of resources. • Good level of engagement across Administrations. • Highly flexible model, with a core of expertise, local engagement and the possibility to redeploy resources. • Transparency of benefits received at a local level.
Risks	<ul style="list-style-type: none"> • This model may be seen by some as giving insufficient autonomy to respond to differing needs across the four Administrations. • Others may see any groups acting for Administrations as providing a distraction from pan-UK, core cross-sectoral, international work.

10.3. Model 3: Decentralised model

The focus of the decentralised model is in responding to the changes affecting the UK seafood industry by giving much greater prominence to regional bodies in the Administrations (England, Scotland, Northern Ireland and Wales) in setting both the strategy and priorities for Seafish in their area. Decisions about Seafish’s priorities will be informed by industry engagement at regional level, with ultimate decisions taken by the Fisheries Ministers.

Location	<ul style="list-style-type: none"> • Maintain two offices in Grimsby and Edinburgh, along with some home based staff. • Individual representatives in Wales and Northern Ireland.
Board and Governance	<ul style="list-style-type: none"> • A non-Executive Board appointed by Ministers has collective responsibility for discharging Seafish’s statutory duties, responding to the needs of each Administration and maintaining UK wide activity. The Board ensures that the body is properly and effectively managed and provides stewardship for the public funds entrusted to the organisation. • Board could be reduced in size to 4 “independent members” and perhaps 5 representing the interests of the industry (see section 6 for further details). • Board would not represent geographic areas. • Board agrees plans and workstreams in each Administration and holds the Executive to account for their delivery.
Executive	<ul style="list-style-type: none"> • A single Chief Executive is responsible for the day to day operation of Seafish and is clearly tasked with meeting the priorities identified by each Administration while also maintaining agreed pan-UK programmes. • CEO is accountable to the Board of Seafish for the performance of Seafish and the achievement of priorities in each Administration. • CEO acts as Accounting Officer, responsible to the Principle Accounting Officer (Permanent Secretary) of Defra.
Industry involvement in development of priorities	<ul style="list-style-type: none"> • Seafish “local engagement staff” support groups in each Administration in which industry leads the formulation of local priorities and workstreams. • Groups in each Administration inform Seafish of their priorities and develop workstreams for investment correspondingly. • The Seafish Board will be expected to act on these priorities, signing them off so long as they lie within the purposes of the 1981 Act. • The Board will continue to pursue pan-UK priorities and workstreams where common threads are identified across the Administrations.
Budgeting	<p>There are two options for management of budgets:</p> <ol style="list-style-type: none"> a. retain a single UK budget with budget allocation across the Administrations determined by the Seafish Board in line with that Administration’s priorities. Once the allocation was determined, each Administration would define the direction of spend across its workstreams; or

	<p>b. distribute the UK budget to the four Administrations by an agreed formula each year, leaving each Administration to define the direction of spend for its share. The final overall budget would be approved by the Board.</p> <p>Before making allocations to Administrations (whether by agreed formula or by Board decision) the Board would decide on the level of funding required for pan-UK activities, in agreement with the Administrations.</p>
Implementation costs	<ul style="list-style-type: none"> • This model could be achieved within current structures, so significant costs of implementation are not envisaged.
Benefits	<ul style="list-style-type: none"> • Seafish is made more responsive to the diverse arms of the industry across the UK, and more directly accountable to its funders. • Transparency of benefits received at a local level. • Greater connection between Seafish and local industry. • Clearer accountability to industry across the Administrations. • Able to maintain clearer lines of communication to industry and Administrations.
Risks	<ul style="list-style-type: none"> • Greater focus on activities in the Administrations risks distraction from pan-UK priorities. • There may be irreconcilable disagreement between the Board and the Administrations over budget allocation, in the case of budgeting scenario a) outlined above. In extremis these would require resolution by the fisheries administrations who would direct the Board to act in a particular way. • The creation of groups in the Administrations defining their own workstreams on an annual basis could add an additional layer of procedure.

