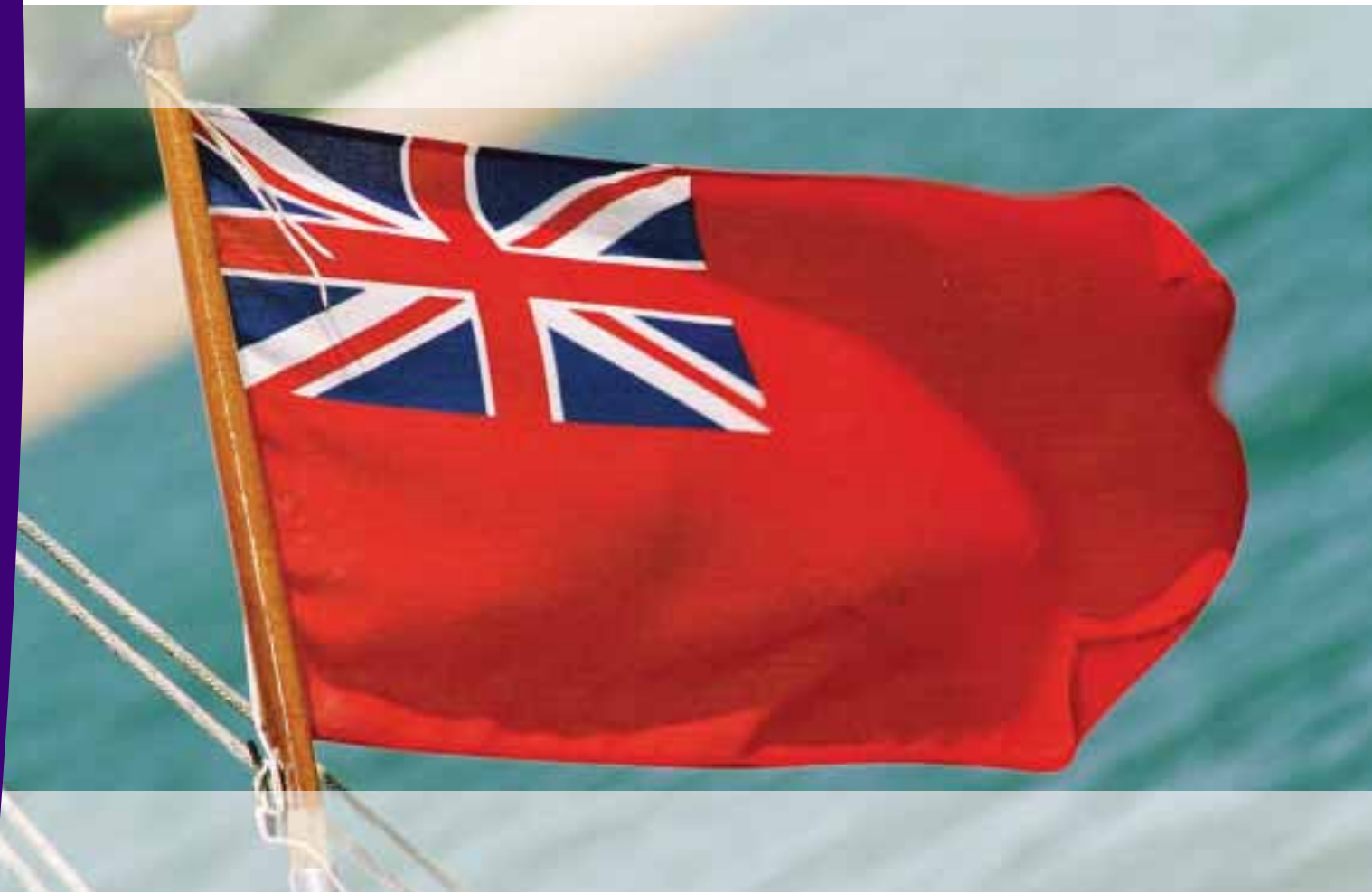


Maritime and Coastguard Agency
Annual Report and Accounts 2005-2006
(Incorporating our plans for 2006-2007 and beyond)



safer lives, safer ships, cleaner seas



Maritime and Coastguard Agency

Annual Report and Accounts **2005-2006**

(Incorporating our plans for 2006-2007 and beyond)

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INVESTOR IN PEOPLE

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Our vision is to be a world-class organisation that is committed to preventing loss of life, continuously improving maritime safety, and protecting the marine environment:

*Safer Lives
Safer Ships
Cleaner Seas*

Our shared core values are:

*Mutual Respect
Customer Focus*



CHIEF EXECUTIVE'S FOREWORD

by John Astbury CBE

I became Acting Chief Executive of the MCA on 1 February 2006 and I am delighted to present our Annual Report and Accounts setting out how we performed in the 2005-2006 financial year, our immediate plans for 2006-2007, and offering some insight into the longer term. Our strategic priorities are to promote the growth of the UK Shipping Register, to implement improvements to the voluntary Coastguard Rescue Service, to further develop our evidence base about the root causes of maritime incidents to help us target prevention work, and to play our part in the wider context of UK civil contingencies. At the operational level we will continue to provide round-the-clock emergency response services and to check that ships registered in the UK and foreign ships visiting our ports meet the highest safety standards.





The maritime sector is worth over £10 billion to the UK economy and shipping supports export earnings of £7 billion. We rely on ships for over 95% of our visible trade. The Government wants a vibrant and prosperous shipping industry and wants to see better employment prospects for future generations of British seafarers. The UK Shipping Register grew significantly in the early part of this decade, largely because of the introduction of the Tonnage Tax. In more recent years that growth has been minimal. We have been working with our partners in the Department for Transport to reinvigorate interest in joining the Register through an active campaign that explains to the owners of quality ships the positive benefits of registration, which include a customer-focused and rigorous survey service from our highly skilled and professional marine surveyors. We believe that having as many ships as possible on the UK Register and subject to our regulatory, survey and inspection requirements is the best way to make sure that ships operate to the highest safety standards. I have moved staff to new posts in the Agency to work closely with ship owners and operators to help them get the best possible service from us, including our important seafarer certification and ship registration services.

We also have a role to play in helping the general public to understand and value the shipping industry and in promoting the maritime sector as an excellent career choice for talented young people. You can expect to see this Agency fully engaged on all these fronts.

I believe that we have the best maritime search and rescue service in the world and everyone in Her Majesty's Coastguard, including our volunteer Coastguard Rescue Officers, can be immensely proud of the service that they provide 24 hours a day, seven days a week. Those services were recognised in July 2005 when HRH the Prince of Wales (who is our

Honorary Commodore) and the Duchess of Cornwall presented the Coastguard Colours to us on behalf of Her Majesty the Queen.

Our 2005 statistics suggest that more people are calling the Coastguard at a stage when we can more readily offer advice and assistance to stop incidents developing to the point where we need to launch RNLI lifeboats or scramble our helicopters. This document sets out how we have been working with our partner organisations to develop information and safety awareness strategies to reduce the proportion of deaths and serious injuries from coastal swimming, beach activities and recreational diving. We are building excellent working relationships with industry and members of the National Water Safety Forum (NWSF), focusing our joint efforts on changing people's behaviours and attitudes to safety without spoiling anyone's fun. However, and as recent experience has shown, we realise it will take some years yet before we see those changes feeding through into measurable statistics. To keep up the momentum we are now working with industry on trying to reduce machinery failures to leisure craft, fishing vessels and commercial shipping. Although these incidents are seldom severe, they are frequent.

This is a learning organisation and we are always trying to see what more can be done to improve safety within the



*John Astbury
collecting his CBE*

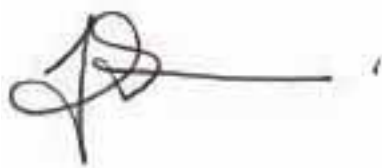
resources directly available to us and through our safety partners. This year and beyond we will be putting much more effort into detailed analysis of maritime deaths and serious injuries to help us understand their root causes and make informed decisions about where we can have a real impact on reducing accidents. Our strategic approach to accident prevention is that it should be evidence led, risk based, and delivered in partnership.

Other challenges this year include making sure that we meet our obligations for civil resilience as a Category 1 Responder, and working with other Government Departments as part of a more joined up search and rescue service that ignores artificial boundaries about transport sectors or the land and sea environments. Our new firefighting at sea capability through the Maritime Incident Response Group (MIRG) is an excellent example of the Coastguard, Fire Service and the NHS working together for the common good. We will also be working with the Ministry of Defence to develop options for improving the provision of search and rescue helicopters from 2012.

In summary, our aspirations and targets are challenging and there is much to do. But I know that I lead a team of passionate, proud and professional individuals with the collective skills to deliver what our customers and the public expect from us. Our Non-Executive Directors play an important role in our success with their balance of rigorous challenge on the one hand and support and encouragement on the other. Both Tom Allan and Paula Carter left their roles as Non-Executive Directors over the past 12 months, Tom in December 2005 and Paula in June 2006. I must pay tribute to them both for their advice over several years, and I welcome Bob Banham and Julian Lee as new Non-Executive Directors.

I also know that our delivery partners are ready and willing to work with us and that we have the full support and commitment from our Ministers and colleagues in the Department for Transport. I look forward to seeing as many of our partners and customers as possible over the coming year and hearing about how we are doing and what we could do better.

I hope you enjoy reading this publication. I would welcome feedback about it or any aspect of the Agency's work.

A handwritten signature in black ink, appearing to read 'John Astbury', with a horizontal line extending to the right.

John Astbury
Acting Chief Executive

SETTING THE SCENE

Background and our place in Government

The Maritime and Coastguard Agency was established on 1 April 1998 and is an integral part of the Department for Transport (DfT). The Department's overall aim is transport that works for everyone, which it tries to achieve by tackling congestion, supporting the economy, reducing casualties, respecting the environment, and improving accessibility. The Department's policies, practices and operations are guided by the principles of sustainable economic, social and environmental development.

While the public know the DfT for rail and road matters, and much of the Department's strategic effort is aligned to its principal expenditure on these, we too have a role to play in meeting the Department's goals in a maritime context. In particular, we set out in this publication how we have and will continue to support the Department's specific objectives to:

- Deliver sustainable growth in the shipping and ports sectors
- Improve safety in the rail, aviation and maritime sectors
- Maintain and improve maritime security and resilience
- Reduce emissions of CO₂

Our statutory powers are derived from the Coastguard Act 1925, the Merchant Shipping Act 1995, and the Aviation and Maritime Security Act 1997.

Operationally, we provide a 24-hour maritime search and rescue service, check the safety of UK ships and foreign ships visiting our ports, and work to prevent pollution of our coasts, or

take action to minimise pollution when it happens. We also manage the registration and quality of ships on the United Kingdom Shipping Register, and provide services for seafarers.

In a typical year, we will expect to deal with around:

- 17,000 calls for help to the Coastguard
- 8,000 rescue missions
- 3,000 surveys of UK ships
- 7,500 inspections of foreign and UK ships, including fishing vessels
- 8,000 new ship registrations or renewals
- 10,000 applications from seafarers for examinations and certificates
- 50,000 pieces of correspondence from the general public

The Delivering for Customers, Safer Lives, Safer Ships, Cleaner Seas and Measuring Our Performance sections of our Management Commentary gives more information about our achievements and performance in 2005-2006 and our plans for 2006 and beyond.

Agency management

The Agency's roles and responsibilities and our management relationship with the DfT are set out in a Framework Document agreed by the Secretary of State for Transport. The Framework Document establishes an Advisory Board to monitor the Chief Executive's performance in the management of the Agency. The Advisory Board meets quarterly and reviews the Agency's performance against its targets and financial resources. The Board will both challenge and support the Agency in terms of its strategic direction and its contribution to the achievement

of wider Government priorities. The Advisory Board is chaired by a Director-General from the DfT and includes external advisers.

The people who served as Advisory Board members during 2005-06 were:

Sue Killen (Director General, Aviation, Logistics and Maritime Group to October 2005); Robert Devereux (Director General of Road, Transport, Aviation and Shipping from March 2006); Brian Wadsworth (Director, Logistics and Maritime Transport); Theresa Crossley (Head of Shipping Policy Division); Stephen Bligh (Chief Executive, MCA to January 2006); John Astbury (Acting Chief Executive MCA from February 2006); Neil Goodall (Finance Director MCA from April 2005); Julian Lee (External Member from October 2005); Bob Banham (External Member from October 2005); Paula Carter (External Member); and Allan Howell (External Member to September 2005).

The Framework Document also sets up a Maritime Policy Group as a forum for the discussion and agreement of approaches to public policy that span both the Department and the Agency to meet the objectives and priorities set by Ministers. The Group is jointly chaired by the DfT's Director of Logistics and Maritime Transport and by the MCA's Chief Executive. Membership includes senior officials from the DfT's Shipping Policy and Ports Divisions and its Legal Directorate, Executive Directors of the MCA, and the Chief Inspector of Marine Accidents.

Within the Agency the Chief Executive carries out his management functions with the support of an Executive Board and he is responsible for the appointment of both Executive and Non-Executive Directors to that Board. The Executive Board is responsible for the strategic direction

of the Agency, for risk identification and management, for health and safety policies for its staff, and for all matters of resource allocation and monitoring. Members who served during some or all of 2005-06 were:

Executive Directors – Stephen Bligh (to January 2006), John Astbury, Paul Jackson, Neil Goodall, Richard Parkes, Alison Thorne-Henderson, Mike Comerford (to December 2005) and Alan Fairney (from February 2006).

Non-Executive Directors – Tom Allan (to December 2005), Paula Carter, Julian Lee (from October 2005) and Bob Banham (from March 2006).





