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for Transport

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Maritime & Coastguard Agency

Departmental Review



November 2021

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1. Executive summary

The Maritime and Coastguard Agency (MCA) is an executive agency sponsored by the Department for Transport (DfT). It works to prevent loss of life on the coast and at sea, produces legislation and guidance on maritime matters, and provides certification to ships and seafarers. The organisation also provides a 24-hour maritime search and rescue service around the UK coast, and international search and rescue, through HM Coastguard.

In line with the principles set out by Cabinet Office in [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802961/Tailored_Review_Guidance_on_public_bodies_-May-2019.pdf" \h](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802961/Tailored_Review_Guidance_on_public_bodies_-May-2019.pdf)] this review originally set out to provide assurance to Government and the public on the continuing need for the MCA and its functions, and the appropriateness of its form.

The Terms of Reference (ToR) was approved by DfT Ministers in 2018, at the beginning of the tenure of the new MCA Chief Executive (CE) (Annex A). Given the timing of the appointment, a decision was taken for this review to be limited to a light touch assessment to examine specific live issues and particular areas of MCAs work, and in relation to accountability and governance, and the relationship with the Department only. It did not go as far as examining efficacy and efficiency.

It is important to note the following -

- **The MCA will undergo a full review next year** as part of the new Cabinet Office (CO) 2022 Arm's Length Body (ALB) Review Programme and the MCA which will consider governance, accountability, effectiveness, and efficiency.
- **The timing allows for these findings and recommendations to form the basis for discussion** and an assessment of progress following the CEs modernisation programme, which included the commercialisation of the [[HYPERLINK "https://www.ukshipregister.co.uk/" \h](https://www.ukshipregister.co.uk/)], MCA's aviation programme, organisational structure, and IT capability.

Key findings

All findings are from a particular point in time and therefore should be considered in the context of next year's fuller review. The MCA Sponsor Team in DfT are responsible for supporting the implementation of any outstanding recommendations in

the lead up to the next years review, including monitoring and reporting on progress. Key findings include:

- **MCA core functions are critical to Government**, to prevent the loss of lives at sea and implement British and international maritime law and safety policy (the Coastguard Act of 1925 formally defines its role and powers). At the time of the light touch review and based on [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802961/Tailored_Review_Guidance_on_public_bodies_-_May-2019.pdf" \h](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802961/Tailored_Review_Guidance_on_public_bodies_-_May-2019.pdf)] and an assessment of alternative delivery models, **MCA should remain an executive agency of DfT**.
- **The MCA** [[HYPERLINK "https://www.gov.uk/government/publications/mca-framework-document-2017" \h](https://www.gov.uk/government/publications/mca-framework-document-2017)] **should be updated** in line with HM Treasury and DfT framework guidance, including;
 - **Addressing any overlap** with the Department on maritime policy, particularly in technical areas (e.g., environmental protection; safety regulation; SAR protocols, and the UK's representation at the UN's International Maritime Organisation); and
 - **Enabling a clear and workable division of responsibilities** between MCA and the Department, to avoid duplication whilst ensuring all responsibilities are carried out.
- **Ministerial approval should be sought for the UK IMO representative**, role, and responsibilities, including:
 - **Consultation with Other Government Departments (OGDs) with shared maritime agendas**. For example, Foreign Commonwealth & Development Office, Dept for Environment, Food & Rural Affairs (i.e., fishing), Dept for Business Energy & Industrial Strategy (for example, trade, de-carbonisation & climate change strategy) and
 - **Agreeing a cross-government international maritime strategic plan**, setting out clear objectives which incorporate the 2019 Conservative Manifesto, the Maritime 2050, and other cross government priorities.
- **Improvements to the Board composition should be in line with central guidance**, so at least half the Board, excluding the Chair, are non-executives whom the Board consider to be independent. At the time of the review, the MCA Board had nine Executive Board members and four Non-Executive Directors (NEDs). The Chair should work with the Department's MCA Sponsor, Public Appointments team, and Ministers, to ensure there are comparable numbers of official and non-executive members and undertake an annual board effectiveness evaluation, with independent input and support from the Sponsor team, at least every three years.
- **The MCA should ensure there is alignment between its KPIs and objectives in the annual business plan**. Differentiating between internal-facing management information and public-facing KPI's will help the organisation drive

performance in the areas that matter most. At the time of the review, a considerable number of MCA KPI's were focussed on business-as-usual activities or hygiene factors, thereby limiting the ability to provide a robust view of MCA outcomes and progress against Ministerial priorities.

Summary of recommendations

Full list of recommendations is shown in Table 1. All recommendations relate to specific strands of accountability and governance only.

1. The MCA functions are critical to Government and in its current form, as an Executive Agency of DfT, noting this review did not cover efficacy and efficiency as that will be considered next year as part of the CO ALB Review.
2. The MCA should continue to review progress on generating commercial income from growth opportunities.
3. The DfT Sponsor should ensure the incoming Chair is given support to clearly understand their role and responsibilities, as set out in [[HYPERLINK "https://www.gov.uk/government/publications/managing-public-money"](https://www.gov.uk/government/publications/managing-public-money)] and the [[HYPERLINK "https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.PDF"](https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.PDF)].
4. The DfT Sponsor and MCA should update the Framework Document in line with HM Treasury and the Department's framework guidance.
5. The DfT Sponsor and MCA should undertake a Relationship Health Check as soon as possible and every subsequent two years with a view to improving accountability and assurance and evaluate the relationship between the Department and MCA.
6. A clear link must be made between MCA KPIs and the delivery of strategic priorities and objectives.
7. Ministerial approval should be sought for the UK IMO representative, including role and responsibilities.
8. The MCA should continue to build on the collaborative relationship with the RNLI so it is mutually productive and beneficial, recognising it holds enormous potential.
9. MCA should continue to work with the Department on transferring to a new Shared Service System to improve the efficiency and effectiveness of back-office operations.
10. MCA should continue its efforts to support staff wellbeing, improve diversity, and address bullying and harassment.

Acknowledgement

The Department's review team would like to put on record its gratitude to the Chief Executive, Directors, and staff at MCA for their engagement with this review, for making

the time to facilitate and participate in meetings and for responding to requests for information.

Table 1: Table of Recommendations

Form and Function	
1.	The MCA functions are critical to government and in its current form as an Executive Agency of DfT (noting this review did not cover efficacy and efficiency) and undergo a comprehensive review of its governance, accountability, effectiveness, and efficiency under Cabinet Office's new programme of arm's-length body (ALB) review that is launching next year. The timing allows for these findings and recommendations to form a valuable basis for discussion and track progress.
2.	The MCA should review progress to generating commercial income from growth opportunities , some already being explored by the MCA, such as autonomous vessel technologies, the regulatory pioneer's initiative, alternative fuels, and novel digital information services. To be progressed following Departmental clearance of this review.
Operations	
3.	The DfT Sponsor should ensure the incoming Chair is supported to clearly understand their role and responsibilities , as set out in Managing Public Money and the Corporate Governance Code which should include the MCA's Chair carrying out the following recommendations: <ul style="list-style-type: none"> • Reviewing the Board structure to ensure there are comparable numbers of official and non-executive members excluding the Chair as outlined in [HYPERLINK "https://www.gov.uk/government/publications/managing-public-money"] Box 4.1: <i>best practice for boards in central government departments</i>. • Carry out an annual Board Effectiveness Evaluation with independent input at least every three years in line with the Corporate Governance Code for Central Government Departments 2017, Managing Public Money, and DfT's Board Effectiveness Policy (December 2015), and to share this with the responsible Minister. An assessment of Board effectiveness must be included in MCA's annual Governance Statement (as set out at Annex 3.1, Box A3.1A, of HMT's Managing Public Money). To be completed for MCA's 2020/2021 annual report and subsequently. Update the Board's Terms of Reference (ToR) to ensure they are fit for purpose and include the Board's relationship with its sub committees, its oversight and scrutiny of performance, the financial position of MCA, and responsibility for monitoring progress. • Membership of MCA's Audit and Risk Committee (ARAC) should include a DfT Sponsor representative, in addition to the Department's Finance Business Partner. To be implemented within three months of Departmental clearance of this review.

Governance

4. **The DfT Sponsor and MCA should update the Framework Document** in line with HM Treasury and the Department's framework guidance, and to incorporate the recommendations of this review including:
 - **Setting out the governance arrangements of the Board**, senior executives, non-executives, and their respective roles and responsibilities to MCA and the Department.
 - **Changes to ways of working**: the most Senior Sponsor (Director General, AMIS), should chair the Sponsor Board meetings, and only allow a deputy by exception. DfT Sponsor team should work with MCA to consider the most efficient division of responsibilities to avoid duplication with the Department on maritime policy, particularly in technical areas (e.g., environmental protection; safety regulation; SAR protocols; and the UK's representation at the UN's International Maritime Organisation); a robust, joint process between MCA and the Department for the development and clearance of all submissions and Sponsorship and policy officials.
 - **Avoid duplication of role between MCA and DfT** on maritime policy, particularly in technical areas (e.g., environmental protection; safety regulation; SAR protocols; and the UK's representation at the [[HYPERLINK "http://www.imo.org/en/Pages/Default.aspx" \h \]](http://www.imo.org/en/Pages/Default.aspx)). A clear division of responsibilities and effective partnership working should be reflected in the Framework Document between the Department and MCA.

To be completed within 6 months of Departmental clearance of this review.
 5. **The DfT Sponsor and MCA should undertake a Relationship Health Check as soon as possible and every subsequent two years**, with a view to improving accountability and assurance and forge the relationship between the Department and MCA, it is an opportunity to identify strengths and weaknesses based on Cabinet's Offices' four principles: purpose, assurance, value, and engagement as outlined in the DfT Delivery Body Partnership Guide and Gold Standards.
- To be completed within 6 months of Departmental clearance of this review.*
6. **The MCA should ensure there is alignment between its KPIs and objectives in the annual business plan** (agreed with ministers) so that it can measure, monitor, and manage delivery. Differentiating between internal-facing management information and public-facing key performance indicators may help the organisation to drive performance in the areas that matter most. At the time of the review, a considerable number of MCA KPI's were focussed on business-as-usual activities or hygiene factors, thereby limiting the ability to provide a robust view of MCA outcomes and progress against Ministerial priorities.
- To be completed within 6 months of departmental clearance of this review.*
7. **Ministerial approval should be sought for the UK IMO representative**, role, and responsibilities, including –

- **Consultation with Other Government Departments** (OGDs) with **shared maritime agendas** e.g., Foreign Commonwealth & Development Office, Dept for Environment, Food & Rural Affairs (i.e., fishing), Dept for Business Energy & Industrial Strategy (i.e., trade, de-carbonisation & climate change strategy).
 - **Agreeing a cross-government international maritime strategic plan**, setting out clear objectives which incorporate the 2019 Conservative Manifesto, the Maritime 2050, and other cross government priorities.

To be completed within 6 months of departmental clearance of this review.

Corporate and People

8.	<p>The MCA should continue to build on the collaborative relationship with the RNLI so it is mutually productive and beneficial, recognising it holds enormous potential.</p> <p>To be implemented within 6 months of departmental clearance of this review.</p>
9.	<p>MCA should continue to work with the Department on transferring to a new Shared Service System to improve the efficiency and effectiveness of back-office operations.</p>
10.	<p>MCA should continue its efforts to support staff and address bullying and harassment -</p> <ul style="list-style-type: none"> • RESPECT Ambassadors should be given the opportunity to evaluate internal training to ensure both the materials and trainers are effective and to identify where improvements can be introduced; and • MCA should consider the feedback from an evaluation process and decide whether an external provider could develop and facilitate the training of its RESPECT Ambassadors. • MCA's grievance process should be evaluated to ensure the process is fully embedded and working optimally. • MCA should consider joining the Disability Confident Scheme to show its commitment to improving disability diversity. • MCA should continue to collaborate with DfT's HR Policy Team on best practice and diverse recruitment practices to help attract candidates with protected characteristics. • MCA should review its progress against the diversity recommendations made in the Lord Holmes Review - opening public appointments to disabled people, implementing the Public Appointments Diversity Action Plan 2017, and Race in the Workplace the McGregor Smith Review. • MCA should continue aiming to achieve the 50% female Board member target set by the Civil Service. MCA should also increase its focus to appoint other underrepresented groups to its Board • MCA should include a Diversity & Inclusion D&I (Diversity & Inclusion) objective for its senior management leaders. For their performance to be graded as achieved or above in their annual performance review, this objective must be reached. <p>All to be implemented within 12 months of departmental clearance of this review.</p>

2. Purpose and Scope

This light touch review sought to provide assurance to Government and to examine specific live issues and particular areas of MCAs work, accountability and governance, and the relationship with the **Department**. **It did not consider efficiency and efficacy**. Recommendations will feed into next year's full review as part of the 2022 CO ALB Review Programme.

Process

The review team was supported by a Challenge Panel (see **Annex A**), who provided input, challenge and assurance to the assumptions and recommendations. Evidence has been corroborated by at least two sources, the majority of which was gathered between March 2018 and February 2020. The figures and data reflect this timeline.

Further material evidence was gathered following the first meeting of the Challenge Panel in March 2020 in relation to the new government's stated ambition in '[[HYPERLINK "https://www.gov.uk/government/publications/clean-maritime-plan-maritime-2050-environment-route-map"](https://www.gov.uk/government/publications/clean-maritime-plan-maritime-2050-environment-route-map) \t "_blank"]', to attempt to clarify the MCA and Departments respective role in delivering government's ambition. This included the relationship across government, DfT's objectives set under new ministers, the representation required in the International Maritime Organisation (IMO), and the role and responsibility of the UK government representative to the IMO.

Evidence was considered from a wide variety of sources; call for evidence, desk research, stakeholders MCA and DfT policy and sponsor teams, including:

- **Meetings with MCA senior leaders**, including the Board Chair and the Chief Executive and **Staff Workshops** with MCA in Southampton (Head Office and Fareham), Cardiff and Aberdeen, and desk research.
- **DfT Sponsor Board observation and engagement with lead officials**, including Sponsor and Maritime policy teams, HR Business Partners, Group Communications, Group Finance, Government Legal Department, Group Property, and members of Governance Division.
- **A stakeholder survey** (*Maritime and Coastguard Agency – Call to Evidence*, shown at **Annex B**), received 639 responses from across Government Departments, emergency/rescue services, the shipping industry and senior DfT officials.
- **Publicly available maritime reports** such as the MCA's annual reports [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728109/MCA_Annual_Report_and_Accounts_2017-18_final_v1.pdf"](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728109/MCA_Annual_Report_and_Accounts_2017-18_final_v1.pdf) \h] and [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/821278/MCA_Annual_Report_and_accounts_2018-19_final.pdf"](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/821278/MCA_Annual_Report_and_accounts_2018-19_final.pdf) \h], the [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/460861/maritime-growth-study-keeping-UK-competitive.pdf"](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/460861/maritime-growth-study-keeping-UK-competitive.pdf) \h] and the [[HYPERLINK](#)

"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/678365/maritime-growth-study-review.pdf" \h].

- **Sources of broader contextual information** such as the [IMO website](#), the [HYPERLINK

"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/878642/decarbonising-transport-setting-the-challenge.pdf" \h] and other government departments' international objectives as outlined in the [HYPERLINK "https://www.conservatives.com/our-plan" \h]. including relating to EU Exit (for example, fishing, ocean plastics, freeports).

