

Maritime Coastguard Agency Sponsorship Board

Meeting Note and Actions

23 September 2021

Attendees:

DFT: Petra Wilkinson (Chair), [Name]

MCA: Brian Johnson, Christopher Rodrigues, [Name]

Transport Scotland: [Name]

Apologies: [Name]

March Meeting Minutes

The Board agreed the minutes from June 2021. Brian Johnson had some amendments which he agreed to provide via e-mail.

Outstanding Actions

All previous actions were closed.

Tonnage Tax Reforms

Both MCA and DfT have been liaising with Treasury on the Tonnage Tax reform package and a submission was sent to Secretary of State on the 20 September. Engagement so far with HMT have been hopeful. Treasury officials understand what MCA are trying to do and seem to accept that removing the requirement for operators to fund cadet education is integral to delivery. They have stressed that the funding for seafarer training should be regarded as “business as usual” within the DfT spending review submission.

Cadet Training

Brian Johnson informed the Sponsorship Board that an interim project manager had been appointed to lead implementation. Their initial priority will be to work through the funding changes necessary and create a timeline. Ministers have agreed to commission a high-level oversight board with the membership that will enable it to unstick things if the programme becomes stalled. The Chair this Board is to be Petra Wilkinson. Next steps of the oversight board will be to decide on the key items and optimising a way to do that. For instance, Tonnage Tax – what is the mechanism to get this through seafarer training. It was noted that the additional costs of the fully fund UK cadet training as part of wider UK tonnage tax reform proposals is already with HM Treasury; [Sensitive & Irrelevant]

[Sensitive & Irrelevant] UK maritime jobs. Latest indications are that HMT are supportive of these reforms.

London Shipping Week (LISW)

The Board noted that LISW had been extremely successful. Decarbonisation was as expected the topic of the week. It was agreed that MCA would provide DfT with an update on the things that came out during the week.

Decarbonisation

MCA informed the Board that there is to be a deep-sea decarbonisation technology meeting next week. A medium-term workplan is being developed to address key questions relating to decarbonisation. The long-term decarbonisation of shipping was discussed at the September MCA Board. This included: which fuel options are unlikely to form part of the long-term picture, what the key questions are that will shape the long-term solutions, what the probable outcomes are and what system/infrastructure changes will need to be put in place. The key questions and system changes will shape the forward work of the MCA.

It was noted that there is now a realisation amongst the Ports (BPA) on the impact of decarbonisation and a want to work with MCA on any strategy. It was suggested that the December Sponsorship Board should take a holistic deep dive on how this works collaborately for regulation, safety and policy.

Migrant Crossings

A 3-day period at the beginning of the month saw over 1000 rescued to the UK and this was surpassed on 21st August when Dover coordinated 84 incidents resulting in 814 migrants rescued. The Board noted the diplomatic issues with France and the pressures being placed on the Fixed Wing aircraft.

Digitalisation

The beacons registry rollout was reported as going well despite earlier delays. This will automate registration of Personal Locator Beacons and Electronic Position Indicating Radio Beacons (maritime of aviation). The MCA confirmed that there was now no longer a backlog which the MCA has presided for a decade, this creates a step change in customer service and delivers substantial efficiencies within the Coastguard.

Finance - Period 4 2021-22

Resource spend of £381.5m, an underspend of £4.7m (1.2%) against budget. The forecast follows a series of deep dive exercises carried out with each Director to refine their financial requirement for the current year. It was noted that part of the underspend could be attributed to people being overly optimistic. The true extent would be known in the next 6 months. Petra Wilkinson suggested MCA should consider whether this should go back considering pressures on Spending Review and if this could be utilised elsewhere.

MCA are forecasting overall capital spend of £76.3m against a budget of £61.10m, an overspend of £15.2m. This is primarily due to the transfer of the MCA's headquarters to the Government Property Agency (£23m), for which a budget transfer will be carried out in the Supplementary Estimates process. This overspend is partially offset by a £8.4m reduction in Emergency Towing Vessel (ETV) IFRS16 capital costs to reflect the MCA's decision to extend the current contract for one year only, and align future provision to any agreement reached through the Spending Review process

Fishing vessel safety

Fatalities continue to be too regular an occurrence in the fishing industry. The new Code of Practice for fishing vessel safety should see that performance improve. MCA have been clear with industry leaders about safety expectations. It's expected that the direction of travel will improve, but it may be some time before the outcomes match the input effort. It was noted that powers to enforce spot

finer is 1-5 years in the making. Some of the reasons that these fatalities occur are down to people falling overboard, modifications to vessels or no beacon locators. It was suggested that it might be time to consider engaging ministers and looking at what more could be done through balancing education with enforcement. The Board noted that the predicted £4.7m underspend could be put to good use in this area. It asked MCA if there had been any consideration to determining a monetary value to life for these fishing fatalities which could be used to help drive as well as develop any policy interventions. It was noted that when driving down fatalities the departments road safety colleagues have had some success in balancing Education/behavioural interventions and incentivisation when developing policy initiatives. It was agreed that lessons learnt/ideas could be shared with MCA to help them explore/develop policy options.

Potential Issues

Brian Johnson was asked of any potential items that may keep him awake at night. Two areas were noted: (i) they were mindful on how well the UKSR Team would be able to be reactive if Tonnage Tax does come in. Particularly given some recent staffing changes and (ii) Seafarer Training – transactions being slower than would like.

DfT Review Recommendations

Governance Division has now released a copy of the recommendations which MCA only had the day before the Board Meeting. They are currently updating the full review and hope to get to MCA shortly (was promised for the 24 September) for them to provide a sense check and commentary. It was agreed that the Sponsor Team would continue to liaise with Governance Division and arrange a meeting between both MCA and the Review Team once the full review had been circulated for comment.

List of Actions:

- **LISW** – Following the successful London International Shipping Week, MCA to provide DfT with an update on the things that came out during the week. **Owner: Brian Johnson**
- **De-carbonisation** – The December’s Sponsorship Board agenda will include a holistic deep dive with focus on MCA/DfT collaboration on how this will work e.g. Regulation, Safety and formulating policy options. **Owner: Sponsorship Team/MCA**
- **Fishing Safety** - As part of the further thinking around balancing enforcement with education a discussion with MAIB, MCA and DfT should take place. **Owner: MCA/DFT/MAIB**
- **Fishing Safety** – DfT to provide MCA with a contact in Road Safety where ideas/lessons learnt may be shared on formulating options on what could potentially be achieved/delivered through education, incentivisation. This could also help with using some of the forecasted underspend. **Owner:** **Name**
- **DfT Review Recommendations** – Meeting to be scheduled with Tailor Review Team, Sponsorship and MCA to talk through the recommendations. **Owner:** **Name**