MANAGEMENT COMMENTARY

Delivering for our Customers

Our direct customers range from ship owners and operators of large fleets to skippers of small fishing vessels. They may be individual seafarers needing our examination and certification services, or people with a small boat registering their details with the Coastguard in case they get into difficulty. Our indirect customers include the general public who want information from our website and the UK taxpayers who want an assurance that this Agency is being run effectively and efficiently. We must live up to the expectations of all our customers.

Representing the UK

Shipping is an international business and it is important that the UK has an effective voice at the international level. Working alongside our colleagues in the Department for Transport we represent the UK through two United Nations bodies: the International Maritime Organization (IMO) and its technical sub-committees dealing with ship safety, pollution prevention and maritime security, and the International Labour Organization (ILO) which looks at working conditions on ships. We also work with our partners in the European Union (EU) and the European Maritime Safety Agency (EMSA).

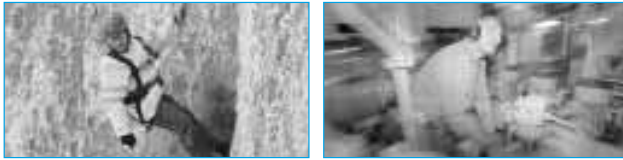
We played a leading role in negotiations at the ILO resulting in the adoption of the new Maritime Labour Convention in February. This new Convention consolidates and updates 60 existing ILO instruments and sets international standards for seafarer living and working conditions. Work has begun to identify the changes which will be needed to bring UK law and practice into line with the new Convention. A separate review of the ILO Conventions covering the fishing sector is on the agenda for the International Labour Conference in June 2007.

EU Presidency

From 1 July 2005 we were actively involved in the UK's six month Presidency of the Council of the EU. In this time we assisted with organising the business of the Presidency as well as chairing EU co-ordination meetings in Brussels, IMO and ILO. Our experts provided support at meetings of the Council's Shipping Working Party during discussions of the proposed Port State Control Directive and the proposed Vessel Traffic Monitoring amending Directive. We also supported Austria on maritime issues during their presidency, January to June 2006.

Working with our European partners

Excellent working relationships have been built with countries joining or wanting to join the EU. Adding to our completed twinning projects with Poland, Cyprus and Estonia, we finished a project with the Bulgarian Maritime Administration to introduce a total quality management system. A search and rescue project with Bulgaria will start in 2007-08. We also support Malta through bi-lateral co-operation work.



Service delivery

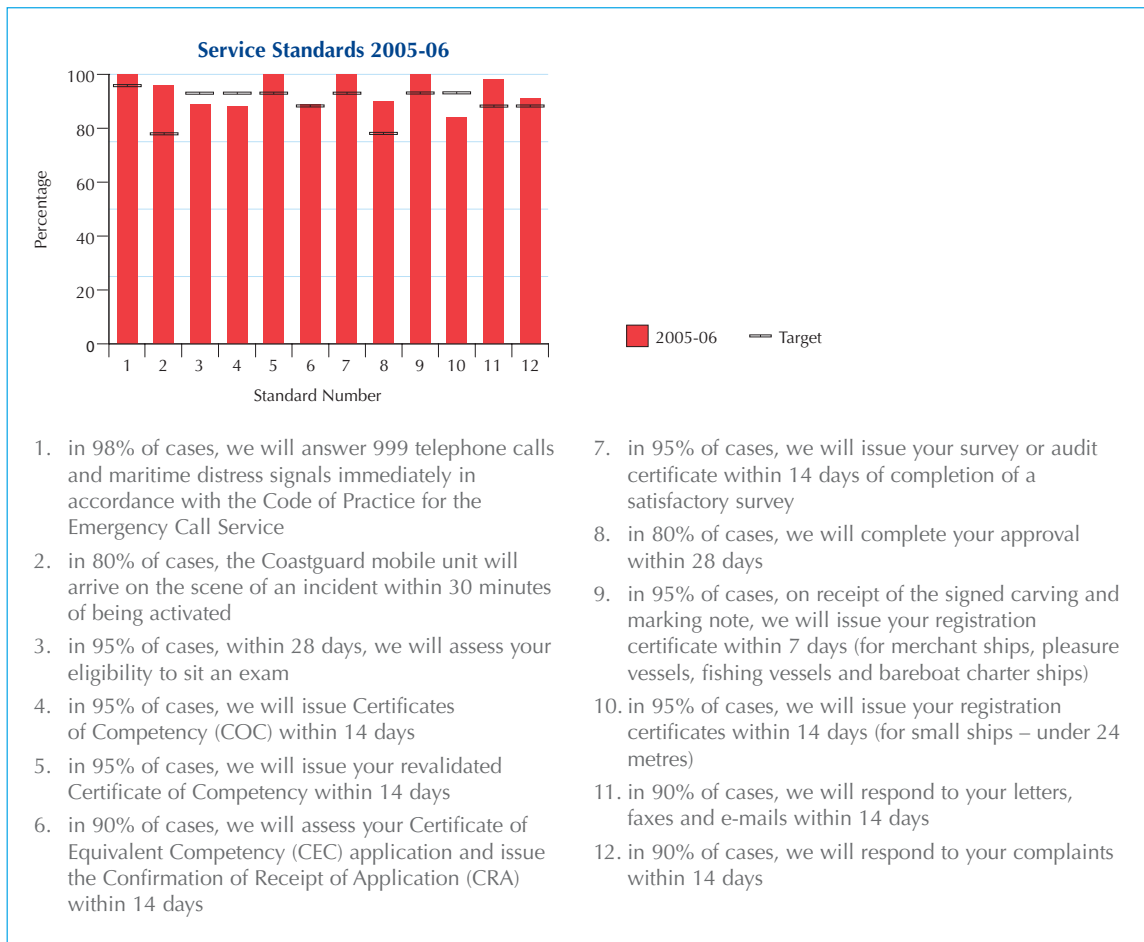
Service standards

New aspirational and challenging standards were introduced on 1 April 2005 following customer feedback about expectations and we performed well against our targets. Our performance monitoring systems showed us that we needed to put more resources into issuing seafarers certificates and notices of eligibility, and registration certificates for UK vessels. That investment meant that all our targets were met for the second half of the year.

Customer satisfaction

We are committed to providing the best service we can. Regular customer satisfaction surveys are in place drawing from telephone interviews and satisfaction questionnaires. There are five customer satisfaction areas in operation: seafarer certification; general public awareness of safety advice; HM Coastguard peer groups; the shipping industry generally; and ship survey and inspection.

Improving the level of satisfaction with seafarer services was a Ministerial Target in 2005-06 and our progress is reported on the page opposite. The general public survey showed that only just over half of the people interviewed knew they





should dial 999 and ask for the Coastguard. We need to raise our profile and get that message across. The peer groups and shipping industry surveys have shown good levels of customer satisfaction and have not revealed major issues that we are not already tackling.

Getting more ships onto the UK Shipping Register

Since this Agency was established in 1998 there has been a significant turnaround in the size of the UK Shipping Register. Reversing decades of decline, the Register grew in tonnage terms by around 300%. The most significant growth was when the Government introduced its Tonnage Tax in 2000 as an alternative to Corporation Tax for shipping companies. Since a peak in 2003 we have seen the level of growth flatten out. Although fiscal measures are the main driver for encouraging shipping companies to use the UK Shipping Register, the level of customer service also has a part to play particularly for the quality end of the market, which is where the UK Shipping Register is positioning itself.

We have appointed two new Customer Account Managers as dedicated contacts for new and selected shipping companies. They will provide continuity throughout the time the company has ships on the UK Shipping Register, which will improve our service. We will improve the service provided to our ship owner and operator customers on the UK Register.

At a reception for ship owners, operators and others in the industry in April 2006, Stephen Ladyman MP, the Minister with responsibility for shipping, thanked all those who use the UK Shipping Register. He urged more ships to join the Register in the knowledge that they will get the best service to support quality ship operations. The Minister has endorsed our strategy of aiming to attract quality operators with

well trained officers and crew to the UK flag.

With our partners in the DfT and across Government we will do all we can to promote the UK Shipping Register and the employment of British seafarers. We also have a part to play in raising the public's understanding of the importance of ships and the shipping industry to the UK and in helping our young people to think seriously about careers in the maritime sector.

Seafarer training and certification

Our Ministerial Target for 2005-06 was to increase customer satisfaction with our documentation system to 80% from a baseline of 76%. Responding to the feedback we received from our seafarer customers, we have:

- Appointed two Quality Service Managers to liaise directly with the Crewing Departments of shipping companies about applications for Certificates of Equivalent Competency (CECs);
- Introduced better call handling to reduce waiting time and provide direct contact with certification officers;
- Provided talks to maritime college students; and
- Improved the advice and information on our website.

Customer satisfaction is now 81%.

In addition to this, we have continued our core work, processing over 5,500 applications for Notices of Eligibility to sit an oral exam, and issuing over 10,000 new and revalidated certificates.

Providing services on-line

More services are available direct from our website. Small boat owners can tell us about their boat on our voluntary CG66 registration system. Seafarers can download application



forms for their certificates and can track progress on-line. Maritime authorities abroad can check UK seafarer certification details and speed up their own national processes to help our seafarers if they work on foreign ships. Ship owners and operators tempted to join the UK Shipping Register can get information about the services we offer. And those wanting to spend some time at the coast can get safety tips and advice.

Over the next 12 months we expect that services will be made available through the new one-stop-shop Directgov and Transport Office websites.

Our 24 hour information line is available on 0870 6006505.

Running the business

Corporate Governance and risk management

Our approach to Corporate Governance and Risk Management is set out in our Statement of Internal Control on page 56. The Executive Board looks at risks and opportunities to make decisions about the appropriate and proportionate use of our resources.

Our management of corporate risk is defined in a Risk Management Policy which is endorsed annually by the Executive Board. Risks are currently reviewed in groupings on a cyclical basis and are captured on our Corporate Risk Register, accessible by all staff. We are continually looking to improve our approach to risk management through attendance at Risk Improvement Groups and membership of an accredited Risk Management association.

Our Audit Committee met four times in 2005-06, providing guidance on our approach to risk management, challenging financial control and ensuring the accurate completion of the Statement of Internal Control. The DfT's Internal Audit team reviews our approach to risk on an annual basis,

providing recommendations on how to further develop our approach to risk management.

On 1 May 2006 we appointed SGS UK Ltd to carry out periodic checks that our Quality Management System (QMS) is implemented and running effectively in line with our certification to the internationally recognised ISO 9001:2000 standard. We use tools including the ISO Standard and the European Foundation for Quality Management (EFQM) Excellence Model, which is assessed using the British Quality Foundation's (BQF) 'Snapshot' software.

Efficiencies

The DfT is creating a Shared Service centre in Swansea to manage HR and financial transactional work that is common across the Department and its Executive Agencies. Some work will be transferred to Swansea in April 2008 with a saving of 50 permanent job positions in the MCA.

A review and update of paper-based forms and certificates to replace them with electronic web-based versions has led to a 19% reduction in the number of forms we use overall and a 40% reduction in those used in ship survey and certification.

We plan to further develop our knowledge and understanding of our costs by introducing a robust Activity Based Costing (ABC) system with improved Key Performance Indicators (KPIs).

Prompt Payment Initiative

Our payment policy is that all bills should be paid by contractual deadlines, or, within 30 days of receipt of goods and services or the presentation of a valid invoice. During the accounting year 26,572 invoices were paid, of which 26,492, or 99.7%, achieved the target.

Fees



mca
Surveys & Inspections

Statutory fees for marine surveys, the registration of ships, and seafarer examinations and certification must be in line with HM Treasury's charging policy. We expect new fees to come into effect from September 2006, following consultation.

Our people

We believe in the continuous development of the capabilities of all our staff. To independently confirm our high standards we obtained reaccreditation of the Investors in People (IiP) Standard in 2005 and plan to audit ourselves against the new and more challenging IiP Standard in 2008. In addition we are planning to submit our Coastguard training courses for external accreditation by the Scottish Qualifications Authority (SQA).

Equal opportunities

As an equal opportunities employer we have a Race Relations Action Plan and a Dignity at Work policy that commits us to providing our staff with fair and equal treatment. We display the Two Ticks symbol proudly and are committed to the recruitment and retention of employees with a disability.

Our workforce consists of around 1200 civil servants spread across more than 80 sites, supported by approximately 3500 voluntary Coastguard Rescue Officers. Women currently constitute 32.8% of our total civil servant workforce and 20.2% of that management population. Female representation has increased within the coastguard profession from 15 in 1999 to 122 today. Of our civil servant workforce, 3.8% who completed our equal opportunities monitoring have identified themselves as from an ethnic minority group. The average number of disabled staff employed during 2005-06 is 7.6% who are represented throughout management positions, including

senior levels.

Communication with staff

We are committed to open, regular communication with our staff, supported by a dedicated Internal Communications Manager who issues fortnightly e-bulletins, along with more formal announcements as part of an established internal communications strategy. A new Transformation and Capability Unit reporting direct to the Chief Executive has been established to engage with staff on current issues and future developments. Both formal and informal meetings are held with Trade Unions within the Civil Service Whitley arrangements.

STAFF IN POST

	Permanent and Contract staff	Casuals	Total
Staff in post at 1 April 2005	1149.8	21.9	1171.7
Staff in post at 1 April 2006	1165.8	4.6	1170.4

These figures have been produced on a Full Time Equivalent basis in order to reflect part time working arrangements.

SUMMARY OF LEAVERS

	Permanent and Contract staff	Casuals	Total
Leavers			
Career break	10	0	10
Death in service	0	0	0
Resignation	76	19	95
Retirement (age)	19	0	19
Retirement (ill health)	1	0	1
Other leavers	25	19	44
Total leavers	131	38	169
Recruits/transfer ins	130	29	159





Safer Lives

Preventing loss of life

Our work ranges from advice and education about safety, to regulatory and enforcement activity, through to search and rescue missions or pollution control. We will always be ready to provide those emergency responses 24 hours a day, 365 days a year, but we want to put more effort into changing behaviours to prevent the trauma of search and rescue, with its occasional and inevitable tragic results.