3. Function and Form

About the Maritime & Coastguard Agency (MCA)

The Maritime & Coastguard Agency (MCA) was established on 1 April 1998 from the merger of the Coastguard Agency and the Marine Safety Agency. It has been an executive agency of the DfT since 2002.

MCA has just over 1000 staff and 3500 volunteers, with a headquarters in Southampton and offices and coordination centres around the UK coastline. The [HYPERLINK "https://www.naturalnavigator.com/news/2014/12/national-maritime-operations-centre-nmoc-fareham/" \h] (NMOC) is based in Fareham and drives a network of ten Coastguard Operations Centres around the UK (including London). The NMOC is also home to the Aeronautical Rescue Coordination Centre (ARCC), which has responsibility for search and rescue aviation assets. MCA also has a network of Maritime Office hubs strategically placed around the UK.

[ΗΥΠΕΡΛΙΝΚ ∇ητηπισ://ωωω.γoπ.υκ/γοπερνμεντ/οργανισατιονσ/μαριτιμε-ανδ-χοαστυ αρδ-αγενχψ/αβουτ-ουρ-σερπιχεσ∇ ∴λ ∇:~:τεξτ=Ουρ%20πισιον%20ισ%20το%20βε,Σαφ ερ%20Σηιπσ%20X%20ανδ%20Xλεανερ%20Σεασ.∇ ∴η] **is to be the “best maritime safety organisation in the world, driving progress towards safer lives, safer ships, and cleaner seas.”** This vision is underpinned by four key values:

1. Safety
2. Professionalism
3. Trust
4. Respect

The operating context for the MCA is varied. It includes search and rescue, counter pollution, survey, inspection, and enforcement activities. The organisation must meet the highest international standards in a globally regulated sector. As the only UK-wide emergency service organisation, the MCA's safety work is demand-led and often unpredictable.

MCA has gone through a substantial process of modernisation and re-organisation over the past decade. This has delivered an improved Coastguard service, including major changes to operational arrangements and a complete overhaul of search and rescue capability.

MCA's Function

MCA's main responsibilities are to prevent loss of life on the coast and at sea in accordance with the

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and to implement British and international maritime law and safety policy. Since 2015, MCA has also been responsible for land-based search and rescue helicopter operations, in addition to search and rescue on the coastline and at sea through her Majesty's Coastguard.

MCA's specific responsibilities are:

- Safety of everybody in a vessel in UK waters.
- Safety of all seafarers on UK flagged vessels.
- Making sure all equipment on UK vessels is fit for purpose.
- Making sure all seafarers on UK vessels have correct documentation.
- Environmental safety of UK coast and waters.
- Accuracy of hydrographic data on UK charts; and
- Overseeing coastal rescue volunteers, hydro graphics, seafarer certification and the port state control inspection regime

MCA produces guidance on legislation relevant to its operational activities and provides appropriate certification to ships and seafarers direct or via third parties. This is done through a regime of survey and inspections to enforce standards for ship safety, security, pollution prevention and seafarer health, safety, and welfare.

Through a programme of training and testing, MCA provides accreditation and certification for mariners including

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[[HYPERLINK](#) [HYPERLINK](http://ασσετς.πυβλισηινγ.σερπιχε.γοτ.υκ/γοπερνμεντ/υπλοαδσ/σψστεμ/υπλοαδσ/ατταχημεντ_δατα/φιλε/282341/μγν221.πδφ∴ η] and
[<a href=) [HYPERLINK](http://www.ιμο.org/en/Αβουτ/Χονπεντιονσ/ΛιστΟφΧονπεντιονσ/Παγεσ/Ιντερνατιοναλ-Χονπεντιον-ον-Στανδαρδσ-οφ-Τραιινινγ,-Χερτιφιχατιον-ανδ-Ωατχηκεεπινγ-φορ-Σεαφαρερσ-(ΣΤΧΩ).ασπξ∴ η] (STCW) requirements. MCA is also chiefly responsible for the syllabus and national training standards issued by the
[<a href=) [**MCA administers** \[\[HYPERLINK "https://www.gov.uk/government/publications/legislation-administered-by-the-maritime-and-coastguard-agency"\]\(https://www.gov.uk/government/publications/legislation-administered-by-the-maritime-and-coastguard-agency\) \].](http://μντβ.org.υκ/∴ η]</p></div><div data-bbox=)

Key findings

- **Consensus that the functions carried out by MCA are still required by government.** Indeed 89.56% of respondents to the *Maritime and Coastguard Agency – Call to Evidence (Annex B)*, strongly agreed that MCA's functions - preventing the loss of lives at sea and implementing British and international maritime law and safety policy - are still required.
- **MCA provides a suitable delivery model for the provision of the UK Government's obligations under law;** to deliver British and international maritime policy, and safety at sea. A further review under the new Cabinet Office programme will test the efficiency and effectiveness of the MCA in carrying out these duties.

MCA's Form

The review team considered alternative delivery models for MCA's policy objectives by accessing the following support:

- **The [HYPERLINK**
"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802961/Tailored_Review_Guidance_on_public_bodies_-_May-2019.pdf"];
- **Results from the survey** *Maritime and Coastguard Agency – Call to Evidence*, (Annex B).
- **Discussions with MCA and the Department officials**, including maritime policy team, Sponsors, and subject matter experts to analyse alternate delivery models for MCA; and
- [HYPERLINK
"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/519571/Classification-of-Public-Bodies-Guidance-for-Departments.pdf" \h] (Chapters 1 and 2) Cabinet Office's three tests, which set out a range of delivery models to help ascertain whether functions should be delivered at arm's length from government. The tests ask the following:
 1. Is this a technical function, which needs external expertise to deliver?
 2. Is this a function which needs to be, and be seen to be, delivered with absolute political impartiality?
 3. Is this a function that needs to be delivered independently of ministers to establish facts and/or figures with integrity?

MCA provides a full range of specialist activities, which includes [HYPERLINK
"<http://bristowgroup.com/uk-sar/>" \h] (SAR), counter pollution, survey, inspection, and enforcement activities. It has 12 major business activities:

1.	Survey	7.	Seafarers Services
2.	Inspection	8.	Search and Rescue
3.	Enforcement	9.	Pollution response and salvage
4.	Ship registration	10.	Stakeholder communication
5.	Navigational services	11.	Ministerial services
6.	Strategic prevention, design and development	12.	Regulatory Process

Considerations

Noting that efficacy and efficiency were not covered in this review, the following models were considered:

- **Abolish** – Abolition was not considered to be an option given that the functions of MCA are required as it promotes economic growth, facilitates the safety of shipping and seafarers, saves lives, and protects the maritime environment.
- **Move out of central government** - The functions of MCA should be delivered by an organisation open to full public scrutiny and accountable to Parliament. At the time of the review, it was considered impractical to divide the functions between local

government and/or the voluntary sector, as that would increase costs and be challenging to coordinate.

- **Bring in house** – At the time of the review it was considered that to maintain public and international confidence, the functions of the MCA must be seen to be delivered independently of Government. As a separate Arms-Length Body (ALB), the MCA can provide a national 24-hour maritime search and rescue (SAR) emergency response service that can operate throughout the UK, at sea and internationally. It has further inherited responsibilities from the Ministry of Defence to provide a UK-wide SAR helicopter service. Aside from its own statutory obligations the MCA also supports the work of the blue light emergency response services through the deployment of its SAR helicopters.
- **Move to private sector** – MCA is responsible for implementing British and international maritime law and safety policy. This involves coordinating search and rescue at sea through Her Majesty's Coastguard (HMCG), ensuring that ships meet international and UK safety standards, monitoring and preventing coastal water pollution and testing and licensing ships' officers and crew to international seafaring requirements. At the time of the review, there were no existing, commercial private sector organisations that deliver a similar service into which the functions could be transferred.
- **Merge with another body** - In theory a few of the functions could be taken on by Other Government Department's (OGDs) or NDPB (Non-Departmental Public Body) such as the Home Office (for example, some MCA operations interact closely with UK Border Force such as rescue of migrants at sea), Foreign & Commonwealth Office, Department for the Environment, Food & Rural Affairs (in relation to government's representation on IMO and fisheries) or the Department for Business, Energy & Industrial Strategy (UK Shipping Register). However, the review felt that such arrangements would lead to a reduction in economies of scale, as well as create additional complexities by separating services and reducing efficiencies (see Figure 1 above). In general, evidence seemed to conclude that the MCA took the lead in most of these areas and brought in others or handed over responsibility to others when appropriate.

Key findings

- **Following consideration of the alternative delivery models**, that MCA remain an executive agency given it provides a deeply technical function through areas of its role including search and rescue. Efficiency and efficacy will be considered as part of a full review next year.
- **An overlap in some areas with the Department policy** on maritime, particularly in technical areas (e.g., environmental protection; safety regulation; SAR protocols; and the UK's representation at the [[HYPERLINK "http://www.imo.org/en/Pages/Default.aspx"](http://www.imo.org/en/Pages/Default.aspx)]). A clear division of responsibilities and effective partnership working should be reflected in the Framework Document between the Department and MCA.

- **MCA has been actively exploring opportunities for additional commercial revenues from activities.** MCA's contribution to economic growth lies in services to seafarers and the shipping industry. The strategy for maritime economic growth was set out in the [[HYPERLINK "https://www.gov.uk/government/publications/maritime-growth-study-report"](https://www.gov.uk/government/publications/maritime-growth-study-report) \h] and more recently [[HYPERLINK "https://www.gov.uk/government/publications/maritime-2050-navigating-the-future"](https://www.gov.uk/government/publications/maritime-2050-navigating-the-future) \h]. MCA has pursued commercial opportunities through the reinvigoration of the [[HYPERLINK "https://www.ukshipregister.co.uk/"](https://www.ukshipregister.co.uk/) \h] .
- **During 2019, the UK flag went through a major transformation**, introducing a new operating model based on direct feedback from industry. Industry feedback (2019) also indicated the need for fiscal policy improvements to drive UK growth. In late 2019, the UK Ship Register commissioned [[HYPERLINK "https://www.ey.com/en_uk"](https://www.ey.com/en_uk) \h] (EY) to evaluate the extent of the economic contribution of the UK flag and the degree to which it could be quantified – specifically to support proposed policy changes that would have implications on UK tax receipts.
- **MCA is proactively supporting UK growth opportunities** in autonomous vessel technologies, the MAR lab, alternative fuels, and novel digital information services. The review has seen evidence of substantial progress by MCA in generating new commercial income and recognises that more can be done by both MCA and the Department in moving this forward.

Recommendation

To be progressed following departmental clearance of this review.

1. The review concludes the functions of MCA are still required by Government and the MCA should retain its current form as an Executive Agency of DfT and undergo a comprehensive review of its governance, accountability, effectiveness, and efficiency under Cabinet Office's new programme of arm's-length body (ALB) review that is launching next year. The timing allows for these findings and recommendations to form a valuable basis for discussion and track progress.
2. The MCA should review progress to generating commercial income from growth opportunities, some already being explored by the MCA, such as autonomous vessel technologies, the regulatory pioneer's initiative, alternative fuels, and novel digital information services.

Collaboration and stakeholder engagement

Collaboration and good stakeholder management is essential for the MCA, who own a fleet of aeronautical rescue craft and deliver a leading role in air rescue services and collaborate with other emergency search and rescue services to make best use of its fleet. Over half of search and rescue helicopter activity is in support of other Emergency services, with Police missions accounting for over 30% of overall activity. The MCA's ASV (aerial surveillance) aircraft deliver on behalf of both the Border Force and the Marine Management Organisation, to support its fisheries protection role.

Key findings

Cross-Government partnerships

- Stakeholder feedback indicated that MCA's collaboration with other Government Departments is satisfactory and relationships at an operational, working level were found to be collaborative. Key relationships include -
 - Home Office (HO) - with HM Coastguard tackling immigration and border security.
 - Foreign & Commonwealth Office (FCO) – for international matters (e.g., IMO).
 - Department for Business, Energy and Industrial Strategy (BEIS) - the UK Ship Register (UKSR), working with industry and shipping operators.
 - HM Treasury (HMT) – UKSR, investigating Tonnage tax, charging for services e.g., surveying.
 - Department for Environment, Food and Rural Affairs (DEFRA) – environmental impacts (including, but not limited to climate impacts) such as gas emissions and seawater pollution.
 - Department for Digital, Culture, Media and Sport (DCMS) – a [[HYPERLINK "https://www.gov.uk/government/consultations/second-consultation-on-the-review-of-standards-for-older-passenger-ships" \h](https://www.gov.uk/government/consultations/second-consultation-on-the-review-of-standards-for-older-passenger-ships)], otherwise known as the "Grandfather Rights" process.
 - Ministry of Housing, Communities and Local Government (MCHLG) – collaboration around beach safety.

Devolved Administrations

- MCA's relationship with the Devolved Administrations of Scotland, Wales and Northern Ireland follows the principles set out in the Memorandum of Understanding (MoU) between the Westminster Parliament and those Administrations, and relevant Concordats which are in force. The MCA also has a bespoke [[HYPERLINK "file:///C:/Users/cdaddyb/Downloads/MCA+-+MoU+-+November+2016%20\(1\).pdf" \h](file:///C:/Users/cdaddyb/Downloads/MCA+-+MoU+-+November+2016%20(1).pdf)] in place with the Scottish Government, which sets out the arrangements for ensuring Scottish Ministers are consulted on MCA activities in Scotland.

Crown Dependencies and Overseas Territories

- The MCA has a role in the Crown Dependencies and Overseas Territories beyond the UK. It was noted by the review that the MCA is scheduled to be audited by the International Maritime Organization (IMO) in September 2020 under the IMO Instruments Implementation (III) Code. In readiness for this, preparatory mock audits will be undertaken of the UK, and of Crown Dependencies and Overseas Territories when they confirm their readiness to be audited. There was no evidence of an approved strategic plan for the UK's representation with the International Maritime Organisation (IMO).
- MCA are working with the Conflict Stability and Security Fund programmes to provide technical support to their administrations with legal drafting, search and rescue, safety of navigation and counter pollution to assist in audit preparations and to work together to tackle any underlying risks to the UK's performance.

Recommendation

No recommendation. Stakeholder feedback indicated that MCA's collaboration with other Government Departments is satisfactory and relationships at an operational, working level were found to be collaborative.

4. Governance

Good corporate governance is central to the effective operation of any organisation, including public bodies and should draw from the principles and approach set out in [HYPERLINK

"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/609903/PU2077_code_of_practice_2017.pdf" \h].

Regular review of governance arrangements should be led by the sponsoring department, working closely with the Chair, and the CE, who will have a key responsibility for ensuring that strong and robust corporate governance arrangements are in place.

Governance & Assurance

The review assessed five areas of MCA's governance and assurance.

- I. Board effectiveness
- II. Framework documentation with DfT
- III. Management assurance
- IV. Annual Reports & Accounts
- V. DfT/MCA sponsor relationship

This assessment was informed by the corporate governance regime for central government bodies, which is set out in three key documents:

- [HYPERLINK "https://www.gov.uk/government/publications/managing-public-money" \h] (HMT)
- [HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/609903/PU2077_code_of_practice_2017.pdf" \h] (Cabinet Office) and
- [HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/578498/governance_code_on_public_appointments_16_12_2016.pdf" \h] (Cabinet Office)
- [HYPERLINK "https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies/code-of-conduct-for-board-members-of-public-bodies-june-2019" \h] (Cabinet Office)

MCA Board

This meets monthly and is responsible for setting the strategic direction of the organisation and is primarily responsible for supporting and challenging the Chief Executive and the Executive Team in relation to strategic direction and higher-level operational matters. The Board provides an assurance function about the performance of MCA and its effective identification and management of current risks.

