MARINE INFORMATION NOTE



# MIN 567 (M)

## Government Support for Maritime Training (SMarT) Plus Scheme

Notice to all ship owners and managers, masters, deck and engineering officers and ratings of merchant vessels and those concerned with maritime training.

This notice should be read with MGN 455 This MIN expires 31 July 2018.

#### Summary

This notice proposes an initial strategy to both administer and monitor the success of the SMarT Plus scheme. It is designed to facilitate stakeholder engagement and discussion. Feedback from industry will help the MCA put in place a mechanism to assist industry in increasing UK cadet numbers and support for them to obtain their second Certificate of Competency.

#### 1. Introduction

- 1.1 The Government funded scheme Support for Maritime Training (SMarT) aims to ensure a continuing supply of UK seafarers. On the 2<sup>nd</sup> of February the Minister announced that the Government's financial support for maritime training would be doubling from £15 million to £30 million through the new SMarT Plus initiative. SMarT Plus will see SMarT funding doubled, over a 7-year period. The aim of new scheme is to increase the annual intake of cadets from 750 to 1,200 to meet the nation's economic and strategic requirements. It also aims to further support companies with the cost of training these cadets to meet the requirements of gaining their second Certificate of Competency (CoC).
- 1.2 This MIN sets out an initial strategy to both administer and monitor the success of the SMarT Plus scheme. This strategy is reliant upon stakeholder engagement which will evolve over time to meet the needs of industry. The strategy is currently in the development stage and we welcome feedback on the proposals. By working with our stakeholders, we believe that together we can deliver the next generation of trained seafarers to meet the needs of a global industry.



**1.3** This MIN will identify and set out mechanisms that can help us shape the scheme to deliver and measure success in accordance with national and international regulations including State Aid.

#### 2. Proposals for Consideration

- 2.1 SMarT Plus funding will be payable in addition to SMarT funding where sponsoring companies enter into an agreement with the MCA confirming/declaring the number of cadets they will sponsor from the start of their Officer of the Watch training until completion of their training for a second Certificate of Competency. One of the measures of success of SMarT Plus will be the number of officers (who were sponsored through SMarT Plus) who subsequently go on to obtain their second Certificate of Competency. In return for SMarT Plus funding, sponsoring companies must be able to offer the newly qualified officers with the sea service they will require to obtain a second Certificate of Competency.
- 2.2 We would anticipate that most SMarT Plus sponsoring companies would be able to offer the newly qualified officers the opportunity to start gaining the requisite sea service for a second Certificate of Competency almost immediately after they have qualified for their Officer of the Watch Certificate of Competency. Feedback is requested from sponsoring companies advising how long it would take on average for a newly qualified officer to obtain the sea service.
- 2.3 In the Financial Year 2018/19, there will be up to 150 cadet places available through SMarT Plus. This will increase to 300 cadet places in 2019/20; 450 cadet places in 2020/21 and 600 cadet places in 2021/2022. It is anticipated that the number of cadets on the original SMarT scheme will gradually reduce to 600 per annum by 2021/2022 as the intake for SMarT Plus cadets increases. SMarT and SMarT Plus will therefore fund up to a maximum of 1200 cadets each year from 2021/2022.
- 2.4 The Government is looking to double the SMarT budget to £30 million over 7 years, this will only happen if we can demonstrate success. Industry will need to submit evidence to show commitment to the scheme through the recruitment of additional cadets. Companies will then need to provide opportunities for UK officers to gain the seagoing service required for their second CoC.
- **2.5** Feedback is requested from sponsoring companies confirming the number of SMarT Plus cadets that they can reasonably recruit during the Financial Year 2018/19 for both the autumn intake and the winter intake. Forecasts would be requested for subsequent Financial Years at a later date.
- 2.6 Consideration will also need to be given to those sponsoring companies who may find that they have been unable to recruit the agreed number of cadets for SMarT Plus. The MCA would be open to consider external factors beyond the control of a company to extend eligibility to the SMarT plus scheme. We would invite feedback from industry to list reasonable criteria for the Secretary of State to extend SMarT plus to a company if they have failed to deliver success, e.g. economic downturn, improvement strategy for recruitment and retention etc.
- **2.7** An example of how success could be measured is detailed in Annex 1<sup>1</sup> and other suggestions would be welcome from industry.