Incident prevention

As the economy grows, so does the interest in maritime sport and leisure which has led to increased demands on our search and rescue service. It is a cliché, but prevention is always better than cure. During 2004-05 we developed a statistical database to help us to understand incident trends and develop a more strategic prevention strategy. These statistics suggested activities that might be appropriate for prevention work. One of our Ministerial Targets for 2005-06 was to reduce the proportion of people who suffered death or injury while involved in beach activities, coastal swimming and recreational diving, by increasing our prevention activities, working in partnership with other organisations.

We intensified our beach and coastal safety campaign 'Sea Smart' to give greater safety awareness for children under 14 and their parents. Sea Smart stories were broadcast on 30 radio stations and four television programmes and we held balloon events, competitions and promotions in conjunction with Morrisons/Safeway supermarkets.

'Crucial Crew' workshops for 8-11 year olds have been held all over the UK. Children are presented with dangerous or challenging situations – such as getting into trouble on a beach or a road accident – and they use role-play to deal with situations. The workshops are often followed up in schools to reinforce safety messages with an interactive computer based game. There have also been inland events

12 year old girl located half a mile out to sea

On 22 August, Holyhead Coastguard were alerted to a missing 12 year old girl who was last seen at Llanddwyn Island, Anglesey. The girl had been playing in the water, but was reported missing to the lifeguard on the beach. She was recovered by the rescue helicopter from the water, half a mile out to sea and was airlifted to Bangor Hospital.

Keep all young children closely supervised whenever they are near the sea, and check the local weather conditions in advance.



across the Midlands and the Lake District. The website is www.crucial-crew.org/seaside.

In response to figures highlighting adult males as the highest risk group within beach and coastal swimming, the 'Don't drink and drown' campaign was launched, in partnership with Lancashire Constabulary and the RNLI. Posters and beer mats were distributed to approximately 600 sea-side pubs, cafes and bars across the UK, with adverts appearing on national television. We will expand this campaign for 2006-07.



Beer mats

In support of recreational diving safety, we talked to divers attending national Dive Shows in Birmingham, London and Belfast. With our RNLI partners we distributed Diving Safety folders. National diving press visits were held at our Portland and Solent Rescue Centres and several journalists wrote articles promoting dive safety.

Coastguards met and provided advice to members of the public at beaches and slipways across the country with over 4,000 staff hours attributed to this Ministerial Target.

Following the success of the two previous BBC One series of 'Seaside Rescue' in 2004 and 2005, we were delighted to feature in a third series in January 2006. The programme featured Portland Maritime Rescue Co-ordination Centre along with the Wyke Regis, St Agnes and Portland Bill Coastguard Rescue Teams and the search and rescue helicopter 'India Juliet'. The programme continues to highlight the dangers of the sea and importance of being properly prepared, and is estimated to have reached primetime audiences of 4-5 million each week. The BBC has commissioned a fourth series.

In conjunction with the Central Office of Information (COI) we have re-launched the popular 'Joe and Petunia' public information film with some modern-day touches to reinforce the message of "Dial 999 and ask for the Coastguard", as we know that early reporting leads to better outcomes.

Drunk swimmers rescued

On 3 July, a 999 mobile phone call was received by Brixham Coastguard reporting people shouting for help on the rocks at Whitsand Bay, Cornwall. On arrival the Coastguard Team discovered that four individuals had decided to take a swim after consuming alcohol and had been caught in the current. Luckily all were recovered safely.



*Joe and Petunia,
public safety broadcast
1968 and today*

2007 will see the UK's first National Water Safety day. From January 2007 we are initiating the electronic collection of causal accident information using feedback from helicopter and lifeboat crews, and from coastguard rescue teams and rescue centre staff. We will also closely review fatal and serious accidents to capture and share all useful prevention information. We aim to benchmark our prevention system both domestically and internationally before the end of March 2008.

Seafarer health and safety

We have continued to promote seafarer health and safety through the publication of a range of guidance leaflets and posters and through a programme of occupational health and safety inspections on merchant ships. We also facilitated the medical examination of over 35,000 seafarers worldwide. There has been a reduction of 60 serious 'time lost' accidents in 2005, a drop of almost 20% on recent years. Fatigue at sea has been identified as a significant safety issue and we are co-sponsor of a research project at Cardiff University, the results of which should be delivered this autumn.

Search and rescue co-ordination

Maritime Rescue Co-ordination Centres (MRCCs)

Rescue is a prevention activity; the final opportunity to prevent loss of life or injury by rescuing people and removing them from

danger. Our MRCCs are ready to respond to calls for help received by radio, satellite or the 999 service. Trained Search and Rescue (SAR) Operators decide on the response required and co-ordinate any rescue operations. This often requires the direction of multiple ship and air rescue units, the creation of complex search plans or investigation work to find out information about missing vessels. The response takes account of the severity of the incident, the risk to life, the environmental conditions, the limitations and capabilities of the rescue option and the dynamics of the incident as it unfolds.

An audit of the performance of our MRCCs confirmed we met our Ministerial Target to decide on the appropriate action within five minutes of being alerted to an incident in 97% of cases. We were alerted to nearly 17,000 incidents during 2005.

Safety is our top concern and we will be introducing a more flexible approach to determining staffing levels of MRCCs, based on evaluation of operational activity demands and risk. SAR co-ordination standards will be kept at a high level by improving training and skills maintenance processes.



Seafarer health and safety leaflets



Small craft capsizes

On 11 January 2006, three men contacted the Clyde Coastguard using a mobile phone requesting assistance after their vessel capsized on Loch Lomond, in a water temperature of just above freezing. The call cut off very quickly and we were unable to make a connection back again. Fortunately the men were located by the helicopter after 23 minutes as their vessel had sunk. They were not suitably equipped or dressed for the time of the year, and had only a mobile telephone for communications.

This incident highlights the dangers of relying solely on a mobile phone in the maritime environment, not carrying sufficient safety gear or making appropriate planning prior to undertaking a trip.

Colour ceremony

We were very proud on 20 July 2005 when, in his capacity as Honorary Commodore, HRH The Prince of Wales, accompanied by the Duchess of Cornwall, presented the new Colour to Her Majesty's Coastguard. The ceremony held at our new Coastguard Search and Rescue Helicopter Hangar at Portland and consisted of a parade of 60 full time and volunteer Coastguards. It was attended by senior coastguards from Canada, the United States, Ireland and France.



Our Royal visit

Civil resilience

As a Category 1 Responder under the Civil Contingencies Act 2004, we have a duty to co-operate with other responders in sharing information, planning to prevent and respond to emergencies, planning for business continuity, and warning and informing the public in the event of an emergency. We participate actively in this work at local, regional and national levels. We have been set a Ministerial Target this year to meet our important responsibilities.

In conjunction with the UK Search and Rescue (UKSAR) Strategic Group, we will maintain an overview of the emergency planning process generated by the new legislation, and will check that our major incident plans interlink effectively with other responders.

Coastguard Rescue Service

Nearly 3,500 volunteers make up the Coastguard Rescue Service (formerly known as the Auxiliary Coastguard Service) one of the front line search and rescue assets available to respond to incidents around the clock. A comprehensive review of the Service was published early in



Southend Pier on fire

On 10 October 2005, Thames Coastguard were advised that Southend Pier was on fire, with a few people unaccounted for and potentially cut off at the end of the pier. A helicopter and three lifeboats were tasked, with fire and ambulance units also on scene. Following an extensive search it was confirmed that all people were accounted for and the search was stood down. A multi Agency exercise had recently been undertaken by all the emergency services on the pier which enabled a quick and harmonised response by all.

2006. The Report makes 35 recommendations to help the Service continue to fulfil its SAR responsibilities effectively and reliably, and to comply with current best practice and employment legislation. Implementation will continue during 2006 and beyond.

Firefighting at sea

A firefighting at sea project, the 'Sea of Change', was started in 2003 supported by the Chief and Assistant Chief Fire Officers' Association (CACFOA) and Her Majesty's Fire Service Inspectorate's New Dimensions Group (NDG). The aim of this project was to provide a standard offshore firefighting capability using suitably trained and equipped fire and rescue teams to respond to fires at sea.

The former Secretary of State for Transport Alistair Darling MP officially launched the Maritime Incident Response Group (MIRG) on 20 April 2006. It comprises 15 Fire and Rescue Service teams strategically located around the country, specially trained and equipped to tackle fires and hazardous and noxious substances in the marine environment. Capable of being transported by helicopter to incidents anywhere in the country, not just at sea, they are reinforced by paramedics and form a new integral part of UK search and rescue response.

Infrastructure

Automatic Identification System (AIS)

Most merchant ships now carry AIS equipment that provides information about the ship and its voyage to other ships and to shore-based authorities. Following a successful engineering trial, we have established a fully operational AIS network around the UK coast. We are ensuring that the UK meets its obligations under the European Vessel Traffic Monitoring Directive and we will monitor shipping traffic in transit through UK coastal waters with real-time tracking and monitoring of shipping movements from the shore. The information enhances our SAR co-ordination capability, marine pollution control co-ordination and our monitoring of recognised Traffic Separation Schemes around the UK.



AIS display



Helicopters

A new helicopter contract announced in December 2005 will provide search and rescue cover from our four bases. Our fleet of ageing Sikorsky S61N helicopters will be replaced in July 2007 by Sikorsky S92s and AgustaWestland AW139s. These brand new aircraft are faster, can stay airborne longer and are equipped with new technology. We will continue to operate a 24 hour response from Sumburgh, Stornoway and Lee-on-Solent, and on a 12 hour day-time basis from Portland. This new contract continues our externally managed approach to helicopter

service provision and will strengthen our search and rescue capabilities, taking us up to what we expect to be a harmonised provision with the Ministry of Defence (MOD) from 2012.

We have purchased part of the former HMS Daedalus airfield at Lee-on-Solent from Defence Estates to enable long term retention of our strategically placed operational base and have obtained planning permission for the construction of a modern, fit for purpose hangar to house our SAR helicopters.



The Maritime Incident Response Group exercising at Dover







Safer Ships

Improving maritime safety

The UK economy is reliant on ships for over 95% of its visible trade. Ships keep our industries and domestic lives supplied with goods and fuel. We need economically viable cargo and passenger shipping industries that meet the highest safety and security standards and respect the environment.

Survey and certification

Ships on the UK Shipping Register regularly undergo in-depth rigorous surveys to check every aspect of their safety. The type of ship will determine the period between surveys and who is best placed to carry them out. Around 80% of statutory ship survey work is delegated to other professional bodies. Our marine surveyors are experts with many years of practical seafaring experience behind them at a senior level and conduct surveys focusing on safety equipment and the management and operating systems onboard ships.

In the 2005-2006 financial year we completed over 2,800 ship surveys, and issued 99.8% of vessel certificates within our set service standard.

Inspection

Many UK ships will also be routinely inspected by our marine surveyors to maintain their high standards. We also inspect foreign ships visiting UK ports as part of the internationally agreed Port State Control arrangements. We will detain ships that do not meet the expected safety standards.

We undertook over 7,000 inspections of ships last year under our Ministerial Targets, and the table [Annex E] shows the numbers of inspections and other activities undertaken. This commitment remains a target for the year ahead.

This year, we will transpose the amending Port State Control Directive into UK law.





Maritime security

Ships must have anti-terrorist security plans. We approve and verify the plans of cargo ships on the UK Shipping Register, whilst passenger ships are subject to approval by the DfT's Security Directorate (TRANSEC). We have agreed a Memorandum of Understanding (MOU) with TRANSEC covering safety issues under chapter X1-2 of the international convention for the Safety of Life at Sea (SOLAS) and the international ship and port facility security (ISPS) code. Together we have published Cargo Ship Security Instructions, setting out minimum protective security measures for cargo ships. In co-operation with TRANSEC and the Foreign and Commonwealth Office (FCO), we have developed a cross-government procedure for handling ship security alerts.

Audit

With the bulk of ship survey work delegated to Classification Societies and Certifying Authorities, collectively known as Recognised Organisations (RO), effective quality control is an important priority. We use our risk based monitoring system of Classification Societies to identify high risk vessel types for audits and to identify new areas for review. During the year we conducted six audits throughout the world and attended EMSA audits of Lloyds Register and American Bureau of Shipping in the UK, USA, China and Turkey. We meet every six months with the seven Classification Societies and hold individual meetings with each RO to discuss issues of interest and concern. This year we will introduce a similar risk based monitoring system for Certifying Authorities.

The Red Ensign or a version of it can be flown by all 'British' ships. As well as ships on the UK Shipping Register, the total British fleet also includes ships from the Red Ensign Group (REG) of countries (details can be found under

Outcome 4 in the Annexes). The Secretary of State for Transport is responsible for the quality of the Red Ensign fleet as a whole and for compliance with international conventions and standards. We undertake annual monitoring visits to ensure that the Group maintains quality standards and adopts UK policies where appropriate. This year we visited Gibraltar and the Turks and Caicos Islands, and the 2006 REG Conference was held in May in Bermuda.

The IMO has developed audit arrangements to allow Flag States to assess their maritime administrations against best practice criteria. The UK has encouraged this development as a mechanism for improving the performance of Flag States in meeting their international obligations. We have volunteered to be audited under the Voluntary Audit Scheme during 2006-07.

The human element in shipping

We know from investigations by the Marine Accident Investigation Branch (MAIB), that when accidents do happen, their causes can often be traced back to people. Even when the hardware or equipment of a ship appears to be at fault, further analysis can show that the root of the problem lies with the operators, designers or maintainers. The full causal chain may encompass not only the seafarer but also influences such as the shore-based management, the training provided, and the equipment available. We recognise this reality as the human element in shipping. Dealing with it is not easy as it requires measuring and tackling the behaviours and actions of people, but we feel that taking the system-wide view is the most effective method of addressing the problem at its heart.