Sub-Committees of the MCA Board

- **Sponsorship Board**- MCA's accountability to the Secretary of State for Transport is exercised through a Sponsorship Board. A representative of the Scottish Government sits on the Board to contribute on strategic issues of specific relevance to Scotland.
- **Directorate Management Boards** - focuses on the executive management of MCA.
- **Audit and Risk Assurance Committee (ARAC)** – provides independent advice and assurance on MCA's processes for risk management, governance, assurance, and internal control, including reliability and integrity.
- **National Health and Safety Committee** - responsible for overseeing MCA's safety management system and lead on safety improvements.
- **Security Working Group** - a quarterly Board chaired by the Senior Information Risk Owner that looks at data assurance and control; and
- **The People Committee** - charged by MCA's Board to take forward cross-Agency initiatives relating to the engagement, motivation, wellbeing, and effective management of its staff.

MCA Board Composition

The members of the MCA Board at the time of the review:

- Non-Executive Chair, three Non-Executive Directors
- Chief Executive, four Executive Directors, three senior managers and a DfT representative appointed by the Director General AMIS with responsibility for the MCA

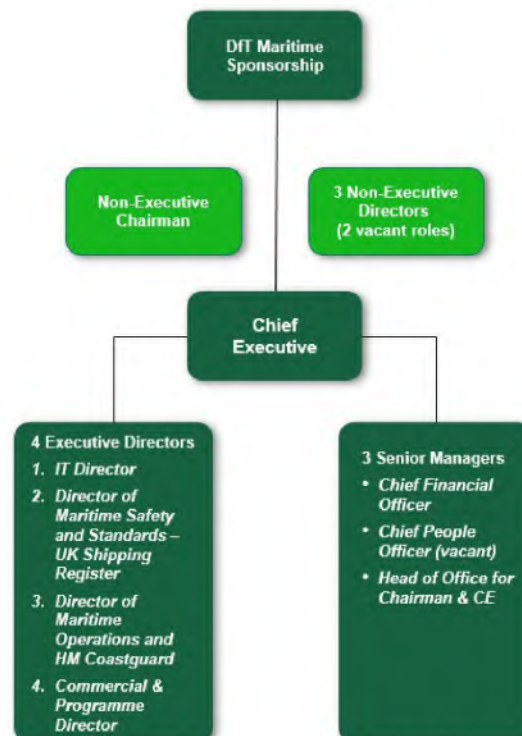


Figure 2 – a diagram of the MCA Board

Best practice guidance on Board composition

In accordance with Corporate Governance Code for boards of public bodies, all boards should comprise a greater number of non-executives or at least comparable numbers of non-executive to executive members (see Managing Public Money 4.1.3 and Corporate Governance in Central Government Department's: code of good practice 3.1) which acknowledges the benefits of a balance of executive and non-executive representation. It also advises that roles and responsibilities of all board members should be defined clearly in the department's board operating framework.

Key findings

- At the time of the review, the MCA Board had nine Executive Board members and four Non-Executive Directors (NEDs). Corporate governance in central government departments and the code of good practice advises at least half the board, excluding the Chair, to be non-executives whom the Board consider to be independent.
- The Terms of Reference (ToR) for MCA's Board (March 2019) did not list or define the roles and responsibilities of Board members.

Non-Executive Chair

Michael Parker was appointed the first Non-Executive Chair of the MCA Board in January 2017. The appointment of a chair to the MCA Board was one of the key recommendations from the Maritime Growth Study. The non-executive Chair role was created to provide MCA with commercial experience within the shipping sector, with the aim of strengthening the UK flag. MCA advised the Chair supports the Chief Executive (CE) and ensures the correct linkages are made across government.

Michael brought over 40 years of shipping experience to the role, including previous positions as Chair of the UK holding company of [[HYPERLINK "https://www.cma-cgm.com/"](https://www.cma-cgm.com/)] and its subsidiary McAndrews and Co Ltd, and Chair of the UK Chamber of Shipping. Michael's first term as Chair ended on the 31st of December 2019. It was agreed by the Secretary of State to extend his tenure to February 2021 to provide continuity against a backdrop of change in the senior structure of the MCA since the CE arrived in November 2018. Those changes included two Executive Directors leaving the organisation and the replacement of two out of the three Non-Executive Directors.

MCA's Non-Executive Chair is appointed by, and accountable to, the DfT Secretary of State and Ministers as set out in HMT Managing Public Money. Communications between the MCA Board and Ministers should be through the Chair. The Chair is responsible for ensuring that policies and actions of MCA support Ministers' wider strategic policies and that its affairs are conducted with probity. These policies and actions should be clearly communicated and disseminated throughout MCA.

Best practice guidance on Chair role and responsibilities

Good Corporate Governance, as set out in HMT Managing Public Money, advises the chair's role includes the following leadership responsibilities:

- formulating the MCA board's strategy
- ensuring that the MCA board, in reaching decisions, takes proper account of guidance provided by the responsible minister or the Department
- promoting the efficient and effective use of staff and other resources
- delivering exacting standards of regularity and propriety; and
- representing the views of the board to the public.

The Chair has an obligation to ensure MCA Board effectiveness, including:

- Annually reviewing the work of the MCA Board, its performance and performance of its individual members.
- Providing feedback and evidence of the review of the MCA Board and its members to the Secretary of State / Minister and the sponsor / shareholder.
- Ensuring that the MCA board has a balance of skills appropriate to directing MCA's business, as set out in the Government Code of Good Practice for Corporate Governance.
- Reporting any concerns over MCA board effectiveness to the named Minister and Department's sponsor.
- Ensuring all MCA board members are fully briefed on terms of appointment, duties, rights, and responsibilities, and receive appropriate training on financial management, reporting requirements and on any differences that may exist between private and public-sector practice.
- Advising the responsible minister of MCA needs (skill, knowledge, strengths, areas for improvement), when board vacancies arise; through the department Sponsor / Shareholder who, in conjunction with the DfT Public Appointments Team will organise and manage the appointments process where appropriate (as agreed in advance).
- Assessing the performance of individual MCA board members when being considered for re-appointment; providing a formal written performance appraisal to the sponsor / shareholder and the DfT Public Appointments team, bearing in mind re-appointments are not automatic.
- Ensuring there is an MCA Board Operating Framework (now referred to as Terms of Reference) to in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance
- Ensuring there is a code of practice in place for all MCA board members, consistent with the Governance Code on Public Appointments.

Key findings

- No evidence to show the Non-Executive Chair was provided with information on the full scope of their role on appointment into the role.

Non-Executive Directors (NEDs)

There are three Non-Executive Director (NED) posts on MCA's Board.

Name

 appointment was extended for a second three-year term to June 2023,

Name

 and

Name

 joined in June 2020.

All NED appointments are regulated by [[HYPERLINK](https://publicappointmentscommissioner.independent.gov.uk/) "https://publicappointmentscommissioner.independent.gov.uk/" \h] The search for board candidates should be conducted, and appointments made, on merit, with due regard for the benefits of diversity on the board.

Best practice guidance on NED appointments

Good Corporate Governance, as set out in HMT's Managing Public Money states that individual board members of MCA should:

- Always comply with the Governance Code on Public Appointments and with the rules relating to the use of public funds and to conflicts of interest.
- Not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations.
- Comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments.
- Act in good faith and in the best interests of the MCA.

Chief Executive (CE)

[HYPERLINK "<https://www.gov.uk/government/people/michael-parker--2>" \h] was appointed as MCA's CE in November 2018, by the DfT Secretary of State and through fair and open competition. Mr Johnson has experience across in several sectors, including social housing and biopharmaceutical.

The DfT Permanent Secretary as Principal Accounting Officer (PAO) appointed the MCA CE as its accounting officer, who in turn is accountable to the PAO for the responsible use of public funds by MCA.

The DfT Director General (DG) with responsibility for Maritime acts as the MCA Owner and sponsor on behalf of the responsible DfT Minister, with responsibility for activities carried out by the MCA. The MCA budget is part of the Director General's Group budget, and acts as reporting officer for the MCA CE to Ministers for MCA delivery and day to day activities. The MCA CE reports primarily through the DG for Maritime.

Best practice guidance on Accounting Officer (AO) duties

HMT's Managing Public Money sets out the responsibilities to the Department for the MCA CE as its accounting officer and include:

- Establishing, in agreement with the Department, the MCA corporate and business plans in the light of the Department's wider strategic aims and mutually agreed priorities and informing the Department of progress in helping to achieve the Department's policy objectives and in demonstrating how resources are being used to achieve those objectives.
- Notifying the Department promptly if over or under spends appear likely, corrective action is immediately taken, or of any significant problems financial or otherwise, whether detected by internal audit or by other means, in a timely fashion.
- Ensuring an effective complaint handling procedure is in place for citizens in line with the Department's policy on complaints; 'Charter - Principles for Remediating Complaints' and in accordance with the Parliamentary & Health Service Ombudsman's 'Principles of Good Administration.
- Advising the Board on the discharge of the MCA responsibilities as set out in *Managing Public Money*, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time.
- Advising the Board on the MCA performance compared with its aim[s] and objectives.

- Ensuring that financial considerations are taken fully into account by the MCA Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed.
- Acting as set out in paragraph 3.8.6 of *Managing Public Money* if the Board, or its Chair, is contemplating a course of action involving a transaction which the chief executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency, or effectiveness, is of questionable feasibility, or is unethical.

Key findings

- **Since the CE began his role at MCA, the review has seen evidence of substantial positive change**, including in its senior management team. The CE has developed leadership capability at a senior level and communicated a vision to staff about team working and collective responsibility. This vision has been made clear to his leadership team champions, 'One MCA', rather than individual functions or Directorates.
- **On joining the organisation, the CE held regular all staff Skype sessions which have been received.** Feedback demonstrated staff value the opportunity to engage with him and understand preferences for ways of working. *Maritime and Coastguard Agency – Call to Evidence (Annex B)*; *"I find the approach of the current CE to be very refreshing, his plans are ambitious, but well explained and will take the MCA in the right direction to continue to grow and provide an excellent service for the UK flagged vessels."*
- **The CE took visible steps to include employees in the organisational change process**, welcoming regular input from staff and highlighting the level of expectation through his 'Big 3' (MCA's internal three-year business plan).

MCA Board effectiveness and structural changes

To assess Board effectiveness, the review team considered Board meeting papers from November 2018 and November 2019, including the monthly CE report on organisational change, minutes and actions, and a 2019 Board Effectiveness Review. They also sought views directly with individual Board members.

As outlined earlier in this report, there have been significant structural changes to MCA's Board since the appointment of the new CE.

[HYPERLINK

"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/460861/maritime-growth-study-keeping-UK-competitive.pdf" \h] recommended 'a separation of the

[HYPERLINK "<https://www.ukshipregister.co.uk/>" \h] (UKSR) from its regulatory functions and appointing a Commercial Director with industry experience to lead the Register and MCA's other commercial functions as a new, more commercial internal directorate'. In response, MCA separated the UKSR from its regulatory function and appointed a new Director in April 2017.

However, the CE view was this new direction proved unproductive, noting KPIs for the Shipping Register throughout this period were not met and its new digital registry was beset with delays, so the decision was made to reverse the [[HYPERLINK "https://www.gov.uk/government/publications/maritime-growth-study-report"](https://www.gov.uk/government/publications/maritime-growth-study-report)] decision.

In June 2019, UKSR was placed under the Director overseeing [[HYPERLINK "http://www.imo.org/en/OurWork/Safety/Pages/Default.aspx"](http://www.imo.org/en/OurWork/Safety/Pages/Default.aspx)] with the aim of offering customers a more comprehensive service, with full access to MCA's in-house surveyors and technical experts. The Commercial responsibilities of the previous UKSR Director role now sit with the Commercial Director, a new addition to the Board.

Best practice guidance on Board Effectiveness Reviews (BERs)

Managing Public Money states an assessment of board effectiveness must be covered in MCA's annual Governance Statement (set out at Annex 3.1, Box A3.1A). The Chair must also provide the Secretary of State with the effectiveness evaluation report, accompanied by an explanation of how he/she intends to address any issues identified by the evaluation. DfT's Board Effectiveness Policy (December 2015) advises this should happen within three months of completion of the evaluation, and, if necessary, be followed by a meeting led by the Chair, the DfT public bodies AO, DfT Group Assurance Director, and senior DfT sponsor (DG for Maritime), to discuss the evaluation and agree what follow-up actions are to be taken and by when.

Managing Public Money also recommends an annual board effectiveness review should include an appraisal of the individual performance of each Non-Executive Director by the incumbent Chair of the Board, undertaken internally and led by the Chair as their individual responsibility. The outcome of each such review remains confidential between NED and Chair, but it is the Chairs responsibility to advise the DfT sponsor and responsible Minister of any weaknesses in the Board overall and to agree mitigating actions.

Key findings

- MCA's November 2019 Annual Board Effectiveness Report was completed by twelve of the fourteen regular Board members. Highlights from the report include strong agreement that the Board must get early warning signals of issues that could affect key outcomes, targets, and financial performance. There was also recognition that though the Board had both a mix of diverse personalities and backgrounds, there was a lack of BAME representation.
- While there was evidence of two NED appraisals dated 2017/18, due to the significant changes to MCA's Board structure in 2019/2020, no NED appraisals were undertaken.
- The review found that the composition of the MCA board did not meet the expectations set in the Corporate Governance Code. The DfT Sponsor should ensure the incoming Chair clearly understands their role and its responsibilities, as set out in Managing Public Money and the Corporate Governance Code

Recommendations

To be completed within 6 months of departmental clearance of this review.

3. The DfT Sponsor should ensure the incoming Chair is supported to clearly understand their role and responsibilities, as set out in Managing Public Money and the Corporate Governance Code which should include the MCA's Chair carrying out the following recommendations:

- **Reviewing the Board structure** to ensure there are comparable numbers of official and non-executive members excluding the Chair as outlined in [[HYPERLINK "https://www.gov.uk/government/publications/managing-public-money"](https://www.gov.uk/government/publications/managing-public-money)] Box 4.1: *best practice for boards in central government departments*.
- **Carry out an annual Board Effectiveness Evaluation** with independent input at least every three years in line with the Corporate Governance Code for Central Government Departments 2017, Managing Public Money, and DfT's Board Effectiveness Policy (December 2015), and to share this with the responsible Minister. An assessment of Board effectiveness must be included in MCA's annual Governance Statement (as set out at Annex 3.1, Box A3.1A, of HMT's Managing Public Money). *To be completed for MCA's 2020/2021 annual report and subsequently.*
- **Update the Board's Terms of Reference (ToR)** to ensure they are fit for purpose and include the Board's relationship with its sub committees, its oversight and scrutiny of performance, the financial position of MCA, and responsibility for monitoring progress.
- **Membership of MCA's Audit and Risk Committee (ARAC) should include a DfT Sponsor representative**, in addition to the Department's Finance Business Partner. *To be implemented within three months of Departmental clearance of this review.*

Framework Document and Management Assurance (MA)

A [[HYPERLINK "https://www.gov.uk/government/publications/mca-framework-document-2017"](https://www.gov.uk/government/publications/mca-framework-document-2017)], sets out the purpose, accountabilities, roles, and responsibilities of both parties. The Department's annual MA exercise is designed to provide its Principal Accounting Officer (PAO), the Permanent Secretary, with a degree of assurance from the central Department (DfTc) and its arm's length bodies.