10.4. Model 4: Sectoral Model

This model is similar to the regionalised model but splits Seafish’s investment along sectoral rather than geographical ones, allowing levy money to be spent more proportionately across the various industry sectors. The simplest division is into (i) Importers/Processors and (ii) Domestic/Catching but this would be subject to further discussion if this model was supported. Seafish would retain an amount of money to be spent on issues of pan-sectoral interest. Decisions about Seafish’s priorities will be informed by industry engagement at UK and sectoral level, with ultimate budgetary decisions taken by the Board.

Location	<ul style="list-style-type: none"> • Maintain two offices in Grimsby and Edinburgh, along with some home based staff. • Individual representatives in Wales and Northern Ireland.
Board and Governance	<ul style="list-style-type: none"> • A non-Executive Board appointed by Ministers has collective responsibility for determining Seafish’s strategic direction, ensuring it discharges its statutory duties, and has effectively engaged the industry and levy-payers. The Board ensures that the body is properly and effectively managed and provides stewardship for the public funds entrusted to the organisation. • Would agree the 3 Year Plan priorities based on advice from advisory committees and hold the Executive to account for the delivery of the Plan. • Board could be reduced in size to 4 “independent members” and perhaps 5 representing the interests of the industry (see section 6 for further details). • Board would not represent geographic areas. • The four fisheries administrations will also meet the Seafish executive on an annual basis to discuss priorities and areas of common ground to help inform Seafish’s business planning. Ministerial agreement of the 3 Year Plan would be required.
Executive	<ul style="list-style-type: none"> • A single Chief Executive responsible for the day to day operation of Seafish. Accountable for the performance of Seafish and the achievement of its Three Year Plan target to the Board of Seafish. • Would act as Accounting Officer, responsible to the Principle Accounting Officer (Permanent Secretary) of Defra.
Industry involvement in development if priorities	<ul style="list-style-type: none"> • Separate Sector Committees for each sector, representing a broad industry view, would provide input to Seafish’s priorities and workstreams (including pan-industry work). • Consultation on the 3 Year Plan.
Budgeting	<ul style="list-style-type: none"> • A single budget. Budget allocation would be determined by the need to meet the priorities identified by the sector committees and decided by the Board. • Levy funds are distributed by sector for workstreams or to pan-sector projects. • Work programmes that provide benefit across the whole industry, such as

	protecting the industry reputation, would be funded proportionately by both sectors.
Implementation costs	<ul style="list-style-type: none"> • This model could be achieved within current structures, so significant costs of implementation are not envisaged.
Benefits	<ul style="list-style-type: none"> • Industry would recognise that spend was distributed in proportion to levy collection. • Sectoral committees could be set up to cover the wider industry giving input from across the industry, but also recognising levy payers. • Provides an alternative to the decentralised model, but retains recognition that different sectors may have different priorities.
Risks	<ul style="list-style-type: none"> • There may be conflicts between sectors on work to be joint funded. • This model may be seen by some as giving insufficient autonomy to the Administrations.

10.5. Model 5: Devolved Model

This approach would take time to implement because of the need to amend UK legislation, but it is outlined here as the clear aspiration of Scottish Ministers.