During 2005, we conducted a UK wide trial of our Human Element Assessment Tool (HEAT), which assesses safe management on board



ships. Feedback is being used to refine the tool. We also plan to develop and possibly trial a tool to assess safe management within operating companies, that we are calling HEAT-C.

Over the coming year, we will continue our work under the Formal Safety Assessment and Human Element Analysing Process (HEAP), leading the International Maritime Organization adoption of Human Element international measurement tools during 2007-08.

We have created a new HE Advisory Group (HEAG), with representation from across Government and industry to help inform our policy, strategy and tactics in relation to the human element. This year we will consult with industry, through HEAG, to identify HE policies and issues that need to be taken forward.

We have redeveloped and expanded our database of International Safety Management (ISM) Code audits to include quality monitoring features, allowing greater analysis of the information gathered. As a result we are giving better guidance to industry, highlighting areas for particular focus for audits, and we have fed that into a recent IMO review of the ISM code.

A research project – Leadership Qualities for Safe Management led to a ‘Leading for Safety’ leaflet in conjunction with industry. We have

published a revised version and copies are available on our website.

Reviewing the safety of different types of ships

Working towards the introduction of a mandatory national safety regime for Inland Waterways in 2008, we have developed a set of advisory new national standards for vessels that is available on our website. We will work with Local Authorities to introduce the new standards under local powers as an interim measure.

As an alternative to complying with the full provisions of SOLAS, we have developed Codes of Practice for particular types of vessels. The Codes of Practice are tailored to provide an equivalent level of safety that is appropriate for the way that these vessels operate. In August, we completed the second revision of the Large Yacht Code (LY2), which we published as Merchant Shipping Notice 1792. We hope to make LY2 Code an international standard.

We have conducted research into various aspects of High Speed Craft, including their stability. In light of the results of this research, we will review the High Speed Craft Code and hope to publish a revised version in 2008.

Domestic passenger ships

Following the formal investigation in 2001 into the collision between the MARCHIONESS and the BOWBELLE in 1989 on the Thames, we commissioned a Formal Safety Assessment of domestic passenger ships in five operating environments in the UK. In light of the findings, we conducted five research projects to further explore safety standards on these ships. These were on stability (the effects of stability standard and hull form on the behaviour of a small ship in collision with a much larger one), fire safety, wheelhouse visibility, evacuation standards and



Leading for Safety booklet



safety management. This research provided us with a robust basis for the future development of domestic passenger ship standards in the UK and will be used in our Domestic Passenger Ship Regulation Review.

Large passenger ships

The cruise holiday has enjoyed a renaissance over the last decade and we expect that trend to continue. In response the industry has built bigger ships. Accidents on these ships are rare, but their potential impact could be catastrophic. Recent fires on the STAR PRINCESS and the CALYPSO have illustrated some of the risks that need to be managed in terms of preventing accidents in the first place and being able to evacuate large ships in an emergency. We are involved in the IMO's work on Large Passenger Ships, with a view to making them even safer.

Fishing vessels

We work closely with the Fishing Industry Safety Group (FISG) and its subgroups to develop methods of improving safety and safety awareness, and in November we signed a MOU defining the Group's function, structure and operation.

During 2006-07, we will complete and publish the revision of the Small (under 15 metre) Fishing Vessel Code, with a view to reducing accidents and incidents on this type of vessel.

We will also complete and publish a Code of Safe Working Practice for Fishing Vessels of 24 metres and over. This will fill a gap where no Code exists, and will consolidate other pieces of legislation on these vessels into one document.

Prosecutions

Each month we receive an average of nine reports of significant breaches of maritime legislation. All cases are considered individually, and we have a range of options available to us. During the year we completed 11 successful prosecutions, and assisted with 14 further prosecutions which were being undertaken by the police and 37 by other government bodies.



Fishing vessel mayday

On 8 February, Belfast Coastguard received a mayday call from the crew of the fishing vessel MARANATHA N498 reporting that the vessel was on fire and sinking and they were taking to their liferaft. A lifeboat and two helicopters were tasked and the mayday relayed to vessels in the vicinity; the lifeboat was able to locate and rescue the men.

This was an area where there have been several fishing vessel fatalities of late, and much of the successful resolution of this incident was due to the early mayday transmission from the casualty, and an effective response from the search and rescue authorities.



PROSECUTIONS 2005-06

Defendant	Offence	Location	Offence Date	Prosecution Date	Total Fine (F) Total Cost (C)
Captain Krylov	Colregs Rule 10 (c)	Dover Straits	15/10/05	14/11/05	£2,500 F £2,500 C
Lynden Partnership	Pollution by garbage	North Sea	07/09/04	09/11/05	£2,000 F
Brostrom Tankers AB	UK Maritime Pollution Legislation	Firth of Forth	17/03/04	09/09/05	£20,000 F£11,344 C
Rederi AB Engship	UK Maritime Pollution Legislation	River Tyne	14&15/09/04	30/08/05	£5,000 F £4,379.70 C
Cpt Genadijs Ulickins	Colregs Rule 10 (c)	Dover Straits	15/07/05	15/08/05	£500 F £500 C
Mr Keiron French	MSA Section 58	Southampton Waters	13/08/04	01/08/05	4 months custodial
Captain Dushyn	Railways & Transport Act- Alcohol Breach	Southampton Waters	05/07/05	04/08/05	4 months custodial
Mr Charles Newen	Survey & Certification / Safety Management Code	River Thames	11/06/03	21/04/05	£4,800 F £4,000 C
Cpt Moskalenko	MSA Section 58	Dover Straits	01/01/06	06/01/06	£2,000 F £1,500 C
Captain Ferichel	Railways & Transport Act- Alcohol Breach & MSA Section 58	Goodwin Sands River Humber	12/02/06 15/02/06	20/03/06	11 months custodial
Captain Andriy Naumenko	Colregs Rule 10 (c)	Dover Straits	12/04/05	14/04/05	£2,000

Colregs Rule 10 (c): Not crossing traffic lanes at right angles to traffic flow

Section 58: Conduct endangering ships, structures or individuals



Seafarer training and certification

Training for UK seafarers

Britain has a proud maritime heritage. The shipping industry and the sea still provide excellent career opportunities for young people and we will do what we can with the industry and our colleagues in the DfT to promote maritime employment. We helped to develop the new Merchant Navy Training Board (MNTB) Foundation Degree which was officially launched by Shipping Minister Dr Stephen Ladyman MP on 13 December 2005. The first Officer Trainees will enrol on the qualification in September.

Boatmaster licences

Following extensive consultation over three years, the regulations to introduce a new National Boatmaster's Licence for all commercial vessels, were issued for consultation in April 2006.

The new licence will be available from January 2007 and will underpin the good safety record in the industry. It will also provide a simple route to certification on inland waterways in other European member states, and support the growth of freight traffic in inland waters.

The current local boatmaster's licence will remain available for those operating commercial vessels in low risk waters.

Navigation

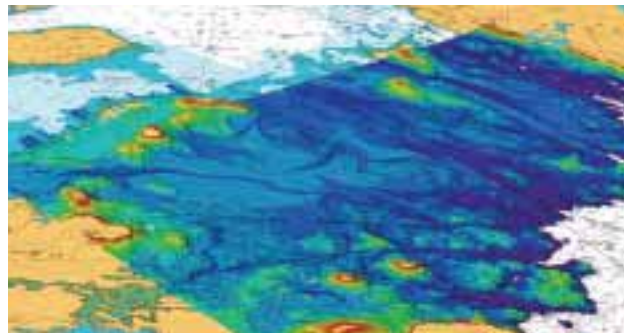
In fulfilling our obligation under SOLAS to develop and maintain ship's routing systems, we have put forward proposals for mandatory routing measures in the Sunk Precautionary Area and the Minches to the IMO for implementation by Autumn 2007. We have also proposed amendments to the deep water route to the west of the Hebrides and the Off Botney

Grounds traffic separation scheme in the southern North Sea.

We partially funded and took part in a study, with the maritime administrations of Norway, Sweden and Denmark, on the mandatory carriage of Electronic Chart Display Information Systems (ECDIS) by certain types of ships. The study results have been put to the IMO.

Hydrography

There is a planned programme of hydrographic surveys under the Civil Hydrography Programme (CHP) to make sure that UK nautical charts and publications contain accurate and up-to-date information for safe navigation around the UK coast. We successfully completed large areas of survey work in the South Western Approaches, Firth of Forth and off the north coast of Scotland (including the Orkney Islands) using multibeam echo sounder technology, which is producing data of high quality.



The Sound of Harris Bathymetric Survey

We took over full responsibility for the day-to-day management of the CHP from the MOD in April 2006. We awarded three long-term hydrographic survey commercial contracts on a competitive tender basis. The contracts offer good value and give us the flexibility to react to changes in survey priority over the next four to seven years. Our emergency tug ANGLIAN SOVEREIGN, has been fitted out with



hydrographic equipment and undertakes survey operations as a secondary role.

In September 2005, we organised and hosted the fourth International Conference on High Resolution Surveys in Shallow Waters (Shallow Survey 2005) in conjunction with the UK Hydrographic Office (UKHO). This was attended by 237 international delegates and was the first time the Conference had been held in the UK.

Geographical Information Systems (GIS)

We have developed our expertise with GIS for the collection, collation, analysis and presentation of marine spatial data. This helps us prioritise and manage hydrographic surveys within the CHP and to assess other marine activities affecting navigational safety in UK waters including proposed offshore renewal energy developments.

Weather forecasting

During summer 2005, we jointly undertook, with the Met Office, a trial to provide high resolution forecasts around the Isle of Wight to coincide with specific events, such as the Fleet Review, Round the Island Race and Cowes Week. Feedback from mariners was positive.

BBC Shipping Forecast;

“And now the Shipping Forecast prepared by the Met Office in association with the Maritime and Coastguard Agency”

Maritime Safety Information (MSI)

In 2005 we consulted widely with customers and providers to increase the number of MSI broadcasts to shipping from six to eight per day. Two additional inshore forecasts per day will be provided in future and better use will be made of Strong Wind Warnings to mirror Gale Warnings but at a more local level. A new inshore forecast area covering the Isle of Man has been added to enhance existing coverage. Significantly, we now provide the Inshore Forecast covering all 17 areas on a continuous automatic telephone loop charging local rates.

Technical standards

We support the development of technical performance standards and type-approval for marine navigation equipment and maritime communications equipment through the IMO the International Electrotechnical Commission and the ISO. We are working on standards including revision to the radar standard, AIS Class B (for small ships), Integrated Navigation Systems and the start of the Galileo satellite positioning system.

Vessel Traffic Services (VTS)

As the competent authority for VTS outside port limits and for VTS standards, we will work with port authorities to achieve improved consistency, quality and communication of information on UK VTS. As explained under the Infrastructure section of Safer Lives, we have already implemented AIS around the UK which will support VTS. During the 2006-07 business year, we will continue to implement the Vessel Traffic Monitoring Directive, including putting in place the infrastructure for a Community Vessel Traffic Monitoring and Information System.



In addition we plan to enhance the radar coverage in the busy area to the north of the Dover Strait Traffic Separation Scheme by installing an additional radar head at North Foreland.

Consolidated European Reporting System (CERS)

Following the introduction of the Vessel Traffic Monitoring Directive (2002/59/EC), we started a CERS project to work with Member States and the European Commission to co-operate on data exchange by implementing a system to capture data on ship movements, dangerous cargoes, vessel safety and security information and the disposal of waste within European waters.

We are using the opportunity to develop a single consistent source of vessel data to be known as the Single Vessel Database (SVD).

The CERS/SVD Project will capture information from various internal and external sources including Hazmat reports, Western European Tanker Reporting Scheme (WetRep) reports, AIS, the Channel Navigation Information Service in the busy Dover Strait and the, Sirenac, Ship Inspection and Survey (SIAS) databases used in Port State Control across Europe. It will also capture information from UK Ports, ship agents, owners and operators and exchange this with other EU Member States through CERS/SafeSeaNet.

Development of the CERS/SVD Project will be ongoing throughout the 2006-07 business year, with the intention of being fully operational with SafeSeaNet by 2008.







Cleaner Seas

Protecting the environment

There are 10,500 miles of coast around the UK with some of the most spectacular and beautiful beaches, cliffs and scenery. Our international negotiations, and our regulatory and enforcement activity helps to prevent pollution, as do the quality and operating standards of the overwhelming majority of the shipping industry. Small spills of oil or other cargoes will still happen and we have established procedures in place to lessen their impact. We provide support and resources to salvage functions. The Secretary of State's Representative (SOSREP) will take control of any threat of significant pollution and use powers of direction as necessary. The National Contingency Plan will be activated with clear responsibilities at local, regional and national levels for immediate containment and clean up. If needed, our specialist tugs will be used to tow or escort ships in difficulty. The tugs are strategically stationed at the four corners of the UK.

We sponsored the Seatrade's Protection of the Marine and Atmospheric Environment Award in 2005 and will continue for 2006. Our involvement with the Seatrade Awards offers a unique opportunity to promote sustainability and environmental protection. More information about the awards can be found at: www.seatrade-global.com/awards.

Pollution prevention

At some point all ships come to the end of their working lives and need then to be disposed of and broken up. This is an ethical, environmental and social challenge for the international shipping community and we are participating in a joint IMO/ILO/Basel Convention Working Group to develop a Convention to address ship-recycling to ensure the safe and environmental disposal of old vessels. The Basel Convention governs the shipment of waste across international boundaries.

To reduce damage to the environment, during 2006-07 we will implement the International Maritime Organization's Oil Pollution Preparedness, Response and Co-operation

(ORPC) – Hazardous and Noxious Substances (HNS) Protocol. This will improve contingency planning and response to HNS incidents in ports and harbours, and at sea.