Key findings

- The review evaluated the Framework Document and concluded it would benefit from revision to; detail who should chair the 'Department Sponsor Board' meetings; update Section 20 'Submissions to Ministers' to ensure submissions to ministers follow the correct guidelines; reinforce MCA's efforts to improve organisational diversity; and set out a clear division of responsibilities (including those of the Board) and effective partnership working, plus better reflect policy roles and responsibilities.
- In accordance with the principles of good governance, MCA takes part in the Department's MA exercise. For the 2017/18, 2018/19 and 2019/20 MA exercises, MCA reported overall **substantial** positive ratings (See **Annex D** for Management Assurance Category Ratings). Results are scrutinised by the MCA Board and [[HYPERLINK "https://www.gov.uk/government/publications/minutes-of-departments-executive-committee-and-board-meetings"](https://www.gov.uk/government/publications/minutes-of-departments-executive-committee-and-board-meetings)] (ExCo), and are published in the DfT Annual Report, which is laid before Parliament.

Recommendation

To be completed within 6 months of Departmental clearance of this review.

4. The DfT Sponsor and MCA should update the Framework Document in line with HM Treasury and the Department's framework guidance, and to incorporate the recommendations of this review including:

- **Setting out the governance arrangements of the Board**, senior executives, non-executives, and their respective roles and responsibilities to MCA and the Department.
- **Changes to ways of working**: the most Senior Sponsor (Director General, AMIS), should chair the Sponsor Board meetings, and only allow a deputy by exception. DfT Sponsor team should work with MCA to consider the most efficient division of responsibilities to avoid duplication with the Department on maritime policy, particularly in technical areas (e.g., environmental protection; safety regulation; SAR protocols; and the UK's representation at the UN's International Maritime Organisation); a robust, joint process between MCA and the Department for the development and clearance of all submissions and Sponsorship and policy officials.
- **Avoid duplication of role between MCA and DfT** on maritime policy, particularly in technical areas (e.g., environmental protection; safety regulation; SAR protocols; and the UK's representation at the [[HYPERLINK "http://www.imo.org/en/Pages/Default.aspx" \h \]](http://www.imo.org/en/Pages/Default.aspx)). A clear division of responsibilities and effective partnership working should be reflected in the Framework Document between the Department and MCA.

Annual Reports & Accounts

MCA publishes its annual report and accounts and its annual business plan on GOV.UK, thereby fulfilling its transparency obligations as set out in [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742188/Managing_Public_Money_MPM_2018.pdf" \h \]](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742188/Managing_Public_Money_MPM_2018.pdf);

"4.13.2 All public-sector organisations should adopt a publication scheme routinely offering information about the organisation's activities. They should also publish regular information about their plans, performance and use of public resources."

The Annual Report and Accounts are shared with Transport Scotland to be laid before the Scottish Parliament. The accounts are prepared in compliance with the accounting principles and disclosure requirements of HM Treasury's Financial Resource Accounting Manual (FRoM) in accordance with the Accounts Direction set by HM Treasury.

Key findings

- The review is satisfied that MCA's Annual Report & Accounts are presented to the House of Commons pursuant to Section 7 of the [[HYPERLINK "http://www.legislation.gov.uk/ukpga/2000/20/pdfs/ukpga_20000020_en.pdf" \h \]](http://www.legislation.gov.uk/ukpga/2000/20/pdfs/ukpga_20000020_en.pdf).
- MCA's Annual reports for [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/821278/MCA_Annual_Report_and_accounts_2018-19_final.pdf" \h \]](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/821278/MCA_Annual_Report_and_accounts_2018-19_final.pdf) and [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/928608/MCA_Annual_report_and_accounts_2019_-_2020.pdf" \h \]](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/928608/MCA_Annual_report_and_accounts_2019_-_2020.pdf) were

audited and cleared by the Comptroller and Auditor General and approved by the Minister prior to being published and have been laid before Parliament.

MCA/DfT Sponsorship Relationship

Sponsors are the link between departments and their ALBs. The key focus for much of the sponsorship role is to support public bodies in being accountable and high-performing organisations, delivering value for money services as outlined in their business plan and supporting the parent department in achieving its objectives.

An excellent sponsorship function is underpinned by two key elements -

- Good governance structures and processes, and
- Good relationships with the sponsored body, based on open and honest interactions.

The performance of MCA is overseen by the MCA Sponsorship Board. The role of the MCA Sponsorship Board according to its Terms of Reference 'is to assist in advising the Secretary of State on -

- The corporate and business plans of the Agency, and
- The Agency's performance against the objectives, Ministerial targets and financial budgets set in them.'

The review team attended MCA Sponsorship Board meetings and reviewed meeting notes from the period October 2018 through to January 2020.

Key findings

- A good governance structure in place but Sponsorship Board chairing arrangements are often delegated, noting the Framework Document states, 'the performance of the MCA will be overseen by the MCA Sponsorship Board, chaired by the Director General (DG) (Maritime) acting as the Agency Owner.'
- DfT officials were not being given prior sight of some submissions going to Ministers, which could negatively impact the relationship and the quality of the outcomes for public services. The current Framework Document should be updated to include a section on 'Submissions to Ministers' section 20 of the Framework Document template, to ensure submissions to Ministers follow the correct guidelines. The Framework Document should also be amended to better reflect policy roles and responsibilities.
- Moving staff to work on EU (European Union) Exit resulted in a high churn in the Sponsor team, with a rotation of four senior sponsors between Oct 2018- July 2020.
- Interviews conducted with maritime officials in DfT and MCA identified a need for a clear definition of roles and responsibilities regarding the International Maritime Organisation budget. This was echoed in the Government Internal Audit Agency (GIAA) audit of the management of the International Maritime Organisation budget. The GIAA recommended a Memorandum of Understanding (MoU) detailing roles and responsibilities be developed. In February 2019, the DfT

Sponsor came to an agreement with the GIAA that their recommendation would be addressed in an amendment to the Framework Document.

Recommendations

To be completed within 6 months of Departmental clearance of this review.

5. The DfT Sponsor and MCA should undertake a Relationship Health Check as soon as possible and every subsequent two years, with a view to improving accountability and assurance and forge the relationship between the Department and MCA, it is an opportunity to identify strengths and weaknesses based on Cabinet's Offices' four principles: purpose, assurance, value, and engagement as outlined in the DfT Delivery Body Partnership Guide and DfT Gold Standards.

5. Fit for the Future

While this light touch review makes valuable recommendations, a full assessment of the effectiveness and efficiency of MCA will be undertaken in 2022 under Cabinet Office's new programme of arm's-length body (ALB) review that is launching in 2022.

As part of an assessment of governance and accountability, the review examined a selection of MCA's internal business functions, including its IT and Shared Services transformation programmes. Progress of these initiatives will be assessed in the full review next year.

IT Transformation

MCA's IT Transformation Programme was established in early 2019 to address an operating model deemed unfit for purpose and potentially exposing the Agency to excessive risk in running and maintaining its IT services, including project delivery and future demand. There are five functions: Operations; Delivery; Design; Strategy & Governance; and Data & Insights.

Key findings

- Digital initiatives include electronic certificates for survey & inspection (Pelorus), UKSR, Short Course Database, Approved Doctors Information System, Beacons, Bunkers as well as a new Data and Insight capability for the Agency. Productivity tools have been expedited; the roll-out of Microsoft Teams has been successful and a modern remote access solution is near to completion.
- Initially a contractor was engaged in late 2018, then a new IT Director was appointed in November 2019, to drive MCA's digital transformation. Considerable progress has been made on building a new IT capability and delivering digital products to MCA, addressing people, process, and technology. Recruitment within the IT Directorate is at 80% (20% vacancies remain), so focus is now moving to building technical expertise through training and embedding a light touch of the right governance, through good practice. There is concern around recruiting talent, however the IT Director has confirmed that they have the budget and will be able to offer training (subject to a business case). Its aim is to not only recruit staff but to retain them as well. A leadership initiative and apprenticeship scheme are planned for late 2020.

- The total IT Programme budget (2019/20) is profit & loss £17.1M and capital expenditure £1.9M. The review looked at the IT Programmes risks and mitigation plans, and how the programme aligns with MCA's overall strategy. The team is satisfied with the evidence provided and believes that the work is progressing to plan. MCA plans to launch its digital strategy by the end of 2020.

Recommendation

No recommendation. As the IT Programme is in a critical stage of development, the review does not make any related recommendations. The Programme should be evaluated in MCA's next review.

Shared Services

The [[HYPERLINK](#)

"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/686867/A_Shared_Services_Strategy_for_Government_v01__1_.pdf"] was published in January 2018, setting an ambitious vision for transforming delivery of finance and HR transactional activity over the next 10 years. A refreshed version of the [[HYPERLINK](#) "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844390/Government_Shared_Services_Strategy_Refresh.pdf"] restating government's ambition and vision 20 months on was published September 2019.

Moving to a single platform for the DfT Family (DfT central, Executive Agencies, Executive Non-Departmental Public Bodies, and other government owned companies) is in line with the GSS. The DfT family is working on the [[HYPERLINK](#) "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844390/Government_Shared_Services_Strategy_Refresh.pdf" \h] (FoSS), programme to move all family members to a single platform and an outline business case has been agreed.

The FoSS Programme will design, build, and transition the DfT to a modernised, new Enterprise and Resource Planning (ERP) platform by the end of 2022 and a new Shared Services Operating Model when the current contract expires in May 2023. The FoSS Programme will replace the current two DfT ERP platforms with a single, standardised, modern ERP.

The FoSS Programme has engaged with each of the current service recipients including MCA to understand and define requirements and operating landscapes and to converge processes wherever possible. The DfT family is represented at the FoSS Programme Board and its sub governance boards as well as related functional boards.

Key findings

- The FoSS programme is currently conducting detailed evaluation work to help decide whether to continue with a single supplier or move to a multi supplier model as well as designing the new service operating model which will govern the new arrangements. These decisions will form part of the first iteration of the full business case being developed in the summer of 2020.
- MCA has been supported by the Agresso platform since 2013, with the current contract to end in 2023. As part of the original [[HYPERLINK](#) "<https://www.gov.uk/government/news/first-independent-shared-service-centre-to-deliver-government-back-office-savings>" \h] (ISSC1) implementation led by Cabinet Office,

the whole DfT Family was due to move to the Agresso platform. MCA was the first family member to be migrated (2013), but the day-to-day operation proved to be problematic and so the project was halted. Cabinet Office renegotiated the contract and handed it back to DfT to manage with an operational split between Agresso and SAP systems.

- The review has seen evidence of MCA's negative experience of working with Agresso and it still operates with some difficulties; for example, doing *manual work arounds* on some of the functions, which at times means MCA must deploy extra staff to assist with its financing role.
- MCA has been actively working with the FoSS team to improve the efficiency of the platform by feeding into design requirements via workshops, reviewing documentation and actively engaging in the various design and governance boards. DfT colleagues have attended MCA Board meetings in both in September 2017 and June 2019 to give an update on the FOSS programme and provided a paper to the MCA Audit and Risk Audit Committee (ARAC) in February 2020. MCA's subject matter experts continue to engage with the FoSS team. Both DfT and MCA are on path to transfer to the new shared service system.

Recommendation

To be implemented within three months of departmental clearance of this review.

8. MCA should continue to work with the Department's FoSS team on transferring to a new Shared Service System to improve the efficiency and effectiveness of back-office operations.

Finance

MCA is funded by central government, but it also receives income from the provision of services. MCA's operating segments, known as directorates, are based around the services provided. This follows [[HYPERLINK "https://www.iasplus.com/en/standards/ifrs/ifrs8" \h](https://www.iasplus.com/en/standards/ifrs/ifrs8)]

MCA has a budget of £350 million and its Finance Division has a team of 45 staff. MCA has oversight of some large contracts, which are significant to the DfT Group's finances (e.g., MCA's Aviation Programme). In November 2018, the Finance and Human Resources teams' responsibilities were transferred from the Strategy and Corporate Services directorate to the Chief Executive's office.

Key findings

- MCA's financial statements are prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury (HMT). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) adapted or interpreted for the public-sector context.
- MCA'S Audit and Risk Committee (ARAC) seeks independent advice and assurance on the processes for risk management, governance, assurance, and

internal control, including reliability and integrity and meets quarterly. Membership includes the Agency's two Non-Executive Directors, one of whom is appointed as Chair. The Chief Financial Officer and Chief Executive also attend.

- MCA reports via the Sponsorship Board on the effectiveness of internal controls, financial reporting, governance, and risk management. It might therefore prove beneficial and more effective if the ARAC membership could be extended to include the Sponsor and not just DfT Finance. This might help in transparency around management assurance, risk assurance and early input on business planning.

Recommendation

(See recommendation 5) Membership of MCA's Audit and Risk Committee (ARAC) should include a DfT Sponsor representative, in addition to the Department's Finance business partner.

MCA objectives and key performance indicators (KPIs)

The MCA Executive Team reviews and agrees the organisation's KPIs annually. The KPI's are presented to the Department for discussion at the Sponsor Board meeting. DfT Ministers approve the final set, in line with the Framework Document. The approved KPIs are published annually in MCA's Business Plan. Parliament is notified of its publication.

The review examined MCA's core objectives for 2018-19 and 2019-20, as set out in its business plans, and assessed the adequacy of MCA's reporting of its Key Performance Indicators (KPIs). The review considered evidence from Sponsor Board meetings, MCA's Annual Reports 2017/18 and 2018/2019, and its Business Plans 2017/18 and 2018/2019.

Key findings

- **The evidence indicated a need for greater sponsor input to agreeing objectives and greater collaboration** between MCA and sponsor in mutually agreeing submissions to Ministers (as stipulated in the [[HYPERLINK "https://www.gov.uk/government/publications/mca-framework-document-2017"](https://www.gov.uk/government/publications/mca-framework-document-2017)]). The review identified a need for greater clarity in setting out MCA's objectives in the annual business plan, which should include a breakdown of planned activities with a delivery timetable.
- **MCA's performance reporting could be more rigorous and provide a clearer view and reflection of the progress MCA has delivered.** The link between the strategic objective of *safer lives, safer ships, cleaner seas* and the relevant KPI in the business plan is unclear.
- **Due to the considerable number of KPIs and other measures, it is difficult to know which are high priority.** Some are business-as usual activities which do not merit KPI status.

- **DfT should be given the opportunity to input to the annual MCA business plan and should approve it.**

Recommendation

To be implemented within 6 months of departmental clearance of this review.

5. The MCA should ensure there is alignment between its KPIs and objectives in the annual business plan (agreed with ministers) so that it can measure, monitor, and manage delivery. Differentiating between internal-facing management information and public-facing key performance indicators may help the organisation to drive performance in the areas that matter most. At the time of the review, a considerable number of MCA KPI's were focussed on business-as-usual activities or hygiene factors, thereby limiting the ability to provide a robust view of MCA outcomes and progress against Ministerial priorities.