Location	<ul style="list-style-type: none"> To be decided by each of the Administrations – there is potential to have four separate bodies located in each of the four Administrations. Scottish Ministers have indicated they would wish to see a devolved Scottish body located in Scotland, possibly operating as part of a broader Scottish body responsible for an integrated approach to the Scottish food and drink sector.
Board and Governance	<ul style="list-style-type: none"> To be decided by each Administration. In Scotland the intention would be for the devolved Scottish body to have its own board responsible for strategic direction and for bringing non-executive input to its running, in line with best practice in terms of organisational governance and propriety.
Executive	<ul style="list-style-type: none"> An executive team would be responsible for the day-to-day operation of each devolved body and accountable for their body's performance.
Industry involvement in development of priorities	<ul style="list-style-type: none"> To be decided by each Administration. Each body, being fully devolved to the administration it serves, would be directed by full and close engagement with its local stakeholders.
Budgeting	<ul style="list-style-type: none"> To be decided by each Administration. Funding would be secured, where so desired, from a levy raised by each administration. Levy may not remain consistent throughout UK.
Implementation costs	<ul style="list-style-type: none"> To be determined.
Benefits	<ul style="list-style-type: none"> Devolved bodies would be anchored in Administrations they serve and more responsive to the needs of the industry in their region. Clearer accountability to industry across the Administrations and to their local fisheries administrations rather than attempting to respond to disparate strands of industry across the UK. Closer to local industries and fisheries administrations and able to maintain clear lines of communication between them.
Risks	<ul style="list-style-type: none"> Loss of economies of scale and potential duplication of effort. Devolved bodies lose the ability to carry out priorities best addressed on a pan-UK basis. This could be addressed through agreements between the bodies to maintain a pan-UK capacity for such work. Devolved bodies may be less well-placed to take a pan-UK or global view of the industry. Again, this could be addressed through maintenance of close links

	between the bodies and agreements to carry on UK-wide work where this makes sense.
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11. Annex D: Role of the Seafish Board

The Seafish Board's role encompasses three core principles common to all Executive Non Departmental Public Body (NDPB) Boards:

1. The public body is led by an effective board which has collective responsibility for the overall performance and success of the body. The Board provides strategic leadership, direction, support and guidance;
2. The Board – and its committees – have an appropriate balance of skills, experience, independence and knowledge;
3. There is a clear division of roles and responsibilities between non-executive and executives. No one individual has unchallenged decision-making powers.

Supporting provisions:

- The Board of the public body should:
 - meet regularly;
 - retain effective control over the body; and
 - effectively monitor the senior management team.
- The Board should establish a framework of strategic control (or scheme of delegated or reserved powers). This should specify which matters are specifically reserved for the collective decision of the Board. This framework must be understood by all Board members and by the senior management team. It should be regularly reviewed and refreshed.
- The Board should establish formal procedural and financial regulations to govern the conduct of its business.
- The Board should establish appropriate arrangements to ensure that it has access to all such relevant information, advice and resources as is necessary to enable it to carry out its role effectively.
- The Board should make a senior executive responsible for ensuring that appropriate advice is given to it on all financial matters.
- The Board should make a senior executive responsible for ensuring that Board procedures are followed and that all applicable statutes and regulations and other relevant statements of best practice are complied with.
- The Board should establish a remuneration committee to make recommendations on the remuneration of top executives. Information on senior salaries should be published. The Board should ensure that the body's rules for

recruitment and management of staff provide for appointment and advancement on merit.

- The Chief Executive should be accountable to the Board for the ultimate performance of the public body and for the implementation of the Board's policies. He or she should be responsible for the day-to-day management of the public body and should have line responsibility for all aspects of executive management.
- There should be an annual evaluation of the performance of the Board and its committees – and of the Chair and individual Board members²⁰.

Specifically for Seafish:

The Board has a role in:

- establishing the strategic direction of Seafish following consultation with the sea food industry and Government, including ensuring that the strategy promotes the interests of the industry as a whole;
- overseeing the development and implementation of strategies, plans, priorities and strategic risk management;
- overseeing the development and review of key performance targets, including financial targets;
- ensuring that Seafish complies with all statutory and administrative requirements on the use of public funds;
- ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsoring departments; and
- appointing, with the Secretary of State's approval, a Chief Executive. The Board, sets performance objectives for the Chief Executive which give due weight to the proper management, use and utilisation of public resources.

The duties, role and responsibilities, terms of office and remuneration of the Chair, Deputy Chair and Board should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements.

²⁰ The sponsoring department is responsible for assessing the performance of the Chair. The Chair is responsible for assessing the performance of non-executive board members.