Annexes I and II of MARPOL (Regulations for the Prevention of Oil Pollution from Ships and Regulations for the Control of Pollution by Noxious Liquid Substances in Bulk respectively) have been revised at the IMO and amended to include some new regulations that improve safety and pollution prevention standards. We will implement the revised Annexes into UK legislation.

We are also implementing Annex IV (Prevention of Pollution by Sewage from Ships) and implementing amendments to Annex V (Prevention of Pollution by Garbage from Ships). These will be combined into one set of regulations.

Annex VI (Prevention of Air Pollution from Ships) entered into force internationally in May 2005 and we are implementing the requirements in UK legislation.



A less obvious but damaging form of pollution is the transfer of species and organisms in the water that ships take on to maintain their stability-ballast water. When ballast water is taken on in one of the world's oceans and then discharged in another, the local ecosystems can be devastated, leading to substantial economic and environmental damage. With our partners we will develop a regional strategy for ballast water management in North West Europe. This will assist with our compliance with the Ballast Water Convention. Another important task will be to ratify and transpose in to UK law the Anti-Fouling Systems Convention, and EC Regulation 782/2003 on the prohibition of organotin compounds on ships.

Pollution response

We conduct surveillance of the UK pollution control zone with fixed wing remote sensing aerial surveillance aircraft, assisted by periods of satellite surveillance to identify marine pollution originating from shipping.

In response to pollution incidents, in 2005 we co-ordinated over 900 counter pollution operations and our four tugs were deployed 188 times.

Following a strategic review of counter pollution stockpiles, we combined all our equipment under one contract and redistributed it to three locations. We will work over the coming year to ensure the operational capability of these three sites.

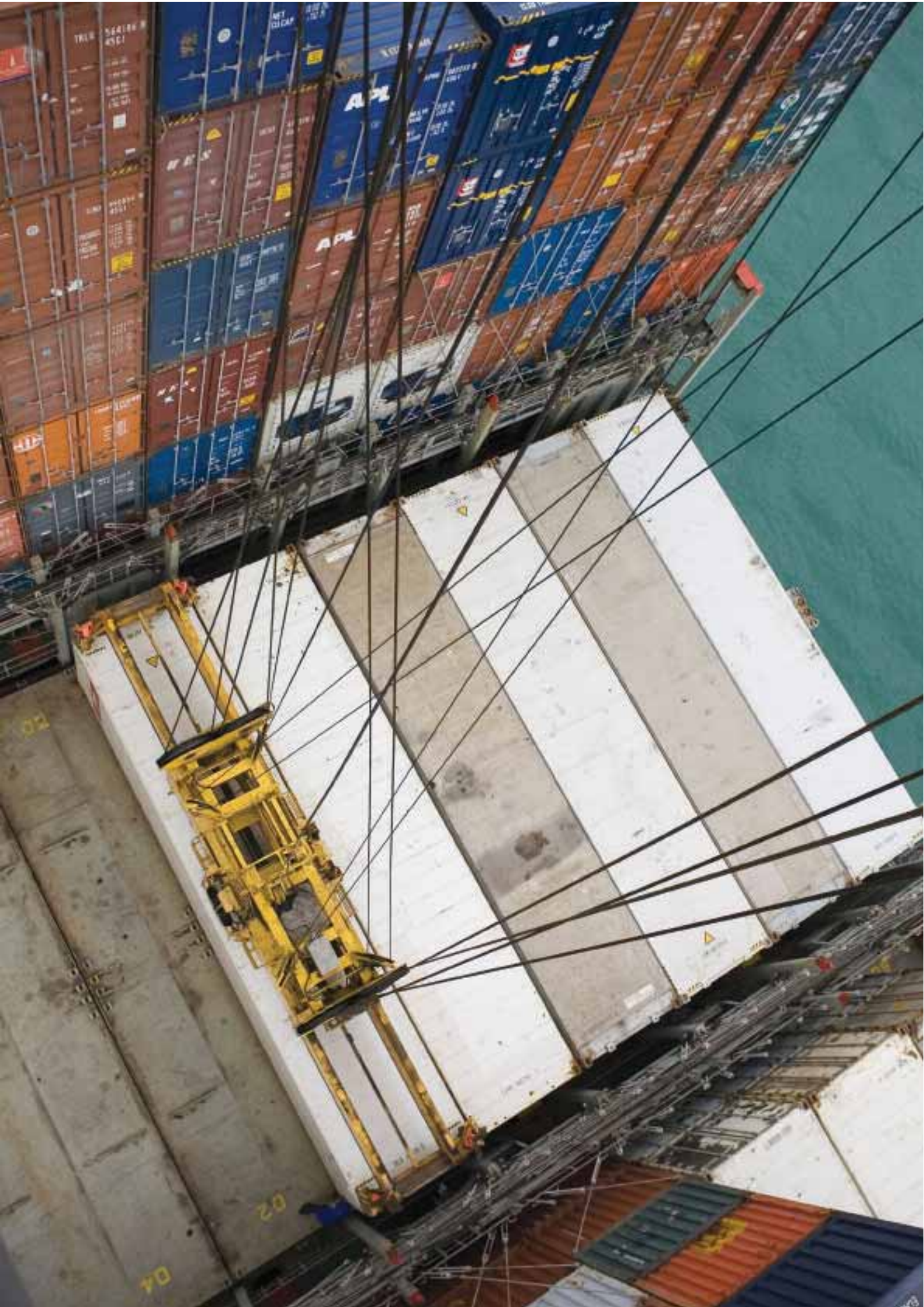
Receiver of Wreck

In 2005, 258 reports of recovered material were submitted to the Receiver of Wreck, these covered materials ranging from modern to historic, originating both from UK territorial and international waters. The Receiver of Wreck also disposed of two whales in accordance with the Royal Prerogative on Fishes Royal, including the disposal of a 54-foot male fin whale in the Solent.

In September 2005, a high-resolution multi-beam sonar survey was successfully completed on the wreck of the SS RICHARD MONTGOMERY, a World War II Liberty Ship carrying munitions which grounded and split in two in the Thames Estuary. This survey provides an update to our regular surveys and will help inform the future management of the wreck.

Bronze Age artefacts from off Salcombe reported to the Receiver of Wreck







CFF SOLENT

MCA

ADDRESS: PORTSMOUTH
PHONE: 01705 333333



Measuring Outcomes

We monitor and measure our work against a range of objectives and indicators. We look at long term trends against four Outcomes focused on reducing accident rates to ships and the people on them, reducing death and accident rates in the UK search and rescue region, reducing pollution at sea, and maintaining the quality of ships flying the Red Ensign. Although we can take steps to influence those Outcomes over time, they are largely the daily responsibility of ship owners and operators, and those who use the sea and our coasts for leisure and tourism, including the general public. That is why we also monitor our achievements against short term targets set for us by the Secretary of State for Transport. Those Ministerial Targets generally recognise what is within our direct control and what we can realistically hope to achieve in a single year, or perhaps over the three-year planning horizon.

Outcomes

Outcome 1: A reduced rate of accidents and accident related deaths involving UK registered merchant ships and fishing vessels

The Marine Accident Investigation Branch (MAIB) introduced new reporting regulations in April 2005 which extend the duty to report accidents, to include port and harbour authorities, those with responsibility for inland waterways, and the MCA. In the MAIB Annual Report 2005, the MAIB recognise; "The sharp increase in the number of accidents and hazardous incidents involving vessels, is almost certainly as a result of the introduction of the revised Merchant Shipping (Accident Reporting and Investigation) Regulations 2005".

Accidents on UK vessels

The three year rolling average rates of accidents rose to 52.1 per 1,000 fishing vessels, and 108.3 per 1,000 merchant ships in 2003-05.

Machinery failure remains the single most common cause of accidents on UK vessels and this year we have a Ministerial Target focussing on reducing machinery failure.

Deaths on UK fishing vessels

The rate of deaths per 10,000 crew has fallen to 6.6 in 2003-05. The number and rate of crew deaths fluctuates from year to year although the trend is downwards.

Our strategy is to engage constructively with the fishing industry and fishermen to promote improved safety. Safe working practices are an important focus given the level of machinery failure and evidence that many of the recorded deaths are related to winches and similar machinery.

Crew and passenger deaths on UK merchant ships

There were two crew deaths in 2005, giving a rate of 0.7 per 10,000 crew, the lowest for three years. There have been no passenger deaths for operational reasons in any of the last five years.

Outcome 2: To reduce the frequency and severity of incidents within the UK Search and Rescue (SAR) Region

Accidents and deaths recorded in the UK SAR Region

The number of reported incidents continues to grow, although the number of incidents resulting in a full-scale rescue mission has fallen. This suggests a greater public awareness of how and when to report incidents to the Coastguard, something that we have been promoting consistently.

The total number of recorded deaths is down on last year. Maritime related deaths within that total show an increase of 1 on the 2004 figure to 101. This maintains a long term levelling of the maritime related deaths.

This year we have a Ministerial Target to analyse all serious accidents and deaths to help inform our prevention strategy. More details of our initiatives can be found within the Safer Lives section of this report.

Outcome 3: A reduced number of incidents of pollution from shipping activities in the UK Pollution Control Zone

Oil pollution levels in the marine environment

The number of all ship related marine pollution incidents continues to show a downward trend, particularly when expressed as a percentage of all pollution incidents. The figures show that over 82% of marine pollution comes from sources other than ships. The number of spills

from ships of more than two tonnes, (generally accepted as 'significant') remains low – of the 115 ship related pollution incidents in 2005, only 10 were over two tonnes.

We estimate that in 2005 we prevented over 1,600 tonnes of oil and 10,000 tonnes of cargo entering the marine environment through responding to actual or potential pollution or salvage incidents.

Outcome 4: An enhanced safety record for the Red Ensign Fleet

Port State Control deficiencies on Red Ensign ships

During 2005 there were 4 total losses of REG vessels, accounting for 0.3% of the total Fleet. The losses were; one Gibraltar registered, two Bermuda registered and one Isle of Man registered. We will be working with the REG Administrations to improve safety.

Growth of the UK Shipping Register

The size of the UK Shipping Register in terms of both tonnage and numbers of ships has levelled out since 2003. This is due in part to other maritime Administrations following the UK's policy lead and introducing Tonnage Tax regimes. It remains Government policy to ensure that we maintain the UK Flag as a flag of choice for quality ship owners and operators.

We have a Ministerial Target to keep foreign detentions of UK ships below the 3% mark, and also to maintain our relative position in the Paris MOU's 'White List' of flag States, which we achieved with an overall detention rate of 1.57% and third position on the 2005 Paris MOU 'White List' in its published report.

Ministerial Targets

Achievements in 2005-06

The Secretary of State set five Ministerial Targets for us to complete in 2005-06, and we achieved three of these.

Ministerial Target		2002-03	2003-04	2004-05	2005-06
1a Decide on search and rescue response within five minutes of being alerted in x% of cases.	Target	5 min 95%	5 min 96%	5 min 96%	5 min 96%
	Outturn	99%	99%	98%	97%
					Achieved
1b Deliver at least x% of planned ship inspections using a risk based approach	Target	96%	97%	97%	97%
	Outturn	109%	104%	117%	121%
					Achieved
1c Ensure that x% of mandatory expanded inspections are carried out.	Target			95%	95%
	Outturn			83%	93%
					Not Achieved
2 Ensure no more than 3% of UK ships inspected under the Paris MOU PSC arrangements are detained abroad, and that the UK register maintains a position of the Paris MOU White List which is comparable to similar registers.					Achieved
3 Reduce the proportion of people who suffer death or injury while involved in beach activities, coastal swimming and recreational diving, by increasing MCA prevention activities, working in partnership with other organisations.					Not Achieved
4 From a baseline of 76%, increase customer satisfaction with seafarer documentation services to at least 80%.					Achieved
5 Establish a fully operational Automatic Identification System (AIS) network around the UK coast, to implement real-time tracking and monitoring of shipping movements from the shore.					Achieved



The Secretary of State also set us a developmental target to focus our planning for 2006 onwards. This Target was:

6a In 2006-07, reduce the proportion of machinery failures on commercial ships and leisure craft in the UK, by increasing prevention activities and working with other relevant organisations.

6b In 2007-08 review the implementation, effectiveness and impact of the comprehensive prevention strategy.

Notes to the Targets

Target 1a, regarding search and rescue decision making was achieved. Although we achieved our Target, our performance was lower than in previous years. This can be partially attributed to a change in recording systems. The performance for the second half of the year was 99.2%, showing that as staff became more familiar with the new system our recording improved.

Target 1b, regarding planned ship inspections was achieved. We inspected an additional 21% of our target as many inspections are demand led and need to be carried out in the interests of safety.

Target 1c, regarding mandatory expanded inspections was not achieved in part, as 11 of 151 ships missed their inspections. The target of 95% was met for the second half of the year.

Target 2, regarding inspections and detentions of UK ships abroad, and the Paris MOU White List was achieved.

Target 3, regarding deaths and injury whilst involved in leisure pursuits was partially achieved as we worked in partnership with other organisations but we do not have sufficiently robust statistics about the populations at risk to be able to demonstrate a change in the rates of death or injury.

Target 4, regarding seafarer satisfaction with our services was achieved. We raised our satisfaction rating to 81%.

Target 5, regarding the implementation of a fully operational AIS network was achieved.

Target 6a and b, preparatory work was completed for our developmental targets.

You will find more details of our performance against these targets elsewhere in this document under the relevant business activities.



New Targets for 2006-07

In light of our objectives and our past experience, the Secretary of State has agreed the following Targets for 2006-2007:

Delivery Targets

1 In at least 96% of incidents, within five minutes of being alerted, take a decision on the appropriate search and rescue response and initiate action if necessary.