5. Wider Impacts

The review considered the MCA's work with other organisations across the UK and internationally, including its engagement with the [HYPERLINK "[http://www.imo.org/en/Pages/Default.aspx](\"http://www.imo.org/en/Pages/Default.aspx\")" \h] (IMO) and its relationship with the [HYPERLINK "[https://rnli.org/](\"https://rnli.org/\")" \h] (RNLI).

The review also considered progress in a selection of MCA's business growth areas, including UK Search and Rescue, the UK Shipping Register, and its Aviation Programme.

International Maritime Organisation (IMO)

The [HYPERLINK "[http://www.imo.org/en/Pages/Default.aspx](\"http://www.imo.org/en/Pages/Default.aspx\")"] is the United Nations agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. The UK provides a significant sum to the [HYPERLINK "[https://read.oecd-ilibrary.org/governance/international-regulatory-co-operation-and-international-organisations_9789264225756-en](\"https://read.oecd-ilibrary.org/governance/international-regulatory-co-operation-and-international-organisations_9789264225756-en\")" \l "page93"] of the IMO based on the tonnage carried by its flagged fleet which is a government priority to increase. The role of the IMO Permanent Representative (Perm Rep) for the UK is to facilitate, coordinate and negotiate all maritime and related matters on behalf of UK government, working across departments, with the Commonwealth, and the European Union, on behalf of the UK to increase the UK's influence within the IMO.

The IMO is important to the UK's maritime interests but also more broadly given the governments priorities as set out in the [HYPERLINK "[https://www.conservatives.com/our-plan](\"https://www.conservatives.com/our-plan\")"] including;

- UK's leading role in decarbonisation, and reducing ocean plastics,
- following Brexit maintaining our common fisheries, and exploiting Freeports, and to ensure full advantage is made of opportunities for increased and efficient trade with the world.

The UK governments [HYPERLINK "[https://www.gov.uk/government/publications/maritime-2050-navigating-the-future](\"https://www.gov.uk/government/publications/maritime-2050-navigating-the-future\")" \h] seeks to maximise the UK's leadership role in the IMO and contains many examples of the crucial role of the IMO to government and therefore the 'UK IMO Perm Rep' needs to be closely allied to governments emerging priorities through ministers.

The 'UK IMO Perm Rep' role is currently held by the MCA's Director of Maritime Safety Standards, who also has responsibility for the UK Ship Register (since June 2019). The review felt that fully developing the UK Ship Register, Maritime Safety Standards, and IMO is an exceedingly complex portfolio, and that each of those requires considerable attention, time, and commitment to fully exploit and maximise the benefits.

Key findings

- While it might be appropriate for an appointed individual within the MCA to be a route through which UK government pursues its interests through the IMO, **any representation should be transparent** and the brief to the 'UK IMO Perm Rep' at those meetings must be clear and consistent with the UK governments wider policy objectives and followed up through bilateral meetings with members.
- The review was unsuccessful in obtaining details on the appointment, role and responsibility, or accountability of the current 'UK IMO Perm Rep' from MCA or Department sponsor; there was sufficient evidence through active discussion to **suggest reviewing and resetting the role** particularly in relation to ensuring Ministerial input and Department oversight.
- There is an international team both in the central Department and in the MCA, and a DfT Director who owns the secretariat function of the IMO which supports the 'UK IMO Perm Rep.' These teams began regular engagement in 2019 but it was not clear whether there is duplication across roles.
- The review felt there may be merit and vfm in having one international team which manages a broad remit taking a strategic view of maritime internationally and furthering the UKs (United Kingdom) global ambition and clear objectives.
- Evidence provided during interviews, suggested there needs to be greater clarity and consistency in relation to where international maritime matters are developed in terms of strategy, policy development, and planning.
- The Department has a considerable international maritime ambition and as part of taking the lead for government, there must be collective agreement sought with other interested government departments, to take a whole of government approach.
- To develop a cohesive plan, the Department should obtain a Ministerial steer via a cross-government ministerial write-around given the broad interest this may generate across other Departments, and agree the process for the nomination of the 'UK Perm Rep to the IMO,' given the role represents the whole of government. The Department should also consider whether the work leading from that plan may require international teams to remain separate or co-located in such a way as to avoid duplication and ensure coherence.

Recommendations

To be completed within 12 months of departmental clearance of this review.

6. Ministerial approval should be sought for the UK IMO representative, role, and responsibilities, including –

- **Consultation with Other Government Departments (OGDs) with shared maritime agendas** e.g., Foreign Commonwealth & Development Office, Dept for Environment, Food & Rural Affairs (i.e., fishing), Dept for Business Energy & Industrial Strategy (i.e., trade, de-carbonisation & climate change strategy); and
- **Agreeing a cross-government international maritime strategic plan**, setting out clear objectives which incorporate the 2019 Conservative Manifesto, the Maritime 2050, and other cross government priorities.

Relationship with Royal National Lifeboat Institution (RNLI)

The [HYPERLINK "https://rnli.org/"] is an independent UK and Ireland charity that has been saving lives at sea since 1824. It provides a volunteer-led, 24-hour lifeboat search and rescue service, a lifeguard service (available during the summer months) and a flood rescue capability. The RNLI is a declared asset of HM Coastguard.

In September 2019, RNLI reduced its headcount by 135 staff, due to a shortfall in funds received and despite a rise in demand for its services. In March 2019, RNLI appointed a new Chief Executive (CE), [Name]. The review identified the CEs of RNLI and MCA have agreed both organisations will place more emphasis on collaborative working. In early 2020, both organisations began holding workshops to promote more effective collaboration with each other and agreed to collaborate on the following areas:

- **(strategic)** Common data set and analysis used to agree high level asset disposition (boats, planes, helicopters, teams) and to create a locally tailored service level requirement for RNLI assets
- **(tactical)** Both MCA and RNLI to see the new (2Excel) search capability to enable the asset discussion and to help the RNLI think about future lifeboat functionality.
- **(operational)** Have both MCA and RNLI standards teams work together on some inspections
- **(comms)** Both bodies to jointly tell the story of a unique level of public/voluntary/private sector collaboration that makes up UK search and rescue.
- **(Prevention agenda)** Fund numbers of fishers to do the [HYPERLINK "https://www.sff.co.uk/new-man-overboard-prevention-sea-survival-course-fishermen/"] – with each having his/her YouTube video of it as an aide memoir. MCA advised they will look at how to engage more with the RNLI in this area.

Key findings

- MCA and RNLI hold joint operations meetings, usually every 2 months. The meetings focus upon incidents, issues, good practice, communications, and reviews. The meeting is normally attended by Coastal Operations, Maritime Operations, [HYPERLINK "https://www.gov.uk/government/organisations/maritime-and-coastguard-agency"] Technical, RNLI ops and RNLI policy.

- A review was underway of MCA/RNLI's service level agreements which aimed to document in one place the capability of each organisation and identify where synergies exist for future development and working together. Both bodies will review international work and how the RNLI may link into the UK's Overseas Territories and for HMCG to engage with RNLI international projects.
- MCA/RNLI liaise regularly on migrant, counter terrorism response, severe weather and recently with COVID-19 plans.
- The review recognises this is a new area of collaborative working and concludes it is too early to assess its effectiveness, however, it recommends that this collaborative partnership working continues to allow them to educate, influence, supervise and rescue those at risk from drowning.

Recommendation

To be implemented within 6 months of departmental clearance of this review

7. The collaborative working relationship between MCA and RNLI holds considerable potential. The review recommends further developing the relationship to ensure it is mutually productive and beneficial.

UK Shipping Register

In 2007, the [[HYPERLINK "https://www.ukshipregister.co.uk/"](https://www.ukshipregister.co.uk/)] (UKSR) was established within the MCA. It encompasses the registers for merchant ships and bareboat charter vessels with gross tonnage (GT) greater than 100 GT. Merchant ships on the UKSR undergo in-depth ship surveys which cover ship construction, equipment, and on-board operations. Safety requirements are also enforced through the MCA's inspection regime which includes foreign ships visiting UK ports through the [[HYPERLINK "https://www.parismou.org/inspections-risk/library"](https://www.parismou.org/inspections-risk/library)] (Paris MoU) Port State Control arrangements.

The UKSR has a reputation for maintaining the highest international standards. UKSR is one of the best performing flags (based on the Paris MoU whitelist) in the major [[HYPERLINK "http://www.imo.org/en/OurWork/MSAS/Pages/PortStateControl.aspx"](http://www.imo.org/en/OurWork/MSAS/Pages/PortStateControl.aspx)], supported by its position on the Paris and [[HYPERLINK "http://www.tokyo-mou.org/"](http://www.tokyo-mou.org/)] White Lists. It is also included on the [[HYPERLINK "https://www.dco.uscg.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Inspections-Compliance-CG-5PC-/Commercial-Vessel-Compliance/Foreign-Offshore-Compliance-Division/Port-State-Control/QS21/"](https://www.dco.uscg.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Inspections-Compliance-CG-5PC-/Commercial-Vessel-Compliance/Foreign-Offshore-Compliance-Division/Port-State-Control/QS21/)] which recognises high-quality ships and encourages outstanding operations.

In 2015, a government commissioned report, [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/460861/maritime-growth-study-keeping-UK-competitive.pdf"](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/460861/maritime-growth-study-keeping-UK-competitive.pdf)] , presented a vision for the UK maritime industry in the future. The follow up review in 2018, [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/678365/maritime-growth-study-review.pdf"](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/678365/maritime-growth-study-review.pdf)] advised *"significant progress has been made in this area. Since the publication of the Growth Study, the MCA has taken action to separate the UK Ship Register from its regulatory functions. The Register is now a standalone business unit within the MCA governance structure, and has Director representation on the MCA*

board, with sole responsibility for the management of the functions which fall within the remit of the UK Ship Register”.

Key findings

- **The appointment of Brian Johnson in 2018 as MCA CE brought significant changes to the leadership team as well as MCA’s strategic plan.** This included reverting the Growth Studies Review to reposition the UKSR to sit under the Director of Maritime Safety and Standards. The CE intended the integration of the two directorates to enable a comprehensive service for customers, with full access to MCA’s in-house surveyors and technical experts. To support the expanded remit of the Director, the CE recruited (in 2019) a marketing/brand specialist as an interim Business Manager to focus on developing the UK Flag brand and service proposition. January 2020 saw the appointment of [[HYPERLINK "https://www.ukshipregister.co.uk/news/the-uk-ship-register-welcomes-new-commercial-director/" \h](https://www.ukshipregister.co.uk/news/the-uk-ship-register-welcomes-new-commercial-director/)] The commercial team is now complete with the recruitment of specialist business analysts, as well as experienced sales and marketing people at a cost neutral rate due to the team’s restructuring.
- **Since early 2019, UKSR has done intensive work to better understand its global positioning, customer insight and how to create a future operational model.** This includes increasing its global positioning through *in-house improvements* across each aspect of the customer journey, identifying *fiscal opportunities* which requires legislative change and looking at its *future vision*.
- **There has been significant resourcing and research to better understand the UK shipping market and how best to sell the UK Flag.** A new UKSARH team was assembled in late 2019 to deliver the task. It is too early for the review to fully assess the impact of the team and therefore the review recommends this should be included in MCA’s next review under the new Cabinet Office programme launching in 2022.

United Kingdom Search and Rescue 2G (UKSARG2)

The review noted the scope of the new UK search and rescue helicopter 2nd generation programme (UKSAR2G), the successor to the current UK search and rescue helicopter arrangements, a more collaborative and innovative airborne solution to government’s aviation needs. At the time of the review, a new pan-government aerial surveillance service was due to launch in 2019-2020. A series of drone trials would test the utility for larger drones to operate in a range of scenarios including search and rescue.

The [[HYPERLINK "https://www.gov.uk/government/publications/second-generation-uk-search-and-rescue-aviation-programme-uksar2g" \h](https://www.gov.uk/government/publications/second-generation-uk-search-and-rescue-aviation-programme-uksar2g)] programme will build on the existing UK SAR service to provide a market-led tailored approach to search and rescue in a more cost-efficient and innovative way. UKSAR2G is a Tier 1 project of the Department and has a budget of £2.7bn and is governed by a Programme Board responsible for providing tactical and operational oversight of the programme. UKSAR2G also reports to the Department’s Investment, Portfolio and Delivery Committee (IPDC), who approved its business case in

October 2020, and the Cabinet Office Spend Controls Minister in November 2020. There have been regular Ministerial updates on this project via submissions and meetings.

Key findings

- Overall, the review team is encouraged by the future direction of UKSARH which is detailed in its in-house improvements and fiscal opportunities plan. UKSR's future vision is to become the world leading flag for technical innovation and ethical operations, including environmental sustainability. The UKSR team has continued its focus on engagement with industry. In January 2020 it hosted the first Ship Owners Forum, which brought together over 20 industry leaders, alongside wider MCA colleagues, to take a strategic look at the future of UK maritime. The initiative was announced at London International Shipping week 2019 and was the result of consultation with UKSR's customers throughout that year.
- The review noted that as of January 2020, the UKSR's shipping tonnage was 10.5 million gross tonnes (GT) with November 2019 seeing the highest month of 'flag-ins' to the UK register (540,000 GT), since March 2011. This latest increase was deemed to be a result of investment in improved keys accounts management with key customers as well as an improved approach to prospective clients (a part of its in-house improvements plan).
- In September 2017, the government announced its ambition to double the size of the UKSR to 30.0 million GT following the UK leaving the EU. This growth target has been abandoned as it was believed by MCA and agreed by DfT, to be unrealistic considering the probable impacts of EU Exit. The UKSR's new aim (2019) is 'to become the fastest growing international flag year on year over the next two years, and to proactively maintain that growth'.
- The review saw evidence of work commissioned by MCA through consultants [[HYPERLINK "https://www.consultancy.uk/firms/quintec" \h](https://www.consultancy.uk/firms/quintec)] and [[HYPERLINK "https://www.ey.com/en_gl" \h](https://www.ey.com/en_gl)] who reviewed the Search and Rescue Helicopters (UKSARH) and UK Ship Register (UKSR) respectively.
- Quintec conducted a comprehensive post implementation review of UK Search and Rescue Helicopters (UKSARH) to assess the effectiveness and performance of the transition to and delivery of the current UKSARH contracts.
- EY conducted a market readiness of UK Search and Rescue 2nd Generation (UKSAR2G) which is the successor programme to the UK Search and Rescue Helicopter Programme. Both reviews made recommendations, which MCA is implementing in full. This review supports the recommendations made.
- The review noted evidence that the CE challenged the Aviation Search and Rescue team to improve its forecasting and to adopt a risk-based approach to budgeting. This novel approach has resulted in the projected underspend for 2019/20 £800k compared to £5m in the previous year. The Aviation Search and Rescue budget is one of the largest in DfT at £220m (2020). Budget forecasting is challenging due to the weather-dependence and unpredictability of demand. Aviation budget estimating

has historically been risk-averse, typically resulting in a significant budget underspend.

Recommendation

No recommendation. Due to its commercially sensitive content, the plan cannot be shared publicly. MCA's progress across the UK Search and Rescue programme should be assessed as part of a subsequent, more comprehensive review.

Aviation Programme

The [[HYPERLINK "http://www.mcaaviation.com/about-us/meet-the-team"](http://www.mcaaviation.com/about-us/meet-the-team)] branch was originally established to manage Coastguard helicopter and fixed wing aviation contracts. Since 2015, the Aviation team has undergone significant transformation to become the largest operator of aviation outside of the Ministry of Defence.