12. Annex E: Descriptions of Seafish Board Roles

12.1. The Chair of Seafish

The Chair is responsible for leadership of the Board and for ensuring its overall effectiveness, that Seafish's actions support its statutory duty and that its affairs are conducted with probity. The Chair has overall responsibility for formulating the Board's strategy, ensuring that the organisation is held to account for delivering its objectives and achieving value for money and that the organisation delivers high standards of regularity and propriety.

The Chair will be responsible for:

- providing effective leadership and strategic direction to develop a cohesive and focused Board which recognises the need to work collaboratively with levy payers, industry, Government, delivery bodies and stakeholders to deliver Seafish's objectives effectively and efficiently.
- leading the formulation of the Board's strategy, ensuring Seafish discharges its statutory duties.
- leading the Board in overseeing the timely production of realistic and costed business and forward corporate plans, monitoring in-year performance and examining change proposals with rigour to maintain focus on delivery.
- leading the Board in scrutinising and holding the Executive to account.
- ensuring that the Board, in reaching decisions, takes proper account of evidence and any guidance provided by Ministers or the sponsor departments.
- encouraging high standards of governance, propriety and promoting the efficient and effective use of staff and resources throughout Seafish including promoting openness and transparency in how Seafish conducts its business and financial strategy.
- taking a key role in representing the Board and Seafish in communications with key senior stakeholders and partners.

Person specification

Essential criteria

- A proven track record of formulating a clear vision.
- Demonstrable leadership experience at a comparable level.
- Evidence of significant achievements in driving change and delivering improvements.
- An ability to get things done in a complex environment using public money in an efficient and accountable manner.

- A proven track record of engaging successfully with others, building productive and collaborative working relationships with a diverse group of senior stakeholders and partners.
- Building partnerships that add value and as a result improve the delivery of outcomes.
- Evidence of establishing and managing the boundaries between the executive and non executive.
- An ability to engage and work effectively with the Senior Executive Team.
- Experience of assimilating different perspectives and conflicting evidence and arriving at proportionate and practical solutions that can withstand public scrutiny.
- Ability to negotiate and communicate confidently using a range of media and influencing skills.
- Demonstrably good judgement.
- Experience that would indicate your ability to lead an organisation.
- High degree of probity and integrity, and has a clear commitment to public service values of accountability, fairness, openness and transparency.
- Demonstrable commitment to the vision, aims, ambitions and values of Seafish.

Desirable criteria

- Knowledge of the workings of Government and public accountability would be an advantage.

12.2. Role of the Deputy Chair

To support the Chair in leading the appointed Board and setting the overall strategic operational direction of the Sea Fish Industry Authority.

In particular, the Deputy Chair will support the Chair by:

- standing in for the Chair when required, providing effective leadership and strategic direction to form a cohesive and focused Board, which recognises and responds to the both policy and delivery requirements and the need to work together with partners and stakeholders;
- encouraging high standards of propriety and promoting the efficient and effective use of staff and resources throughout Seafish;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible Ministers or the sponsor department and the views of industry and levy-payers;
- ensuring that the Board operates within the limits of its statutory authority; within the limits of the Board's delegated authority agreed with its sponsor department; and in accordance with any other conditions relating to the use of public funds.
- taking a key role in representing the Board and Seafish in communications with key senior stakeholders and partners.

The Deputy Chair is also responsible for:

- ensuring the effective conduct of the Board and its proceedings, including the effective operation of governance arrangements;
- chairing sub committees of the Board as may be required from time to time;
- ensuring adherence to the code of practice for Board members of executive NDPBs.

Person specification

Essential criteria:

- Knowledge of change management, supported by practical experience of leading and managing change in an organisational setting.
- Knowledge of business planning and resource allocation, with recent evidence in a challenging environment.