2a Deliver the programme of planned ship inspections. We will inspect vessels during 2006-07 in a targeted manner based on factors such as, UK policy direction (small passenger vessels), EU policy (Ro-Ro Passenger vessels) and/or risk, based on MAIB statistics on accidents and deaths. Most categories fall into a yearly based regime whilst others, fishing vessels are part of a longer term five year inspection regime.

2b Carry out 95% of mandatory expanded inspections.

3 Work with UK shipowners so that no more than 3% of UK ships inspected under global Port State Control arrangements are detained, and the UK Shipping Register maintains a position on the Paris MOU White List which is comparable to registers of a similar size and reputation.

4 Reduce the proportion of vessels suffering machinery failures (commercial ships and leisure craft) in the UK, by increasing prevention activities, working with other relevant organisations.

5 Strengthen our evidence base by analysing all fatal incidents and serious maritime accidents, to inform our assessment of maritime safety risks and prioritise these to assist with future

regulatory policy and planning, including the allocation of costs and resources to activities.

6 As a Category One Responder, meet the provisions of the Civil Contingencies Act 2004 on behalf of the Secretary of State, in so far as his functions include responsibilities to maritime and coastal emergencies (excluding the investigation of accidents).

Development Targets

7 Prepare for a review in 2007-08 of the implementation, effectiveness and impact of the comprehensive prevention strategy, using evidence based information to check the Agency's direction in this area.

8 Work with other responders and providers to contribute to improvement of joined up approaches to civil resilience matters, and specifically develop with the Ministry of Defence a harmonised provision for search and rescue helicopters from 2012.



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FINANCIAL REVIEW FOR THE YEAR

Accounts direction

These are the Maritime and Coastguard Agency's (MCA) audited accounts, which have been prepared in accordance with a direction given by HM Treasury in pursuance of Section 7(2) of the Government Resources and Accounts Act 2000.

Financial summary

The MCA is funded by the DfT Request for Resource 1 Line B (RfR1B). During the 2005-06 Financial Year the Agency's net operating cost was £117,253,000 as detailed within the Financial Statements, recording costs of undertaking the Agency's functions and responsibilities while remaining within the approved resource costs budget.

The MCA continues to invest in fixed assets supporting operational requirements, both maintaining and improving the asset base to the value of £8M during the financial year. The investment spending included significant items such as development of ship identification and channel navigation systems, purchase of land for a helicopter base at Lee on Solent together with the bringing into service of a helicopter hangar at Portland.

Internal controls

The importance of satisfactory internal controls is recognised and effectiveness of such internal controls has been reviewed, and the disclosures made in the financial statements are in accordance with HM Treasury's guidance on corporate governance. Internal audit services

are provided by the DfT's Audit and Risk Assurance Division, who have concluded that our control systems are operating effectively.

Pension liabilities

Past and present employees, including those on fixed term appointments, are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS).

External auditors

The statutory audit of our financial statements is undertaken by the Comptroller and Auditor General under the provisions of the Government Resources and Accounts Act 2000. The cost of audit services for the financial year ending 31 March 2006 was £64,000. Costs for other services provided by the NAO were nil.

Disclosure of audit information to the MCA auditors

So far as the Accounting Officer is aware, there is no relevant audit information of which the MCA auditors are unaware.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the MCA auditors are aware of that information.

REMUNERATION REPORT

Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits;
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at www.ome.uk.com.

Executive members of the Board who are Civil Servants received progression pay awards and performance related pay awards linked to the Annual Performance Appraisal process in common with other employees of the MCA.

Fees for non executive directors are negotiated under the terms of their appointment, as approved by the MCA Chief Executive.

Service contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 60. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

Remuneration and pension entitlements (audited)

The remuneration of the members of the Executive Board, in their capacity as executive or non-executive directors for the MCA, fell within the ranges shown:

	2005-06	2004-05
Stephen Bligh (until 31 January 2006)	£200,000 - £204,999 (£125,000 - £129,999 full year equivalent)	£115,000 - £119,999
John Astbury	£80,000 - £84,999	£70,000 - £74,999
Paul Jackson	£65,000 - £69,999	£30,000 - £34,999
Neil Goodall	£65,000 - £69,999	£65,000 - £69,999
Richard Parkes	£65,000 - £69,999	£65,000 - £69,999
Alison Thorne-Henderson	£65,000 - £69,999	£65,000 - £69,999
Mike Comerford (until 31 January 2006)	£50,000 - £54,999 (£60,000 - £64,999 full year equivalent)	£5,000 - £9,999
Alan Fairney (from 1 February 2006)	£10,000 - £14,999 (£60,000 - £64,999 full year equivalent)	Not applicable
Tom Allan (non-executive director) (until 31 December 2005)	£55,000 - £59,999 (£70,000 - £74,999 full year equivalent)	£65,000 - £69,999
Paula Carter (non-executive director)	£5,000 - £9,999	£5,000 - £9,999
Bob Banham (non-executive director) (from 28 March 2006)	£0 - £4,999 (£0 - £4,999 full year equivalent)	Not applicable
Julian Lee (non-executive director) (from 17 October 2005)	£0 - £4,999 (£5,000 - £9,999 full year equivalent)	Not applicable

Remuneration

'Remuneration' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the MCA and thus recorded in these accounts.

The emoluments (excluding pension contributions) of the Chief Executives were: Stephen Bligh, £203,379 (2004-05: £117,334) including compensation for loss of office as at 31 January 2006; and John Astbury, £15,333 (2004-05: £nil) appointed Acting Chief Executive from 1 February 2006.

Stephen Bligh was also the highest paid Executive Board member, the reported remuneration including the payment for compensation for loss of office to cover the remainder of his contract from his departure date of 31 January 2006 until 1 September 2006. This was agreed and approved by DfT and HM Treasury. The Chief Executives were ordinary members of the Principal Civil Service Pension Scheme.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. Remuneration of the MCA Executive Board members includes the value of taxable benefits in kind. In 2005-06, John Astbury had a beneficial housing loan with a taxable value, to the nearest £100, of £200 (2004-05: £300). No other Executive Board members had any taxable benefits in kind in 2005-06 (2004-05: £nil).

Pensions

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. MCA is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary (Hewitt Bacon Woodrow) valued the scheme as at 31 March 2003. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2005-06, employers' contributions of £5,614,611 were payable to the PCSPS (2004-05: £3,957,731) at one of four rates in the range 16.2 to 24.6% of pensionable pay, based on salary bands (the rates in 2004-05 were between 12% and 18.5%). The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. From 2006-07, the salary bands will be revised and the rates will be in a range between 17.1% and 25.5%.

The contribution rates are set to meet the cost of the benefits accruing during 2005-06 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £4,807 (2004-05: £2,803) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

Pension benefits (audited)

	2005-06 Real increase in pension (and related lump sum) at age 60 during the year	2005-06 Total accrued pension at age 60 as at 31 March 2006 (and related lump sum)	2004-05 Real increase in pension (and related lump sum) at age 60 during the year	2004-05 Total accrued pension at age 60 as at 31 March 2005 (and related lump sum)
Stephen Bligh	£0 - £2.5k	£0 - £5k	£0 - £2.5k	£0 - £5k
John Astbury	£0 - £2.5k (£5 - £7.5k)	£25 - £30k (£85 - £90k)	£0 - £2.5k (£5 - £7.5k)	£25 - £30k (£75 - £80k)
Paul Jackson	£0 - £2.5k (£5 - 7.5k)	£10 -£15k (£35 - £40k)	£0 - £2.5k (£2.5 - 5k)	£10 -£15k (£30 - £35k)
Neil Goodall	£0 -£ 2.5k	£5 - £10k	£0 -£ 2.5k	£5 - £10k
Richard Parkes	£0 - £2.5k	£5 - £10k	£0 - £2.5k	£5 - £10k
Alison Thorne-Henderson	£0 - £2.5k (£0 - £2.5k)	£5 - £10k (£0 - £5k)	£0 - £2.5k (£0 - £2.5k)	£0 - £5k (£0 - £5k)
Mike Comerford (until 31 January 2006)	£0 - £2.5k	£5 - £10k	£0 - £2.5k	£5 - £10k
Alan Fairney (from 1 February 2006)	£0 - £2.5k (£0 - £2.5k)	£10 - £15k (£30 - £35k)	Not applicable	Not applicable
Tom Allan (until 31 December 2005)	£0 - £2.5k (£2.5 - £5k)	£30 - £35k (£90 - £95k)	£0 - £2.5k (£2.5 - £5k)	£25 - £30k (£85 - £90k)
Paula Carter	Not applicable	Not applicable	Not applicable	Not applicable
Bob Banham (from 28 March 2006)	Not applicable	Not applicable	Not applicable	Not applicable
Julian Lee (from 17 October 2005)	Not applicable	Not applicable	Not applicable	Not applicable

None of the Executive Board Directors have Partnership Pensions.

	2005-06 CETV at 31 March 2006	2005-06 Real increase in CETV as funded by employer	2005-06 Employee contributions and transfers in	2004-05 CETV at 31 March 2005 Restated
Stephen Bligh	£60k	£22k	£3,080	£42k
John Astbury	£673k	£51k	£119	£512k
Paul Jackson	£219k	£28k	£993	£145k
Neil Goodall	£109k	£27k	£2,312	£62k
Richard Parkes	£109k	£14k	£2,312	£71k
Alison Thorne-Henderson	£76k	£10k	£6,375	£42k
Mike Comerford (until 31 January 2006)	£88k	£16k	£1,859	£57k
Alan Fairney (from 1 February 2006)	£242k	£9k	£158	£228k
Tom Allan (until 31 December 2005)	£699k	£19k	£768	£623k
Paula Carter	Not applicable	Not applicable	Not applicable	Not applicable
Bob Banham (from 28 March 2006)	Not applicable	Not applicable	Not applicable	Not applicable
Julian Lee (from 17 October 2005)	Not applicable	Not applicable	Not applicable	Not applicable

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a

significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic

plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

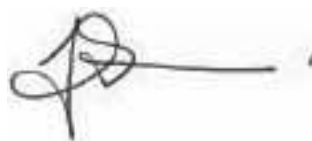
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the

other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Please note that the factors used to calculate the CETV were revised on 1 April 2005 on the advice of the Scheme Actuary. The CETV figure for 31 March 2005 has been restated using the new factors so that it is calculated on the same basis as the CETV figure for 31 March 2006.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



John Astbury
Acting Chief Executive
26 June 2006

ACCOUNTING OFFICER RESPONSIBILITIES

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the Maritime and Coastguard Agency to prepare a statement of accounts for each financial year in the form and on the basis set out in the accounts direction in Dear Accounting Officer letter DAO(GEN) 01/06. The accounts are prepared on an accruals basis and must give a true and fair view of the Agency's state of affairs at the year-end and of its net operating cost, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to:

- observe the accounts direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Finance Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Agency will continue in operation.

The Accounting Officer for the DfT has designated the Acting Chief Executive of the Maritime and Coastguard Agency as its Interim Accounting Officer as set out in the 24 February 2006 letter from David Rowlands. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity

of the public finances for which he is answerable and for the keeping of proper records, are set out in the in the Agency's Framework Document and the Accounting Officer's memorandum, issued by HM Treasury and published in 'Government Accounting'.

STATEMENT ON INTERNAL CONTROL

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of MCA's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

- The MCA operates in accordance with the Framework Document authorised by the Secretary of State for Transport. This defines the Agency's operating and financial accountability and responsibility, and the arrangements for risk management.
- The Framework Document also defines the roles, responsibilities and accountability arrangements of the relevant policy groups at DfT.
- An Advisory Board oversees the strategic direction of the MCA, reviews progress towards the achievement of Ministerial targets and other significant objectives, and monitors how the Agency addresses financial control and risk issues. Its membership comprises the Director General, Roads, Regional and Local Transport Group and other senior personnel from DfT, the Agency's Chief Executive and Finance Director, and three external members. The Advisory Board met on four occasions in 2005-06.
- The MCA contributes information, as requested, on business planning, financial performance and risk management, for consideration by DfT's Executive Committee.
- The MCA supplies a monthly financial report to DfT, setting out expenditure to date and

forecast for the full financial year against its annual resource allocations, and regularly attends meetings of the DfT Group Finance Committee.

2. The purpose of the system of internal control

- The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of MCA policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in MCA for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

3. Capacity to handle risk

- The Agency's approach to risk management is set out in its risk management policy, which was reviewed and updated during 2005-06. The MCA's risk management plan, which is reviewed and updated regularly, sets out the way in which the risk management policy is implemented within the MCA.
- The Agency's Finance Director champions the cause of risk management at regular meetings of the Executive Board, the Audit Committee and the Executive Committee (now called the Corporate Committee),

where risk management for corporate governance is a standing agenda item.

- The MCA's risk management plan provides extensive guidance to staff on the definitions, criteria and methods available for risk assessment, and is made available to all personnel via the internal MNet. Individual training is provided upon request to risk owners by the MCA's risk improvement manager, who also makes regular risk management presentation at team briefings when requested. MCA's risk improvement manager receives external update training as required, as well as refreshing skills through networking internally and externally.
- The risk management system is reviewed annually in-house as still being fit for purpose, and appropriate revisions are made as approved by the Executive Board and the Executive Committee. The system is audited on an annual basis by the Audit and Risk Assurance Division of DfT.
- The MCA attended all meetings in 2005-06 of the Risk Information Group, which brings together the central department with DfT and ODPM agencies to discuss latest developments and share best practice in risk management.

4. The risk and control framework

- The key elements of the Agency's risk management strategy are set out in its risk management policy and risk management plan.
- The MCA established its corporate risk register in March 2002, based on guidance published by HM Treasury. Since then the register has been managed dynamically, with a number of new risks being introduced whilst other risks have been removed or merged, reflecting the changing nature of the business environment in which the Agency works. Changes to the

risk register may be suggested by any of the MCA's staff, and are considered by the risk improvement manager and Finance Director before being accepted on to the register.