Since 2015 the MCA has been the sole provider of search and rescue helicopters in the UK. The MCA Aviation branch is part of the Commercial and Programmes Directorate and provides aviation services to all the *blue light* emergency services including HM Coastguard. It also helps to protect the maritime environment and support the aerial surveillance requirements from other public bodies. It uses planes to identify and, in some cases, disperse oil on UK waters. Its aviation branch provides aerial surveillance services to other public bodies.

Key findings

- The MCA Aviation branch comprises 30 staff offering a range of disciplines from commercial management through to operational deployment. The Aviation branch has an annual budget of £220m. The branch is accountable for delivery of the UK's network of search and rescue helicopters which are currently being operated on behalf of MCA by [[HYPERLINK "http://bristowgroup.com/"](http://bristowgroup.com/)].
- In 2018, the MCA Aviation Vision for the Future, an internal document, set out a strategy to improve value for money in the delivery of aviation services by MCA. Since that time, MCA has used the Vision for a more innovative and collaborative approach to the delivery of MCA's aviation services.
- MCA's aviation portfolio, primarily the Search and Rescue Helicopters including the UK SAR helicopter service and MCA GAP SAR-H, is the single largest area of operational expenditure; in 2018-29 it cost nearly £206m out of a total of £357m total operating expenditure (page 75 [[HYPERLINK "https://www.gov.uk/government/publications/mca-annual-report-and-accounts-2018-to-2019"](https://www.gov.uk/government/publications/mca-annual-report-and-accounts-2018-to-2019)]). MCA has divided its aviation portfolio into six workstreams with each one having its own delivery strategy and plan.

Recommendation

No recommendation. As this was ongoing improvement work in early development, the review team did not evaluate, however an update was provided by MCA which includes how its new aerial surveillance service will be absorbed in UKSAR2G, and how it is

exploring the use of drones to assist in emergency service operation. The complete update can be seen at **Annex E**.

6. Equality and Social Responsibility

Staff engagement

MCA brings together a range of front-line professionals of diverse backgrounds and cultures as well as civil servants in office-based support roles. There is a wide geographic dispersion of staff as well MCA's operational requirements (e.g., its search and rescue function), which presents challenges around staff engagement.

In MCA's [[HYPERLINK](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/767568/MCA_Civil_Service_People_Survey_2018.pdf)

"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/767568/MCA_Civil_Service_People_Survey_2018.pdf"] respondents were asked, 'I would recommend the MCA as a great place to work', 59% responded positively (+2% up on Civil Service 2018), and this score is up by 3% from MCA's [[HYPERLINK](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766790/MCA0000_Maritime_and_Coastguard_Agency.pdf)

"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766790/MCA0000_Maritime_and_Coastguard_Agency.pdf"].

The Civil Service engagement score average is 2018 - 68% and 2017 - 69%. MCA's engagement score was 65% for both years, marginally lower to the Civil Services.

Staff events

MCA has over 1000 staff dispersed across the UK. MCA has held staff engagement/development events biennially (2012, 2015, 2017 and 2019) where approximately 150 staff attend over three days at a hotel venue. Staff can join sessions via Skype; around 50 staff joined the March 2019 event remotely. Items on the agenda in 2019 included the importance of leadership, training in using DiSC (a personality preference tool), staff networks and its 'Respect at Work' policies.

Key findings

- The review noted staff selection for these events varies according to what MCA thinks is the priority it is tackling; in some years, this has included an invitation to self-nominate, in others, it has seen a need to select those who it believes will benefit most. Directorates also hold regular briefing sessions for their teams – sometimes called "Town Halls". Executive Team members use these events to update staff on operational and organisational issues.

Staff networks

Staff Networks hold enormous potential to influence the levels of staff engagement and productivity in the workplace. When operating efficiently networks enable employees from minority groups to feel accepted, tackle the under-utilisation of skills and encourage diverse talent. To remain competitive, employers must make effective use of staff networks to benefit from their employees' full potential.

Key findings

- At the time of this review, MCA had the following staff networks: The Women's Network, The Carers Network, The LGBT+ Network, The Respect Ambassadors Network and The Mental Health Buddies Network. In June 2019 MCA received agreement from its Sponsor Board for MCA to join DfT's Black Asian and Minority Ethnic (BAME) network, the Positive Support Group (PSG). This followed the limited desire from its staff for a MCA specific network. MCA advised the review this will be reviewed in a future date.

Bullying and Harassment

The Civil Service has a longstanding commitment to ensuring positive, supportive working environments in all its teams, departments, and businesses. [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/658488/Strategy_v10_FINAL_WEB6_TEST_021117.pdf" \h](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/658488/Strategy_v10_FINAL_WEB6_TEST_021117.pdf)] sets out the ambition to be the UK's most inclusive employer by 2020.

For this review, we have used the following definitions taken from the [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/744907/TacklingBullyingHarassmentMisconduct-CivilService.pdf" \h](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/744907/TacklingBullyingHarassmentMisconduct-CivilService.pdf)].

Key findings

- The review noted in MCA's annual people survey, in response to the question '*have you experienced bullying or harassment*', [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766790/MCA0000_Maritime_and_Coastguard_Agency.pdf" \h](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766790/MCA0000_Maritime_and_Coastguard_Agency.pdf)] survey reported that 17% of staff had experienced bullying and harassment which was reduced to 15% in [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/767568/MCA_Civil_Service_People_Survey_2018.pdf" \h](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/767568/MCA_Civil_Service_People_Survey_2018.pdf)]. The review has seen evidence that this has further declined to 14% (2019) and 9% (2020) survey.

The graph below shows how MCA compares with the DfT and with the civil service results.

Year	MCA	DfT	Civil Service
2017	17%	7%	11%
2018	15%	13%	11%
2019	14%	11%	12%
2020	9%	9%	8%

- From discussions with staff, the consistent reduction in its figures, along with the supporting evidence provided, suggested that MCA has been diligent in addressing the issues around its bullying and harassment reporting. MCA's senior

leaders, including the Chief Executive, have sent clear messages that the organisation has a 0% tolerance to bullying and harassment. Staff have also been dismissed (in 2019) for displaying this negative behaviour.

- In 2018, the Executive team looked at eight work areas where the indicators in the People Survey around fair treatment, bullying and harassment, discrimination, and stress were significantly lower than the MCA averages. Local managers worked with their teams to understand what was driving those differences and took steps to improve the picture. This included HR interviewing every staff at one of the concerned locations. This was followed up by making and implementing new recommendations to address the concerns highlighted.
- MCA developed and rolled-out its in-house RESPECT workshop, which all its staff (as of January 2020) have attended. A shorter version of the workshop is delivered at every staff induction course for new members.
- MCA have introduced, trained, and deployed 13 Respect Ambassadors across the Agency (mix of grades, disciplines, and locations). The training takes the form of presentations and workshops and talking through examples. Ambassadors meet with the Executive Team Member with responsibility for staff engagement and the Chief Executive every six months.

Grievances

The HR Civil Service Group model was gradually introduced from 2010. It is made up of over 3,500 colleagues across government, and support departments, professions, and other functions to build a modern, effective Civil Service. The Civil Service HR Casework provide HR advice and support to its clients through telephone, email, and face to face meetings. It is run by the Ministry of Justice (MoJ) and used by MCA to respond to grievances raised by staff.

Key findings

- MCA needs more support for its managers as well as improvement in the length of time it takes to resolve the cases. MoJ has so far been unable to deliver the service expectations of MCA. To rectify this, MCA has been having ongoing discussions with the Department's HR, and with its support, has formally approached MoJ to withdraw from its casework service with effect of June 2020. MCA will create its own in-house casework service. HR also sought and got agreement from its Executive Team for ongoing assurances that managers in MCA will continue to manage conduct robustly, actively take part in informal dispute resolution and ensure managers prioritise casework activity.
- In January 2019, MCA introduced a Grievance Triage Process (GTP) (a *three-step* approach to address grievances). GTP has produced a positive result, with two formal grievances raised in 2019, compared to 17 in 2018. The time to close grievances has shortened from an average of 141 days in 2018 to an average of 87.50 days in 2019.

Diversity

The DfT recognises the importance of having a truly diverse workforce and an inclusive culture not only because it is the right thing to do but because we need to both reflect the public we serve and draw on the biggest talent pool possible to achieve the significant transport opportunities that lie ahead.

The Civil Service commitment to diversity and inclusion is grounded in, but not limited to, responsibilities under equality legislation. The [[HYPERLINK "https://www.gov.uk/guidance/equality-act-2010-guidance"](https://www.gov.uk/guidance/equality-act-2010-guidance)] sets out the ways in which everyone is protected by the legislation, and requires the Civil Service and other areas of the public sector to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Key findings

- MCA do not record information on gender reassignment, which is currently the case across the DfT family and government. At the time of evidence gathering for this TR, Cabinet Office was working with Government Equalities Office (GEO) and the Office for National Statistics (ONS) to develop standardised questions for collecting data on gender identity for use in Civil Service HR systems. DfT corresponds with Cabinet Office periodically for updates on when that work is likely to be completed.
- MCA's [[HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/790357/MCA_Business_Plan_2019_-_2020.pdf"](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/790357/MCA_Business_Plan_2019_-_2020.pdf)] 'Moving our culture forward' set targets to increase its female recruits and BAME representation.

Female Recruits

We will increase the number of women in more senior roles (Senior Executive Officer and above) by at least 10%, in part reducing the Agency's gender pay-gap, by 31 March 2020

BAME Representation

With a particular emphasis on HM Coastguard roles, move towards black and minority ethnic representation rates that reflect the proportion of BAME individuals in the local working-age population in each of our major locations by 31 March 2021

- The maritime industry is male dominated, and MCA's coastguard staff are typically drawn from local coastal town populations, which may be less diverse than the UK average. MCA has no control over those factors and therefore BAME

representation within MCA is expected to be lower than average. However, work to increase representation from BAME groups as well as the proportion of females, is ongoing.

- Women make up 37.7% of MCA's workforce (February 2020), up by 1% from August 2019. In 2018/19 MCA exceeded its 10% target of increasing women at Senior Executive Officer (SEO) and above (12% achieved) including the appointment of [[HYPERLINK "https://www.gov.uk/government/people/claire-hughes" \h](https://www.gov.uk/government/people/claire-hughes)] who joins [[HYPERLINK "https://www.gov.uk/government/people/katy-ware" \h](https://www.gov.uk/government/people/katy-ware)] as the second female Director to the Board. MCA put in place its first female only development programme in 2018, as part of efforts to reduce its gender pay gap.
- During the review MCA recognised the need to take more action to encourage applications from the BAME community. MCA's September 2018 BAME job application figure was at a high of 5% of total applications with 0% passing the recruitment board.
- MCA's declared BAME work force is 6.8% (February 2020) up by 0.2% in August [[HYPERLINK "https://www.gov.uk/government/publications/civil-service-diversity-inclusion-dashboard/civil-service-diversity-and-inclusion-dashboard" \h](https://www.gov.uk/government/publications/civil-service-diversity-inclusion-dashboard/civil-service-diversity-and-inclusion-dashboard)]. However, this is significantly lower than 2019's BAME civil servant figure of 12.7%. (See below '*MCA's intended next steps*' for information on MCA's efforts to improve BAME representation in its workforce.)
- MCA's declared disabled staff is 5.26% (August 2019) up to 5.35% (February 2020). This is significantly lower than the civil service figure of 11.7% (2019). Given the physical nature of a proportion of roles it is understandable they may not be either attractive or achievable by people with physical disabilities.
- All government departments have signed up to the government's [[HYPERLINK "https://www.gov.uk/government/collections/disability-confident-campaign" \h](https://www.gov.uk/government/collections/disability-confident-campaign)] scheme, designed to encourage employers to recruit and retain disabled people and those with health conditions. It is voluntary, was developed by employers, and disabled people's representatives. Disability Confident organisations play a leading role in changing attitudes for the better and reap the benefits of inclusive recruitment practices.
- Most significantly, at the time of evidence gathering of this review, MCA had contracted Ernst & Young to provide 'an expert review of the current recruitment process which encompasses all protected characteristics but focuses particularly on women and individuals from a diverse ethnic background (BAME). Through gathering qualitative and/or quantitative information across a broad range of factors in the recruitment process, such as employer brand, candidate experience and recruitment data, the review will help MCA better understand: How to better represent local working-age populations within its work force; How to attract, recognise and nurture diverse talent and; Identify if there are any unintended barriers in the recruitment process which may be having an adverse impact on diverse talent.

- The review team found MCA's actions in tackling the gender pay gap to be positive. MCA has analysed and interrogated its pay gap data and conducted meaningful discussions with DfT's HR and its own HR to develop its understanding of the reasons for the pay gap.
- The MCA had a gender pay gap of 19.8% (as at March 2019). This decreased by 0.8% from 31st March 2018. The UK maritime industry has historically been a white male dominated industry. This figure is reflected in the recruitment pool MCA resources its staff from and significantly impacts MCA's gender pay gap. MCA's (2018/19) male: female ratio is 63.3%: 36.7%. MCA is tackling the gap through a range of measures to bring women into more senior roles. These include staff development, recruitment practices/strategies, through attraction and promotion of the sector and succession planning.

Staff development	<ul style="list-style-type: none"> • MCA has developed workforce specific, and more general, management development programmes that are targeted at each level of responsibility (including a proposal for 'Required Training for all Managers'). • MCA offers a diverse range of apprenticeships at all grades. • MCA has a female only development course • MCA has committed to adopting the Key Performance Indicator (KPI) to increase the level of female representation at SEO and above by at least 10% by March 2020.
Recruitment practices/strategies	<p>MCA has reviewed its recruitment practices to;</p> <ul style="list-style-type: none"> • update how it recruits including reviewing role specific criteria to ensure no unintended discriminatory specific requirements, and; • remove unnecessary details from its role profiles including 'desirable criteria'.
Promotion/attraction	<ul style="list-style-type: none"> • MCA is using campaigns such as the 'Year of Engineering' to raise awareness of career opportunities for women across the maritime sector. • MCA has adopted the recommendations from the [HYPERLINK "http://C:/Users/cdaddyb/Downloads/Moving_Gender_Diversity_Forward.pdf" \h] which includes using female role models and female contacts for prospective candidates and including pictures of women performing roles of surveyor and coastguards. <p>MCA trialled using a female representative in one of its 2018 recruitment campaigns for Maritime Operations Officers (MOO) and its open day at National Maritime Operations Centre (NMOC). This resulted in an increase in female applicants for MOO roles (2017 data showed female applications for Surveyor posts increased from 3 – 16 applicants and 50% of posts offered in MCA's MOO campaign were women.)</p>

Board Diversity

[HYPERLINK

"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/812694/20190627-CO_Diversity_Action_Plan_FINAL-6.pdf"] states 'Boards of mixed gender, ethnicity, age, sexual orientation, faith perspectives, different experiences and backgrounds are more representative of their customers'. It also recommends 'having a diverse non-executive team can signal a commitment to creating a more inclusive organisation and help breakdown unconscious biases within existing board members.

The overall diversity of DFT's public appointments is behind the government's ambition that, by 2022, 50% of appointees should be female and 14% from ethnic minority backgrounds. Published data from 31 March 2019 shows, of the 84 appointees in post, 27% were female and of the eight new appointments and reappointments made in 2018/19, fewer than five were made to those from ethnic minorities.