- Ability to contribute to the strategic direction of an organisation and demonstrate how this can be applied within Seafish.
- Ability to monitor progress against set objectives, define areas for improvement and review any corrective measures that are set.
- Ability to analyse complex information and issues and to reach sound conclusions based on this analysis.
- Demonstrate sound judgement and a high level of personal and professional integrity.
- Board level experience including knowledge of audit procedures.
- Knowledge of NDPB and experience of dealing with Government Departments, including within devolved government structures, and industry bodies.
- A confident but balanced contributor in a team environment with an exceptional ability to communicate and build relationships at all levels, able to assess competing interests and take an independent view.

Desirable criteria:

- Understand the role of Seafish in the public sector, and of Seafish's relationship with Defra and the other UK Fisheries Administrations, and the policy framework in which this relationship operates or the ability to gain these skills quickly.
- In depth knowledge of UK seafood chain, from primary producers through processing and distribution to retail along with a demonstrable understanding of consumer facing food issues including sustainability, traceability and value for money or the ability to gain these skills quickly.

12.3. Role of Non-Executive Board Members

The Board ensures that Seafish is properly and effectively managed, to safeguard propriety, economy, efficiency and effectiveness in its operation and providing stewardship for the public funds entrusted to the organisation. The Board has collective responsibility for determining the organisation's strategic direction and operational policies and ensuring that Seafish discharges its statutory duty in accordance with statutory guidance issued by the Secretary of State.

The Board:

- provides strategic direction and leadership to the organisation, drives performance and holds the Executive to account against its strategic and corporate plans;
- ensures propriety, regularity, economy, efficiency and effectiveness in the operation of Seafish;
- ensures that Seafish discharges its statutory duties within the framework specified by Ministers;
- has a good understanding of the work of the Seafish and its stakeholders;
- works co-operatively and builds relationships with the executive and key stakeholders, and represents the organisation at a senior level; and
- provides stewardship for the public funds entrusted to the organisation.

The Board as a whole will include a wide range of experience and interests in the sea fish industry. It will reflect a balance of experience and to avoid dominance by any particular sectoral interest.

Members are required to follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life.

Person specification

Seafish needs to appoint a maximum of ten high calibre members to this new Board. To be considered for this role candidates should be able to demonstrate strong experience or ability in interpersonal skills, plus at least one of the other areas A – F listed below.

It is important in setting up this new board that we get the right balance of skills as well as the necessary depth of experience. Individual board members will not represent a particular sector or interest group, although up to 8 will have experience of the sea fish industry and together represent the interests of the industry as a whole.

Essential Criteria (all candidates to demonstrate):

Essential criterion 1: ability to communicate and build relationships at all levels including negotiation, listening, persuading and building partnerships at all levels.

Essential criterion 2: ability to provide impartial, objective and pragmatic advice.

Essential criterion 3: ability to contribute to discussions at a strategic level and to think creatively.

Essential criterion 4: ability to think analytically and make effective decisions, using sound judgement while assessing and managing risks and identifying opportunities.

Essential criterion 5: ability to work well in a group with diverse opinions and participate effectively in making sound collective decisions and developing coherent policies.

Essential criterion 6: ability to demonstrate strong experience or ability in at least one of the areas (A-F) listed below:

Area A: Corporate Governance

- Proven experience in financial and resource management
- Good analytical skills and intellectual capability
- An understanding of the strategic role of the non-executive Board of a public body
- Ability to deliver organisational improvement

Area B: Business or Industry Experience

- Management experience at a senior level in business/industry
- Expertise in marketing, science, retail or consumer engagement etc

Area C: Experience of the catching sector

- Demonstrable knowledge or understanding of the Catching sector in the UK

Area D: Experience of the processing sector

- Demonstrable knowledge or understanding of the processing sector in the UK

Area E: Experience of the importing sector

- Demonstrable knowledge or understanding of the importing sector in the UK

Area F: Experience of the consumer sector

- Demonstrable knowledge or understanding of working with consumers in the UK