- The risk management plan states that risks are reviewed and reported to the Executive Board on a rolling annual basis, and all are reviewed by their owners at least 6 monthly and whenever significant changes occur.
- The Executive Board undertook a review of corporate risks towards the end of 2005-06 in order to identify those risks considered to be key to the delivery of the Agency's targets and objectives in the forthcoming financial year.
- The Agency's risk management arrangements are well embedded at the corporate level. Operational risk management at the point of delivery of frontline services is regularly carried out by the Agency.
- In order to improve the transparency of risk management for corporate governance throughout the Agency, access to the corporate risk register is available to all staff via the Agency's internal MNet.
- The Agency has not stipulated a corporate level for its risk appetite; rather new projects or initiatives are assessed individually by reference to potential business impact, availability of resources and the value for money of stakeholder benefits.
- ISO 9001:2000 quality management system, Investors in People (IiP), the EFQM Excellence Model and the balanced scorecard are all reflected in, and fed by, the MCA's corporate risk register and risk management system. Risk assessment is part of stewardship reporting by each directorate in the monthly Executive Board report.
- The Agency has appropriate IT security measures in place, including contingency

plans for emergencies, and its critical operating systems are compliant with BS7799 standards.

- Where significant procurement is involved, the Office of Government Commerce (OGC) risk model is applied, and OGC gateway reviews are undertaken as required.
- Major capital projects are managed through approved project management methodology, e.g. Projects in Controlled Environments (PRINCE 2). Project risk is assessed using the OGC Gateway Risk Potential Assessment model, and project risk registers are maintained for major capital projects.
- Public stakeholders are involved in the extensive consultation process that precedes changes in maritime policy and regulation, and the impact of health and safety regulations at the Agency's interface with the public, e.g. during search and rescue (SAR) operations, is kept under review.
- The Agency discharges its responsibilities for civil contingencies planning, and is an active participant as a Category 1 Responder in the Civil Contingencies Act, which came into force on 1 April 2005. The Agency has contributed to Cabinet Office discussions about joining up contingency planning across Government, and is actively planning an exercise to test the Agency's ability to cope with a widespread outbreak of avian flu.
- The Agency recognises the importance of health and safety in the workplace, and its Occupational Health and Safety (OHS) Policy statement is displayed prominently throughout the Agency's buildings. Steps were taken towards the end of the year to initiate a more robust OHS management system, inclusive of all employees, volunteers and contractors, with the intention of proactively preventing accidents and incidents at work, improving reporting mechanisms and providing the Board with

better focussed, more timely OHS information.

- In response to last year's reported significant internal control issue, steps were taken to revise the Agency's approach to accounting for revaluation adjustments in the interim years between quinquennial property reviews. A sample of properties, including any major new builds, will be revalued and the resultant revaluation adjustments brought to account on an annual basis.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the MCA who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Executive Board and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Executive Board

- Membership of the Executive Board now includes three non-executive and six executive directors, the number of non-executive having been increased during the year in order to improve governance arrangements. All non-executive directors are also members of the Audit Committee. All members of the Executive Board receive a copy of the Audit Committee minutes, and an information paper is presented to the Board following Audit Committee meetings. Risk management for corporate governance is a standing agenda item at all Board meetings. All decision and

information papers for the Board include explicit consideration of risk issues.

Advisory Board

- The membership of the Agency's Advisory Board, and its contribution to the Agency's internal control system are set out in the first section, scope of responsibility, of this Statement of Internal Control (SIC).

Audit Committee

- The Audit Committee's independent chairman is a non-executive director, who is also a member of the MCA's Advisory Board. During the year the Audit Committee membership comprised senior managers from the Agency. Additionally, representatives from the Agency's internal and external auditors were invited to all meetings and received copies of all Audit Committee papers. Membership was reviewed towards the end of the year, and was changed to increase the number of non-executive directors on the Committee, whilst still retaining the input from senior executive managers, internal and external auditors. The terms of reference are in accordance with those set out in HM Treasury's Audit Committee Handbook, and were also reviewed to bring them in line with the recently issued HM Treasury Code of Good Practice for Corporate Governance in Central Government. Internal control, risk management, and audit plans and reports are standing agenda items at the four meetings to take place each year.

Internal audit

- DfT Audit and Risk Assurance (ARA) operates to the standards defined in the Government Internal Audit Standards. The work of ARA is informed by an analysis of the risks to which the Agency is exposed, and the annual internal audit programme is based on this analysis. Annually, the DfT Audit and Risk

Assurance Manager responsible for the MCA provides a report on internal audit activity in the Agency. This report includes his independent opinion on the adequacy and effectiveness of the Agency's system of internal control, together with recommendations for improvement. In 2005-06 the annual audit opinion read as:

"I can provide substantial assurance that the Maritime and Coastguard Agency's established risk management, control and governance arrangements are operating in a generally effective manner. Some minor weaknesses were identified during the year, as were opportunities to improve working practices. More importantly, there is scope to develop the risk management system further to ensure that it continues to reflect best practice.

This overall opinion is supported by the following key considerations:

Formal risk management policies and processes have been defined and are well established at corporate level. They provide a sound platform for taking forward the further developments now needed to improve the clarity of risk information reported to the Board and to embed practicable risk management arrangements more securely across the Agency.

Internal controls are generally operating effectively, although the level of control needs to be enhanced in some areas to reduce exposure to particular risks and to strengthen control environment.

Implementation of the DfT Investment Appraisal Framework will ensure investment decisions are robustly controlled.

Governance arrangements are robust and appropriate to the needs of the organisation. They have been further strengthened by recent changes to the constitution and

composition of the Audit Committee.”

26 June 2006

Executive Committee (now Corporate Committee)

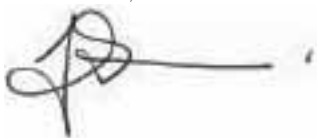
- Membership of the Executive Committee during the year comprised Executive Board directors together with regional directors and deputy directors. Its terms of reference were to support the Executive Board to achieve the Agency’s strategic direction and high level goals, to develop targets and indicators in support of such goals, and to monitor performance against agreed targets and indicators. The Committee also discussed risk and opportunity appetite and management whenever relevant.

Risk improvement manager

- The risk improvement manager works closely with the risk champion on the Executive Board to keep the Agency’s risk management processes under regular review, developing them as fit for purpose and reflecting current practice in risk management. He also applies risk modelling techniques to live operational and policy issues. Any potential new corporate risks are referred to the risk improvement manager for full consideration.

Other explicit review / assurance mechanisms

- Following a review of the procedures that underpin the SICs across the DfT family, the Agency in 2005-06 replaced the corporate stewardship report with a corporate internal control assurance report, which provides a common framework for evaluating internal control, and sets out the evidence, subject to valuation.



John Astbury
Acting Chief Executive

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of the Maritime and Coastguard Agency for the year ended 31 March 2006 under the Government Resources and Accounts Act 2000. These comprise the income and expenditure account, the statement of recognised gains and losses, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Agency, the Chief Executive and the Auditor

The Agency and Chief Executive are responsible for preparing the Annual Report and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I also report whether in all material respects the expenditure

and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if the information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 56 to 60 reflects the Agency's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Foreword from the Chief Executive, Setting the Scene, the Management Commentary and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements, and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion, I have also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and the directions made thereunder by HM Treasury, of the state of the Maritime and Coastguard Agency's affairs as at 31 March 2006 and of

the net operating cost, recognised gains and losses and cash flows for the year then ended;

- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
National Audit Office
Comptroller and Auditor General

157-197 Buckingham Palace Road
Victoria
London SW1W 9SP
3 July 2006

ACCOUNTS

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Note	2005-06 £'000	2004-05 £'000
Income			
Operating income	[5]	11,587	10,222
Programme Costs			
Staff costs	[2]	(39,524)	(36,488)
Establishment and accommodation costs	[3]	(27,464)	(29,476)
Other programme costs	[4]	(61,852)	(61,496)
		(128,840)	(127,460)
Net Operating Cost for the Financial Year	[15]	(117,253)	(117,238)

All income and expenditure are derived from continuing operational activities.

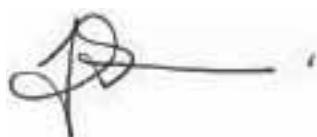
STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2006

	Note	2005-06 £'000	2004-05 £'000
Unrealised surplus on revaluation of fixed assets	[16]	895	2,861
Recognised Gains for the Financial Year		895	2,861

Accounting policies and notes forming part of these accounts are on pages 66 to 82.

BALANCE SHEET AS AT 31 MARCH 2006

	Note	31 March 2006		31 March 2005	
		£'000	£'000	£'000	£'000
Fixed Assets					
Intangible assets	[7]	1,676		1,859	
Tangible assets	[8]	52,988		50,549	
			54,664		52,408
Current Assets					
Stocks	[10]	1,923		1,906	
Debtors	[11]	7,247		4,931	
Cash at bank and in hand	[12]	1,544		3,253	
			10,714		10,090
Current Liabilities					
Creditors	[13]	(11,461)		(14,066)	
			(11,461)		(14,066)
Net Current Liabilities			(747)		(3,976)
Fixed Assets less Net Current Liabilities			53,917		48,432
Provisions for Liabilities and Charges	[14]		(2,426)		(2,183)
Total Assets less Liabilities			51,491		46,249
Taxpayers' Equity					
General Fund	[15]	42,299		37,952	
Revaluation reserve	[16]	9,192		8,297	
	[19]		51,491		46,249



John Astbury
Acting Chief Executive
26 June 2006

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

	Note	2005-06 £'000	2004-05 £'000
Net cash outflow from operating activities	[21A]	(108,868)	(105,131)
Net capital expenditure	[21B]	(7,707)	(8,118)
Payments to the Consolidated Fund		(2,134)	(950)
Net cash requirement		(118,709)	(114,199)
Financing from the Consolidated Fund	[21C]	117,000	120,502
Increase/(decrease) in Cash	[12]	(1,709)	6,303

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2005-06 Financial Reporting Manual issued by HM Treasury. The particular accounting policies adopted by the Agency are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.01 Accounting Convention

The accounts are prepared under the historical cost convention, modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs.

1.02 Fixed Assets – Intangible

Capitalisation

Intangible fixed assets, which are defined as non-financial assets that do not have physical substance but are identifiable and are controlled by the entity through custody or legal rights, are capitalised.

Amortisation

Amortisation is charged on a straight line basis on each main class of intangible fixed asset as follows:

Software licences 3-5 years

Intangible fixed assets are stated at their cost less accumulated amortisation. Amortisation is charged in the month of acquisition, and none in the month of disposal. Amortisation is not charged for software under development.

1.03 Fixed Assets – Tangible

Capitalisation

Tangible fixed assets are capitalised if they meet the following criteria:

- They are capable of being used for a period which exceeds one year; and
- They have a cost equal to or greater than £1,000.

Bespoke software with a cost of £20,000 or more is capitalised.

Valuation

Tangible fixed assets are valued at current cost on the following basis:

- Land and buildings are valued by the Agency's external property management advisors at their Existing Use Value (EUUV) where a market for such property is established. Where no such market exists and it is impracticable to ascertain the EUUV then Replacement Cost, adjusted for the age and condition of the property has been used.
- Valuations are carried out on a five yearly basis, the latest being undertaken as at 31 March 2005. Because of the variety, location and specialist nature of some of the Agency's property, the use of revaluation indices is considered inappropriate between valuations. Therefore the Agency and its external property management advisors undertake a desktop review of a sample of its portfolio of properties and assess a current value to be applied to the estate.
- Other tangible fixed assets are valued on a net current replacement cost basis. Assets are revalued using appropriate price indices published by the Office for National Statistics. Revaluation surpluses and deficits are taken to the revaluation reserve, except where a deficit is considered to be permanent, in which case it is written off in the Agency Income and Expenditure Account.

Depreciation

Depreciation is charged on a straight line basis on each main class of tangible fixed asset as follows:

- Freehold land and assets in the course of construction are not depreciated.
- Freehold buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the Agency's external property management advisors.
- Historic leasehold buildings are depreciated over the primary lease term or the estimated remaining life of the asset, whichever is the lower.
- Equipment is depreciated on current cost over the estimated life of the asset using the following standard lives:

Vehicles, boats and other plant	3-10 years
Communications equipment	5-10 years
IT and office equipment	3-10 years

Tangible fixed assets are stated at their valuation less accumulated depreciation. Depreciation is charged in the month of acquisition, and none in the month of disposal.

1.04 Stocks

Stock is valued at replacement cost. These items are held by the Agency for internal use within the business and the use of net realisable value is not deemed appropriate.

1.05 Notional Costs

In accordance with HM Treasury Guide to Fees and Charges, notional charges at the appropriate rate are included for cost of capital, audit fees and the services provided by the DfT.

1.06 Research and Development

Research and development expenditure is expensed in the year in which it is incurred.

1.07 Pensions

Past and present employees, including those on fixed term appointments, are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which are described in the Remuneration Report.

The defined benefit elements of the scheme are unfunded and are non-contributory except in respect of dependents' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the scheme, the Agency recognises the contributions payable for the year.

1.08 Early Departure Costs

Additional pension costs arising from early retirements are not funded by the PCSPS except where retirement is due to ill-health. For early retirements not funded by the scheme the full amount of the liability for the additional costs is charged to Agency Income and Expenditure Account in that year, regardless of the method of payment. The provision for early retirements covers all future commitments to employees who have retired from the Agency and its forebears which will not be met from the Civil Superannuation Funding. The provision is disclosed at Note 14.

1.09 Value Added Tax

The Agency is not separately registered for Value Added Tax (VAT) and VAT collected or paid is accounted for centrally by the DfT. The accounts include irrecoverable VAT where applicable.