<sup>&</sup>lt;sup>1</sup> This example assumes we have agreed a 70% success rate (open to discussion). We would need to agree a minimum cadet intake to measure success i.e. we do not want to penalise companies who take



#### 3. Proposed Payments Options

**3.1** The MCA is currently collating information to ensure that the way in which SMarT Plus funding is paid complies with EU State Aid regulations. There are various options in which SMarT Plus could be paid and we would welcome suggestions from sponsoring companies. One possibility which is being explored is for SMarT Plus to be claimed and paid in the same way as SMarT using a monthly payment schedule. Other options being investigated include claims being made separately to SMarT; paying funding quarterly or annually.

#### 4. New Training Initiatives the MCA is Willing to Consider

- **4.1** Effective training and assessment is key to the supply of quality UK Seafarers. We are aware that companies invest resources in shore based and onboard training after the cadet has achieved their first Certificate of Competency. The MCA would like to see this excellent practice encouraged and adopted across industry. We would invite feedback on the following proposals that SMarT plus could support:
  - MCA approved onboard Training Record Book (TRB) for OOW to Chief Mate (4.2); and
  - MCA approved simulator time and assessment that would count towards some of the sea time requirements for the second CoC (**4.3**).

#### 4.2 TRB for OOW to Chief Mate

With the promotion to Officer comes added responsibility and new challenges. The new Officer will require onboard training and monitoring that will inevitably lead to investment in resources for the ship owner/operator. A new MCA approved Training Record Book (TRB) could facilitate and support this onboard training for a newly qualified officer. The TRB could cover common tasks across the industry and then focus on ship specific training proposed by the owner/operator or agreed within an industry type (e.g. tanker, bulk carrier, passenger specific etc). The financial investment related to this training could be subsidised by the SMarT Plus scheme supporting ship owners/operators who engage in this best practice.

#### 4.3 Use of Simulator Time as Seagoing Service

STCW allows Administrations to adopt other training and educational requirements as an alternative to seagoing service especially when adapted to recent technical developments and to special types of ships and trades. The MCA would like to open discussions on the use of MCA approved simulator training and assessment to count towards the seagoing service requirement of the second CoC. To encourage this initiative the costs of this approved simulator time could be subsidised by the SMarT Plus scheme.

If positively received by industry this proposal would then need internal MCA approval and the formation of a technical working group to take it forward. To ensure quality, the MCA would need to approve the simulator time as a structured programme with an agreed assessment and pass criteria. If this proposal was agreed, the MCA would then need to circulate it through the IMO. We would need to limit the accepted simulator time to between 1 and 2 months so most of seagoing service would still take place on a ship.

on less than 10 cadets. We could propose an alternative measure of success for companies with low intakes.



#### 5. Next Steps

**5.1** We would encourage feedback from Cadet Sponsoring Companies (SMarT Training Providers), shipping companies, social partners, nautical colleges and seafarers on our strategy so we can work together to deliver success. We would recommend the following options for feedback:

#### By email: <a href="mailto:smart@mcga.gov.uk">smart@mcga.gov.uk</a>

**Face to face:** The Chamber of Shipping are hosting a SMarT Cadet Summit for Sponsoring Companies (SMarT), Shipping Companies, Social Partners and Nautical Colleges. The MCA and DfT will be in attendance to gather information, discuss our proposal and listen to suggestions.

- **5.2** Once we have gathered feedback and legal approval on how we can make payments in accordance with our regulatory requirements we will then produce an MGN. This MGN will provide full details of the new SMarT Plus scheme. The MGN will be put out for consultation prior to release.
- **5.3** We would like to propose the following time line for our next steps:
  - Publish this MIN and await feedback;
  - Attend SMarT Summit hosted by the Chamber of Shipping on 19<sup>th</sup> April 2018;
  - Stakeholders submit feedback up until the 1<sup>st</sup> May 2018;
  - Analyse all feedback;
  - Publish MGN for consultation on start of June 2018 (subject to legal clearance);
  - Close consultation end of June 2018;
  - Analyse all feedback;
  - Publish MGN in July 2018.

These timescales are subject to change depending on legal advice, consultation results and changes

#### 6. Opportunities – A Forward by the Chamber of Shipping

The UK Chamber of Shipping warmly welcomes the Government's recognition of the value of officer training to the UK's shipping industry, maritime cluster and economy as a whole. Independent studies have demonstrated the impressive rates of return on the Government's current levels of investment in training. The chamber is well aware of the need for more UK officers to be recruited and trained and is encouraged by the commitments that many companies have already given that they will increase their intakes and enable their newly-qualified officers to meet the sea service requirements for their senior level certificates. It urges all UK companies to engage in this important effort and justify the faith that the Government has shown in UK officers through its doubling of the SMarT budget.



#### **More Information**

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File Ref:	N/A
Published:	April 2018 Please note that all addresses and telephone numbers are correct at time of publishing

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