Key findings

- MCA's Chair will need to consider how the diversity of its Board contributes towards the government's ambition, and the steps it can take to ensure that appointments to the board draw on talent from across the UK, from a range of diverse backgrounds. MCA has tripled its female Board representation during 2018 – 2019. The review notes this significant improvement in light with MCA's work in coastal communities which it needs to represent, which themselves do not necessarily represent national averages. Nevertheless, the review encourages MCA to continue aiming to achieve the 50% female Board member target set by the Civil Service. MCA should also increase its focus to appoint other underrepresented groups to its Board.
- FMCA has run two campaigns for NEDs, the first was run in house. An executive search firm was used in the second campaign to head hunt to help increase diverse applications. Interviewees on both occasions were gender diverse.
- MCA's *Framework* Document should also be updated to reflect its Board responsibilities for staff as echoed in the DfT Framework Document template. The suggested text taken from the template is *'the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement are based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;'*

Recommendations

To be implemented within 12 months of departmental clearance of this review

10. MCA should continue its efforts to support staff wellbeing, improve diversity, and address bullying and harassment.

- **RESPECT Ambassadors should be given the opportunity to evaluate internal training** to ensure both the materials and trainers are effective and to identify where improvements can be introduced; and
- **MCA should consider the feedback from an evaluation process** and decide whether an external provider could develop and facilitate the training of its RESPECT Ambassadors.
- **MCA's grievance process should be evaluated** to ensure the process is fully embedded and working optimally.
- **MCA should consider joining the Disability Confident Scheme** to show its commitment to improving disability diversity.
- **MCA should continue to collaborate with DfT's HR Policy Team on best practice and diverse recruitment practices** to help attract candidates with protected characteristics.
- **MCA should review its progress against the diversity recommendations made in the Lord Holmes Review** - opening public appointments to disabled people, implementing the Public Appointments Diversity Action Plan 2017, and Race in the Workplace the McGregor Smith Review.
- **MCA should continue aiming to achieve the 50% female Board member target set by the Civil Service.** MCA should also increase its focus to appoint other underrepresented groups to its Board
- **MCA should include a Diversity & Inclusion D&I (Diversity & Inclusion) objective for its senior management leaders.** For their performance to be graded as achieved or above in their annual performance review, this objective must be reached.

7. EU Exit

As of January 31st, 2020, the UK is no longer an EU Member State. [[HYPERLINK "https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8453"](https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8453)] concluded by the UK and EU provides for a “transition or implementation period” to run from that day until 31st December 2020. During this period, EU law continues to apply to and in the UK in much the same way it did whilst the UK was a Member State.

The UK is bound by these obligations as a matter of international law through the WA. The WA has effect in domestic law by virtue of the [[HYPERLINK "http://www.legislation.gov.uk/ukpga/2020/1/enacted/data.htm"](http://www.legislation.gov.uk/ukpga/2020/1/enacted/data.htm)]. The government is committed to complying with its obligations in international and domestic law, and this is reflected in the Ministerial Code.

MCA has reviewed its EU exit remit, worked with [[HYPERLINK "https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy"](https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy)], [[HYPERLINK "https://www.gov.uk/government/organisations/foreign-commonwealth-office"](https://www.gov.uk/government/organisations/foreign-commonwealth-office)] and DfT and prepared for EU exit in the following ways:

Marine Equipment

High quality marine equipment is indispensable for the safe operation of a ship, life-saving capabilities, and the protection of the marine environment. Therefore, the international maritime safety conventions require flag States to ensure that the equipment carried on board ships complies with certain safety requirements about design, construction, and performance, and to issue the relevant certificates demonstrating the compliance. To that end, detailed performance and testing standards for certain types of marine equipment have been developed by the International Maritime Organisation (IMO) and by the international and European standardisation bodies.

Mutual recognition of Marine Equipment is one of the areas which will be negotiated with the EU during the transition period. As a contingency plan for marine equipment conformity assessment, the MCA (in conjunction with BEIS) developed its own process as well as its own conformity mark. This was then followed by a targeted consultation with key industry stakeholders to ensure there were no practical challenges to the proposed designs and to seek feedback as to which design options were most suitable. This has since been finalised.

Seafarer Certification

The International Convention on [[HYPERLINK "http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-on-Standards-of-Training,-Certification-and-Watchkeeping-for-Seafarers-\(STCW\).aspx"](http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-on-Standards-of-Training,-Certification-and-Watchkeeping-for-Seafarers-(STCW).aspx)] (STCW), 1978, as amended, sets the standards of competence for seafarers internationally. Certificates of Competency issued by EU Member States or by non-EU countries that have recognised third party status are currently recognised by other EU countries. There are more UK seafarers on EU ships than the other way around. It is likely that the UK will gain centrally approved status, though this may take some time. In the interim, the UK is negotiating directly with relevant EU MS for mutual recognition. Near coastal certification needs to be by individual agreements anyway.

IMO Negotiations

IMO is the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. IMO's work supports the [[HYPERLINK "https://www.un.org/sustainabledevelopment/"](https://www.un.org/sustainabledevelopment/)].

MCA must act in accordance with the Withdrawal Agreement, including the [[HYPERLINK "https://hpop.s.tk.mta.hu/uploads/files/UACES_Bilbao_PVE_\(2\).pdf"](https://hpop.s.tk.mta.hu/uploads/files/UACES_Bilbao_PVE_(2).pdf)]. MCA has received guidance from [[HYPERLINK "https://www.gov.uk/government/organisations/foreign-commonwealth-office"](https://www.gov.uk/government/organisations/foreign-commonwealth-office)] as to how to act in international fora. The implications for the interaction between the two was being discussed at the time of the review between departments and with departmental legal advisors.

European Maritime Safety Agency (EMSA)

[[HYPERLINK "http://www.emsa.europa.eu/"](http://www.emsa.europa.eu/)] regulation states that the purpose of MCA is to ensure a high, uniform and effective level of maritime safety, maritime security, prevention of, and response to, pollution caused by ships. It also responds to marine pollution caused by oil and gas installations and, where appropriate, to contribute to the overall efficiency of maritime traffic and maritime transport so as to facilitate the establishment of a [[HYPERLINK "https://ec.europa.eu/transport/modes/maritime/consultations/2007_12_20_barriers_en"](https://ec.europa.eu/transport/modes/maritime/consultations/2007_12_20_barriers_en)] MCA developed contingency plans to address the operational risks of losing access to information systems provided by the EMSA in a 'no deal' EU Exit scenario.

Key findings

- After the [[HYPERLINK "http://eureferendum.com/"](http://eureferendum.com/)], the MCA contracted a business analyst to review the MCA's use of the systems provided by EMSA. This work concluded in July 2017 and led to joint work between DfT and the MCA to consider what functionality would be required to mitigate the loss of access to EMSA's systems.
- In May 2018, the MCA Board considered each of the EMSA systems used by the MCA and identified three as business critical: LRIT (a near-real-time, global vessel tracking system), [[HYPERLINK "http://emsa.europa.eu/csn-menu.html"](http://emsa.europa.eu/csn-menu.html)] (a satellite imagery system to enable remote pollution detection at sea) and [[HYPERLINK "http://www.emsa.europa.eu/psc-main/thetis.html"](http://www.emsa.europa.eu/psc-main/thetis.html)] (a shared database supporting Port State Control operations). The board determined that contingency plans would need to be delivered for each of these systems by 'day one.'

- Following the decision of the MCA Board, the Department hosted a series of workshops in collaboration with the Infrastructure and Projects Authority to consider contingency plans for those three EMSA systems. The workshops were attended by government digital services and key stakeholders from the MCA, to agree the requirements for the alternatives to each of the EMSA information systems.
- **Long-Range Identification and Tracking (LRIT).** LRIT enables the UK to discharge its international obligation to ensure that UK ships report their position to the International Maritime Organisation's (IMO) international data exchange. As a Member of the EU, the UK submitted this information to EMSA who stored it on their data centre prior to passing it on to IMO. The UK developed its own data centre as part of the preparation for no-deal and will continue to use this going forward.
- **CleanSeaNet (CSN)** notifies the MCA of potential oil spills in UK waters and provides satellite imagery. Information on the system is also used to provide evidence when prosecuting polluting ships. As part of no-deal preparations, the UK has been holding a contract with a commercial partner to provide these functions.
- **THETIS** is used by the MCA for Port State Control (PSC) purposes. The system facilitates oversight of ships destined for UK ports and provides information about their risk profile and whether they need to be inspected. The UK will maintain access to THETIS through the Paris MOU. At present, the data is delivered from the domestic system "CERS" to THETIS via the [[HYPERLINK "http://www.emsa.europa.eu/ssn-main.html"](http://www.emsa.europa.eu/ssn-main.html)] system. We have since developed a contingency solution which allows CERS to communicate information to THETIS directly. This will not take long to switch on. The MCA will need to look at this again this year to ensure the fix is still viable etc noting CERS will have moved on since this was first incepted for March 2019.
- MCA's future relationship with EMSA, and therefore to what extent (if at all) the UK will continue to access the systems, depends on the outcome of negotiations between the UK and EU at the time of the review.

Recommendation

No recommendation. MCA and its Sponsors should continue to collaborate on the ongoing implications of Brexit and implement the new changes to processes as appropriate, as part of business as usual activities.

8. Location

The [[HYPERLINK](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/738217/Government_Strategy_Final_AW_v2.pdf)

"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/738217/Government_Strategy_Final_AW_v2.pdf"] seeks to increase the presence of government and major cultural bodies across the whole of the United Kingdom, rebalancing the Civil Service workforce away from the London and the South East. At present, MCA has a diverse portfolio of 471 properties around the UK with some MCA outposts located in areas of lower employment rate (N Ireland, Wales, Scottish Islands, Yorkshire and the Humber and the North East).

Key findings

- Over the last 6 years, MCA has rationalised its estates removing 8 of the 19 coastguard centres and 7 of its 16 marine offices. MCA has condensed its Southampton headquarter floor space by 33% and relocated 4 marine offices to new, more efficient premises.
- MCA is out of scope of Places for Growth. MCA holds property in London and South East for operational purposes and it would make no sense to relocate facilities that are delivering front line services to members of the public. The MCA headquarters are in Southampton but was purchased by DfT. MCA need to be in that location for operational reasons and for access to the oceanographic expertise in Southampton.

Annex A: Maritime and Coastguard Agency Tailored Review Terms of Reference

Following the ministerial clearance of this ToR and with consultation with DfT sponsor policy teams and the challenge panel, it was **decided that the review would only examine areas of MCA's work, accountability, governance and value for money, and MCAs relationship with DfT.** The review makes valuable recommendations but **does not provide a full assessment of the effectiveness and efficiency** of MCA; instead in 2022 the MCA will undergo a comprehensive review of its governance, accountability, effectiveness, and efficiency under Cabinet Office's new programme of Arm's-length body (ALB) review 2022.

Objective

The Tailored Review of the Maritime and Coastguard Agency (MCA) will provide a robust assessment, challenge to and assurance on the health and effectiveness of the organisation as per [HYPERLINK

"https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802961/Tailored_Review_Guidance_on_public_bodies_-May-2019.pdf"]; specifically:

- If the function it provides is still relevant to requirements and contributes to the core objectives of the Department for Transport, and if so;
- That the organisation is well run with good governance and assurance, and strong leadership; and
- That the MCA is carrying out its functions effectively and efficiently.

Context

The Maritime and Coastguard Agency was established on 1 April 1998 by the merger of the Coastguard Agency and the Marine Safety Agency. Since 2002 it has been an executive agency of the Department for Transport (DfT). Its key responsibilities are preventing the loss of lives at sea, implementing British and international maritime law and safety policy and operating land-based search and rescue helicopter operations (since 2015).

MCA's operations include coordinating search and rescue (SAR) on the coastline and at sea through [HYPERLINK "https://en.wikipedia.org/wiki/Her_Majesty%27s_Coastguard" \o "Her Majesty's Coastguard"] (HMCG), ensuring that ships meet international and UK safety standards, monitoring and preventing coastal [HYPERLINK "https://en.wikipedia.org/wiki/Water_pollution" \o "Water pollution"] and testing and issuing [HYPERLINK "[https://en.wikipedia.org/wiki/Merchant_Navy_\(United_Kingdom\)](https://en.wikipedia.org/wiki/Merchant_Navy_(United_Kingdom))" \o "Merchant Navy (United

Kingdom)"] Certificates of Competency (licenses) for ships' officers and crew to [HYPERLINK "https://en.wikipedia.org/wiki/STCW" \o "STCW"]' (STCW), for Seafarers 1978 requirements. The MCA is chiefly responsible for the syllabus and national training standards issued by the [HYPERLINK "https://en.wikipedia.org/wiki/Merchant_Navy_Training_Board" \o "Merchant Navy Training Board"] (based at the [HYPERLINK "https://en.wikipedia.org/wiki/UK_Chamber_of_Shipping" \o "UK Chamber of Shipping"]).

The MCA has three distinct "outward facing" elements - provision of [HYPERLINK "https://en.wikipedia.org/wiki/Search_and_rescue" \o "Search and rescue"] and prevention activity through [HYPERLINK "https://en.wikipedia.org/wiki/Her_Majesty%27s_Coastguard" \o "Her Majesty's Coastguard"], port and flag state control of shipping through a network of Marine Offices and the development of international standards and policy for shipping through the [HYPERLINK "https://en.wikipedia.org/wiki/International_Maritime_Organization" \o "International Maritime Organization"].

The MCA has established an [HYPERLINK "https://en.wikipedia.org/wiki/Automatic_identification_system"] (AIS) network around the UK coast, for real-time tracking and monitoring of shipping movements from the shore.

Scope and Strategic Context of the Review

The review will look at the following areas with a view to making recommendations:

- Provide robust challenge to and assurance on the continuing need for the MCA both in its form and its functions; and where it is agreed to retain MCA, to review;
 - Its capacity for delivering more effectively and efficiently, to deliver value for money for the taxpayer,
 - whilst exploring potential improvements to existing programmes - in particular
 - Shared Services functions and,
 - MCA's Digital Strategy and,
 - Commercial opportunities: e.g. user charging when appropriate.
- Identifying the potential for efficiency savings, for better linkage with the devolved administrations and other government departments, and where appropriate MCAs ability to contribute to economic growth.
- The review will include.
 - an assessment of the performance of the MCA or assurance that processes are in place for making such assessments; and that
 - control and governance arrangements are in place to ensure that the MCA and its sponsor are complying with recognised principles of good corporate governance including transparency.
 - in the services MCA carry out and,
 - the decisions MCA make.
- Consider the report and findings of recent reviews of MCA and broader reports that include the operations of MCA and the implementation of resulting actions including.
 - Maritime Growth study and the commercialisation of the UK Ship Register.
- Assess the quality of the MCAs interaction with internal and external stakeholders and with customers of its services. Include assessing the degree to which the internal relationships between MCA and Department meets the DfT Partnership Working guide.

- Consider the extent to which MCAs functions are directly or indirectly delivered in the context of the devolved administrations.
- Consider the impact of Britain leaving the EU and how this affect the MCA and explore what the organisation is doing to prepare for any changes.
- Assess whether the MCA estates strategy is aligned with the Places for Growth programme.
- Assess MCA's staff engagement and diversity, including gender pay, as well as workforce planning and reward strategy.

Methodology

The review will include:

- Desk research of key documents.
- Online call for evidence with stakeholders and follow up to explore any issues in more detail.
- Conduct site visits to speak to staff members to gain an insight into how the MCA operates.
- Consult with private office, DfT policy team and sponsors to inform and support the Tailored Review.
- Conduct a challenge panel to review the findings and consider recommendations.
- Work with DfT experts to provide advice on financial, legal and policy aspects to make sure the recommendations are robust and achievable.

Deliverables

The following documentation will be produced:

- Stakeholder map, communications, and project plan.
- Call for evidence questionnaire.
- Tailored Review report for Cabinet Office and DfT Ministers (for publication).

Roles and Responsibilities

The DfT minister Name to be informed of the commencement of the Tailored Review and the scope of the 'Terms of Reference', as minister responsible for departmental administration, and subsequently provide with the final report and recommendations.

The DfT minister Name MP to be informed of the commencement of the Tailored Review and the scope of the 'Terms of Reference', seek any comments and to subsequently provide approval of the final report and recommendations.

The Minister for the Constitution at Cabinet Office, Name will approve the Terms of Reference and the final report.

As this is a 'Tier 1' review the DfT Non-Executive Director for the review is Name they will oversee the review, provide assurance on the quality of sponsorship and

governance, chair the challenge panel session, and provide updates on the review to the Departmental Board.

The Senior Responsible Owner (SRO) for the DfT Tailored Review programme is [Name]
[Name] Director of Assurance, and for this Tailored Review project the SRO is [Name]
[Name], Deputy Director Governance Division.

The review team will be led by the Governance Division, Tailored Review Team Leader - Ian Cosnett

And consist of:

- Governance Tailored Review Project Lead – [Name]
- DfT MCA lead sponsor - [Name]

Challenge Panel

The challenge panel will ensure the review covers all aspects of the defined scope and will robustly challenge the assumptions and conclusions of the review to ensure it results in reasonable and justified conclusions. Members of the review are:

- [Name], DfT NED and Tailored Review Panel Chair
- Roger Hargreaves, Director of Maritime, DfT
- [Name], DfT Tailored Review SRO, Deputy Director Governance Division
- TBC, Head of Performance Risk and Assurance, DfT Governance Division,
- [Name] and [Name], Deputy Directors, Cabinet Office Public Bodies Team.

The Challenge Panel's purpose is to ensure that the review covers all aspects of the defined scope in this ToR and that it comes to reasonable and justifiable conclusions. The Challenge panel will meet once at the end of the review to test findings before the report is finalised.

Annex B: Maritime and Coastguard Agency (MCA) Call to Evidence

1. What Organisation are you from?
 - MCA staff?
 - Other government department?
 - Part of the Emergency/ Rescue services?
 - A part of the shipping industry?
 - Unwilling to say?
 - Part of another organisation?

2. MCA's overall function is to prevent the loss of lives at sea and is responsible for implementing British and international maritime law and safety policy and for land-based search and rescue helicopter operations.

Were you aware, before today, of MCA having responsibility for:

	Yes	No
preventing loss of life?		
implementing British maritime law?		
implementing International maritime law?		
implementing British maritime safety practices?		
implementing International maritime safety practices?		
land-based search and rescue helicopter operations?		
coastline and at sea search and rescue?		
ensuring ships meet international and UK safety standards?		
monitoring coastal pollution?		
preventing coastal pollution?		
testing Merchant Navy Certificates of Competency		
issuing Merchant Navy Certificates of Competency		
Merchant Navy Training Board syllabus		
national training		

3. MCA's function (to prevent the loss of lives at sea and is responsible for implementing British and international maritime law and safety policy) is still required

How much do you agree or disagree with the statement of MCA's function?

- ☐ Strongly agree
- ☐ Somewhat agree
- ☐ Neither agree nor disagree
- ☐ Somewhat disagree
- ☐ Strongly disagree
- ☐ Don't know?

4. The function of MCA should be carried out by an executive agency.

The MCA is currently an executive agency and is a part of the Department for Transport. It is treated as:

- managerially
- budgetarily

separate, to carry out some part of the executive functions of the United Kingdom government.

How strongly do you agree or disagree with this executive agency statement?

- ☐ Strongly agree
- ☐ Somewhat agree
- ☐ Neither agree nor disagree
- ☐ Somewhat disagree
- ☐ Strongly disagree
- ☐ Don't know

(If the answer to Q4 is somewhat disagree or strongly disagree the participant will be directed to question 5. If they answer strongly agree, somewhat agree or neither agree nor disagree, they will be directed to Q6)

5. Which delivery model do you think might be better placed to carry out these functions?

- ☐ Abolish MCA
- ☐ Move MCA out of government
- ☐ Commercial model
- ☐ Bring MCA in-house
- ☐ Merge MCA with another body
- ☐ Give MCA a less formal structure
- ☐ Delivery of the MCA function by a new executive agency
- ☐ Continued delivery by a non-departmental public body

Why?

6. To what extent do you agree or disagree that: MCA performs its statutory functions effectively

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know?
MCA delivers its functions in line with value for money						
MCA's current governance structure is effective?						
MCA has an appropriate range of performance measures?						
MCA is making the best of continually changing technology?						
MCA provides a good service to UK Shipping Register applicants?						
MCA's current purpose is correct for the future?						
MCA provides a timely service to UK Shipping Register applicants?						
MCA's current purpose is clear to me?						
MCA has a well-defined range of						

performance measures?						
MCA performs its statutory functions effectively?						

7. How, in your opinion, could the delivery of any of the functions performed by MCA be improved?

8. Any other comments?

Annex C: UK government's adherence to international conventions and UK legislation

The UK organisation for civil maritime and civil aeronautical search and rescue is derived from the UK Government's adherence to the following international conventions and UK legislation:

Convention on the High Seas (1958):

[HYPERLINK "http://legal.un.org/ilc/texts/instruments/english/conventions/8_1_1958_high_seas.pdf"]
Convention on the Law of the Sea (UNCLOS) (1982):

[HYPERLINK "http://www.un.org/depts/los/convention_agreements/texts/unclos/closindx.htm"]
Convention on Safety of Life at Sea (SOLAS) (1974):

[HYPERLINK "[http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/InternationalConvention-for-the-Safety-of-Life-at-Sea-\(SOLAS\)-1974.aspx](http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/InternationalConvention-for-the-Safety-of-Life-at-Sea-(SOLAS)-1974.aspx)"]
International Convention on Maritime Search and Rescue (1979):

[HYPERLINK "<http://www.jus.uio.no/english/services/library/treaties/08/8-03/search-rescue.xml>"]
Convention on International Civil Aviation (Chicago 1944) (Annex 12):

[HYPERLINK "http://www.icao.int/safety/airnavigation/nationalitymarks/annexes_booklet_en.pdf"].

There are no international Conventions governing land search and rescue. However, legislation (see below) governing police activity places an obligation on police services to protect life and property and the provision of land SAR services derives from this requirement.

Legislation

Police and Fire Reform (Scotland) Act 2012
[HYPERLINK "<http://www.legislation.gov.uk/asp/2012/8/contents>"]

Police Act 1996 (Section 29)
[HYPERLINK "<http://www.legislation.gov.uk/ukpga/1996/16>"]

Police (Northern Ireland) Act 2000
[HYPERLINK "<http://www.legislation.gov.uk/ukpga/2000/32/contents>"]

Annex D: Management Assurance Category Ratings

The Management Assurance reporting key is as follows:

Category rating	Management Assurance opinion	Assigned score
Substantial (colour rated green) The framework of governance, risk management and control is adequate and effective.	In my opinion, I can answer 'completely' to each of the Management Assurance questions in this category.	>9 to 10
Moderate (colour rated yellow) Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.	In my opinion, some improvements are required before I can answer 'completely' to each of the Management Assurance questions in this category.	>6 to 9
Limited (colour rated amber) There are significant weaknesses in the framework of governance, risk management and control such that it could be, or could become inadequate and ineffective.	In my opinion, I am unable to answer 'completely' to some of the Management Assurance questions in this category as there are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.	>3 to 6

<p>Unsatisfactory (colour rated red)</p> <p>There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.</p>	<p>In my opinion, I am unable to answer 'completely' to most of Management Assurance questions in this category as there are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.</p>	<p>3 or less</p>
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Annex E: MCA's aviation portfolio - six workstreams update

MCA has broken its aviation portfolio into six workstreams with each one having its own delivery strategy and plan. As this is ongoing improvement work in early development, the review team did not evaluate, however the following update was provided by MCA:

	Workstream	Overview
1	UKSARH post implementation review	<p>The UK government operates an aviation-based Sea Majesty's Coastguard's (HMCG) Aviation Branch pro Helicopter (UKSARH) Programme to all blue-light Ca UKSARH capability was transitioned from the Royal , Bristow Group in 2015. In order to fulfil its mission at weather, high winds and in high sea states, UKSARH carry a winch capable of extracting people from diffic</p> <p>A [HYPERLINK "https://assets.publishing.service.gov.uk/government/uploads/s/_ANNEX_B_UK_SARH_PIR_FINAL.pdf"] was conducted b (2019). his has served as a robust evidence base ag programme.</p>

2	Successor to UKSARH programme	<p>Work on a new aviation programme to follow UKSARH sits on the government's Major Projects Portfolio (as 'deliver a cost-effective aviation service to Her Majes</p> <p>In February 2019, MCA commissioned Ernst & Young. The report summarises the findings of the review which market since UKSARH was originally procured, an in Search and rescue, changes to how government coll</p>
3	Aerial Surveillance	<p>[HYPERLINK "https://www.gov.uk/government/publications/national-security-review-2015"] established the need for a collaborative pan-government aerial surveillance solution was sought. These new arrangements will fully take over from the</p>

4	Specialist Aviation	Development of a next generation aerial spraying cap 737-400 series aircraft was approved by the European Commission. The UK owns the intellectual property attached to the next generation aircraft in future tenders which may drive down future costs.
5	[HYPERLINK "http://hmcoastguard.blogspot.com/2017/03/uk-aeronautical-rescue-coordination.html"]	ARCC is in its fourth year of operation of tasking and workstream aims to enrich the work of ARCC operations. The statistics captured is two dimensional. This workstream provide a three-dimensional view of its work.
6	Future technologies	Looking ahead at further technology that can further improve search and rescue operations. Concerned with taking the search out of search and rescue platforms where it is appropriate to do so and improve operational and strategic oversight.

Glossary of Terms

Annual Report and Accounts	<p>Published statutory documents of government Departments and other Delivery Bodies produced annually, presenting details of the spending and performance of a government Department or Delivery Body over the last financial year. Departments publish and present their Annual Report and Accounts to Parliament each year, usually within four months of the end of the financial year. Annual Report and Accounts includes three core elements:</p> <ul style="list-style-type: none"> □ A performance report, which summarises overall performance, spending and delivery of objectives. □ An accountability report, which gives reports on corporate governance, remuneration and a comparison of actual spending against the amounts approved by Parliament. □ Financial statements, which include the Statement of Comprehensive Net Expenditure, Statement of Financial Position (Balance Sheet) and Cash Flow Statement, and associated notes. <p>The accounts are audited, usually by the National Audit Office. Some small Delivery Bodies may be audited by other auditors.</p>
Audit and Risk Assurance Committee (ARAC)	Supports the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment, the integrity of financial statements and the Annual Report and Accounts.
Challenge Panel	Challenge Panel's purpose is to test and challenge the assumptions and conclusions of the review rigorously and robustly.
Comptroller and Auditor General (C&AG)	The head of the National Audit Office, and an officer of Parliament, who is wholly independent of government. He/she gives an opinion ("certifies") the accounts of all major government Departments and many Delivery Bodies.
DfT Delivery Body Partnership Guide	DfT Delivery Body Partnership Guide sets out our approach to Delivery Body Partnership and outlines the key roles and responsibilities of DfT's sponsor, shareholder and client teams.
DfT Executive Committee (ExCo)	Chaired by the Permanent Secretary and attended by all Directors General. The Committee steers the strategic vision, maintains strategic oversight of the Department's major delivery commitments, and takes key management decisions on the everyday running of the Department.

DfT Family	Encompasses central DfT and its Delivery Bodies both within and outside the accounting boundary.
Executive Agencies	Executive Agencies deliver core departmental functions at arm's length from government. They are headed up by a Chief Executive Officer (CEO) and are supported by a management Board. Agencies carry out services or functions with a focus on delivering specific outputs, with policy set by Ministers.
Framework Document	Sets out in detail the operational relationship between the Delivery Body and the Department, including roles and responsibilities.
Key Performance Indicators (KPIs)	Measures of performance which are good indicators of a department or other body's success in meeting its targets or objectives. These are published periodically by government online, in updates to the Single Departmental Plans and in the Annual Report and Accounts.
Management Assurance	All Delivery Bodies for which the DfT Permanent Secretary is the Principal Accounting Officer (PAO) are required to take part in an annual management assurance exercise to assess: <ul style="list-style-type: none"> <input type="checkbox"/> The effectiveness/operation of internal processes and controls in key business areas. <input type="checkbox"/> Identify areas where controls/processes may not be operating effectively. <input type="checkbox"/> Identify and instigate future actions for improvement.
Managing Public Money	The government's guidance to Departments on manage public money effectively. The guide sets out rules and responsibilities, as well as guidance on best practice to achieve value for money.
MCA Chair	The Chair is responsible for leading the Board and for ensuring the Delivery Body's policies and actions support Ministers' strategic aims.
MCA Chief Executive (CE)	The CE is responsible for the day-to-day management of the Delivery Body, the performance of the executive management team, and is accountable to the Board for the performance of the organisation. The CEO is typically appointed as the Delivery Body's Accounting Officer.
National Audit Office (NAO)	The body which audits and scrutinises public spending on behalf of Parliament. It audits the accounts of all central government Departments and Executive Agencies, as well as a wide range of other Delivery Bodies, and reports to Parliament on the economy, efficiency, and effectiveness with which they have used public money. It is independent of government. The NAO is headed by the Comptroller and Auditor General.
Non-Executive Board Members (NEDs)	Are appointed by the Secretary of State or Ministers and are experts in a particular field from outside of government. Their role is to offer advice, support and constructive challenge to Ministers and the Delivery Bodies' Executive regarding the corporate governance and operation of the Delivery Body.

Principal Accounting Officer (PAO)	HM Treasury appoints the permanent head of each central government Department as the 'PAO.' In turn, each PAO can appoint additional Accounting Officers, such as the CEOs of Delivery Bodies. PAO's can delegate certain financial powers to these other Accounting Officers in a formal letter of designation which is updated on an annual basis. The PAO is accountable to Parliament, even when delegating responsibilities to additional Accounting Officers. They are therefore required to maintain 'meaningful oversight' of a Delivery Body.
Senior Sponsor	Senior sponsors are responsible for managing the relationship with the Delivery Body on behalf of the Minister and the Permanent Secretary, and for ensuring an effective partnership function is in place. They are typically a Senior Civil Servant (Director General or Director) and will be supported by a sponsor, shareholder, and client team.
Sponsor	The sponsor brings together policy and delivery skills with expertise in partnership processes, to support Delivery Bodies in being accountable, high performing organisations. Typically, a sponsor will be responsible for the day-to-day relationship with the Delivery Body and will support the senior sponsor in his/her role.
UK IMO Perm Rep	The role is to facilitate, coordinate and negotiate all maritime matters between other governmental departments, the European Union, and the International Maritime Organization.