1.10 Operating Income

Operating income relates directly to the operating activities of the Agency. It principally comprises fees and charges for services provided, on a full cost basis, to external customers. It includes both income appropriated-in-aid of the Agency's funding and income to the Consolidated Fund, which HM Treasury has agreed should be treated as operating income. Income is stated after deduction of VAT.

1.11 Administration and Programme Expenditure

HM Treasury has recognised since financial year 2004-05 that all of the Agency's activities relate to the delivery of frontline services, hence all income and expenditure is shown as programme costs in the reporting of the Agency's financial results to DfT and HM Treasury.

1.12 Cost of Capital Charge

A charge, reflecting the cost of capital utilised by the Agency, is included in operating costs. The charge is calculated at the Government's standard rate of 3.5 per cent in real terms on all assets less liabilities, excluding balances due to / from the Consolidated Fund and cash balances with the Office of HM Paymaster General (OPG) where the charge is nil.

1.13 Foreign Exchange

Transactions are translated into sterling at the exchange rate ruling on the date of each transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated into sterling at the rates ruling on that date. Translation differences are dealt with in the Income and Expenditure Account.

2. Staff Costs

The average number of persons employed during the year was:

	2005-06	2004-05
Board members	8	7
Frontline service deliverers and direct support staff	1,044	1,044
Corporate support staff	132	127
Total	1,184	1,178

The costs of staff employed by the MCA were as follows:

	2005-06 £'000	2004-05 £'000
Wages and salaries	31,315	30,525
Social security costs	2,477	2,386
Other pension costs	5,621	3,961
Early retirement costs	52	(559)
Agency staff	59	175
	39,524	36,488

3. Establishment and Accommodation Costs

	2005-06 £'000	2005-06 £'000	2004-05 £'000	2004-05 £'000
Establishment costs		6,995		6,993
Transport, travel and subsistence		3,478		3,827
Premises and operating leases		8,259		8,493
Provision for dilapidation costs		92		(32)
Non-Cash Items:				
Amortisation of intangible fixed assets	391		344	
Depreciation of tangible fixed assets	5,708		5,237	
Revaluation deficits	243		2,770	
Loss (Profit) on disposal of fixed assets	4		(376)	
DfT support services	554		538	
Cost of capital charge	1,676		1,620	
Audit fee	64		62	
		8,640		10,195
		27,464		29,476

Notional costs are included as follows:

DfT support services: These are included to reflect the cost of services provided by other units within the DfT. The amounts are calculated to reflect the full cost of providing these services to the Agency.

Cost of capital charge: This is calculated in accordance with note 1.12 to the accounts.

Audit fee: This is included for the annual certification audit of the Agency's financial statements by the National Audit Office. The auditors received no remuneration for non audit services.

4. Other Programme Costs

	2005-06 £'000	2005-06 £'000	2004-05 £'000	2004-05 £'000
SAR helicopters		17,611		16,460
Emergency towing vessels		10,693		10,446
Telecommunications		5,183		4,741
Aerial spraying and surveillance		1,942		2,111
Marketing, public relations and printing		1,595		1,471
Counter pollution		550		556
Technical advice projects		1,354		703
Vehicle and boat fleet		879		706
Membership subscriptions to International Bodies		811		167
Coast rescue equipment		515		382
Satellite communications		200		217
Channel navigation		241		236
Storage of equipment stockpiles		470		373
Uniforms		501		636
Radio surveys, inspections and advisory work		373		361
Research projects		733		869
Ex-gratia payments		136		(112)
Other		544		552
Provision for ex-gratia payments		518		98
Current Grants:				
Assistance for Merchant Navy training	9,550		9,233	
Crew relief compensation scheme	1,450		1,550	
		11,000		10,783
Disbursements:				
Civil hydrography	5,217		5,234	
Weather bulletins and navigational warnings	753		4,470	
Other services to industry	33		36	
		6,003		9,740
		61,852		61,496

Current Grants: The Agency disbursed grants of £10,802,743 net of administration costs (2004-05: £10,605,869) to the shipping industry in 2005-06.

Disbursements: The Agency provided services to the shipping industry at a cost of £6,002,742 (2004-05: £9,739,246) in 2005-06, in accordance with the Merchant Shipping Acts and international conventions signed by the UK Government.

The hydrographic database is held by the United Kingdom Hydrographic Office (UKHO) and includes the results of civil hydrographic surveys performed by Royal Navy personnel and private firms under contract to the Maritime and Coastguard Agency. The database has been formed by information from surveys from different sources built up over many years and is subject to continuous revision. The cost of obtaining UK civil survey data rests with the MCA with which the intellectual property rights remain.

5. Operating Income

Although the Agency is funded by Central Government it does receive income from the provision of services. An analysis of this income is included below:

	2005-06 Appropriated in Aid £'000	2005-06 Not Appropriated in Aid £'000	2005-06 Total £'000	2004-05 Appropriated in Aid £'000	2004-05 Not Appropriated in Aid £'000	2004-05 Total £'000
Statutory services	5,858	767	6,625	5,499	891	6,390
Operational services	606	0	606	797	0	797
Other services	1,313	0	1,313	1,246	0	1,246
Other income	1,725	1,318	3,043	1,662	127	1,789
Total	9,502	2,085	11,587	9,204	1,018	10,222

All income is derived from the delivery of frontline services by the Agency, and is appropriated in aid of programme expenditure, where this is allowed under Government Accounting.

6. Segmental Analysis

The Agency is required in accordance with HM Treasury's Fees and Charges Guide, to disclose performance results for the areas of its activities where fees and charges are made. The analysis is not intended to meet the requirements of the Statement of Standard Accounting Practice 25 - Segmental Reporting.

	2005-06 Expenditure £'000	2005-06 Income £'000	2005-06 Net £'000	2004-05 Expenditure £'000	2004-05 Income £'000	2004-05 Net £'000
Statutory Services						
Marine surveys	4,643	4,115	(528)	4,383	3,953	(430)
Registration of ships	1,062	930	(132)	1,003	1,026	23
Seafarers' examinations and certification	1,603	1,570	(33)	1,421	1,400	(21)
Other statutory services	3	10	7	2	11	9
Subtotal	7,311	6,625	(686)	6,809	6,390	(419)
Operational Services						
Medical emergency helicopter flights	557	138	(419)	474	177	(297)
Clearance of offshore pollution	39	39	0	349	371	22
Navtex broadcasts	628	429	(199)	536	249	(287)
Subtotal	1,224	606	(618)	1,359	797	(562)
Other Services						
Meteorological Office observations	66	60	(6)	66	58	(8)
Wider market initiatives and EU twinning projects	947	1,189	242	1,076	1,181	105
Non-statutory services and training	137	64	(73)	137	7	(130)
Subtotal	1,150	1,313	163	1,279	1,246	(33)
Other Income						
Other income	1,665	1,725	60	1,543	1,662	119
Subtotal	1,665	1,725	60	1,543	1,662	119
Total	11,350	10,269	(1,081)	10,990	10,095	(895)

The financial objective for each of the services is full recovery of the service costs in accordance with HM Treasury Fees and Charges Guide. Other income not appropriated-in-aid to the value of £1,317,542 (2004-05: £127,374) is not included in the segmental analysis.

7. Intangible Fixed Assets

	Software Licences £'000	Under Development £'000	Total £'000
Cost			
As at 1 April 2005	1,890	698	2,588
Additions	0	208	208
Transfers	33	(33)	0
As at 31 March 2006	1,923	873	2,796
Amortisation			
As at 1 April 2005	729	0	729
Charge for year	391	0	391
As at 31 March 2006	1,120	0	1,120
Net Book Value			
As at 1 April 2005	1,161	698	1,859
As at 31 March 2006	803	873	1,676

8. Tangible Fixed Assets

	Land and Buildings	Vehicles and Boats	Communication Equipment	IT and Office Equipment	Other Plant	Assets in the Course of Construc- tion	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
As at 1 April 2005	31,106	8,761	18,645	5,742	2,953	4,585	71,792
Additions	3,024	472	822	223	265	2,940	7,746
Transfers	3,484	361	0	0	49	(3,894)	0
Disposals	(25)	(523)	(101)	(330)	(193)	0	(1,172)
Revaluation	744	46	(333)	(395)	(215)	0	(153)
As at 31 March 2006	38,333	9,117	19,033	5,240	2,859	3,631	78,213
Depreciation							
As at 1 April 2005	4,949	3,970	8,011	2,650	1,663	0	21,243
Charge for year	1,002	1,045	2,107	1,320	234	0	5,708
Disposals	(6)	(335)	(63)	(324)	(193)	0	(921)
Revaluation	30	26	(323)	(397)	(141)	0	(805)
As at 31 March 2006	5,975	4,706	9,732	3,249	1,563	0	25,225
Net Book Value							
As at 1 April 2005	26,157	4,791	10,634	3,092	1,290	4,585	50,549
As at 31 March 2006	32,358	4,411	9,301	1,991	1,296	3,631	52,988

Analysis of Land and Buildings:

	31 March 2006 £'000	31 March 2005 £'000
Freehold	28,613	22,765
Short leasehold	3,745	3,392
Total	32,358	26,157

A formal valuation of the Agency's entire estate was carried out as at 31 March 2005 by external valuers. The valuers were S G Pollock FRICS of James Barr for Scotland and Northern Ireland; J Dyte MRICS, J R Marwood MRICS and M T Mills MRICS of Hartnell Taylor Cook for England and Wales. Valuations were carried out in accordance with the Statement of Asset Valuation Practice and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS).

Additionally a proportion of the Agency's estate is re-valued at 31 March each year, such valuation being carried out by a suitably qualified Chartered Surveyor using a desktop valuation method in accordance with RICS guidelines.

9. Capital Commitments

There were commitments outstanding of £69,000 for capital expenditure contracts as at 31 March 2006 (31 March 2005: £2,163,000).

10. Stocks

	31 March 2006 £'000	31 March 2005 £'000
Communications equipment	166	146
Dispersant stocks	1,757	1,760
Total	1,923	1,906

11. Debtors

	31 March 2006 £'000	31 March 2005 £'000
Amounts falling due within One Year		
Trade debtors	460	284
VAT debtors	0	1,058
Other debtors	305	120
Prepayments and accrued income	4,497	3,003
Consolidated Fund underfunding	1,659	0
Sub total	6,921	4,465
Amounts falling due after more than One Year		
Other debtors	326	466
Total	7,247	4,931

Included in other debtors is £269,083 (31 March 2005: £359,621) in the form of staff relocation housing loans, of which £61,770 (31 March 2005: £69,630) is repayable within one year and £207,313 (31 March 2005: £289,991) in subsequent years. The number of staff members who have housing loans is 71 (31 March 2005: 95).

Intra-Government Debtors

	31 March 2006 £'000	31 March 2005 £'000
Amounts falling due within One Year		
Balances with other central government bodies	1,890	1,311
Balances with local authorities	131	328
Balances with NHS trusts	40	29
Balances with public corporations and trading funds	193	19
Balances with bodies external to government	4,667	2,778
Total	6,921	4,465
Amounts falling due after more than One Year		
Balances with bodies external to government	326	466
Total	326	466

12. Cash at Bank and in Hand

The movement in cash balances in the year to 31 March 2006 was:

	2005-06 £'000	2004-05 £'000
Balance at 1 April	3,253	(3,050)
(Decrease)/increase in cash balances	(1,709)	6,303
Balance at 31 March	1,544	3,253

The Office of HM Paymaster General (OPG) provides a current account banking service. The following balances were held at 31 March 2006:

	31 March 2006 £'000	31 March 2005 £'000
Balance at OPG	1,145	2,045
Balances with commercial banks and cash in hand	399	1,208
Total	1,544	3,253

13. Creditors

	31 March 2006 £'000	31 March 2005 £'000
Amounts falling due within One Year		
Trade creditors	3	3
Other creditors	7	823
VAT Creditor	79	0
Accruals	8,019	6,560
Deferred income	3,296	3,842
Consolidated Fund overfunding	0	2,732
Consolidated Fund extra receipts	57	106
Total	11,461	14,066

Intra-Government Creditors

	31 March 2006 £'000	31 March 2005 £'000
Amounts falling due within One Year		
Balances with other central government bodies	918	3,030
Balances with local authorities	61	0
Balances with public corporations and trading funds	35	160
Balances with bodies external to government	10,447	10,876
Total	11,461	14,066

14. Provision for Liabilities and Charges

	Ex-Gratia Payments £'000	Dilapidation Costs £'000	Early Retirement Costs £'000	Total £'000
As at 1 April 2005	233	752	1,198	2,183
Arisen during year	656	92	229	977
Released during year	(117)	0	(254)	(371)
Utilised during year	(21)	0	(342)	(363)
As at 31 March 2006	751	844	831	2,426

15. General Fund

	31 March 2006 £'000	£'000
As at 1 April 2005		37,952
Net operating cost for the year	(117,253)	
Repayment of Consolidated Fund extra receipts	(2,085)	
Sub-total	(119,338)	
Financing from the Consolidated Fund	121,391	
Notional costs	2,294	
Sub-total	123,685	
Increase in the General Fund		4,347
As at 31 March 2006		42,299

16. Revaluation Reserve

	Land and Buildings £'000	Vehicles and Boats £'000	Communication Equipment £'000	IT and Office Equipment £'000	Other Plant £'000	Total £'000
As at 1 April 2005	8,249	48	0	0	0	8,297
Revaluation surpluses	758	20	0	0	0	778
Revaluation (deficits)	(44)	0	(10)	2	(74)	(126)
Taken to income and expenditure account	158	3	10	(2)	74	243
As at 31 March 2006	9,121	71	0	0	0	9,192

17. Movements in Operational Working Capital

	2005-06 £'000	2004-05 £'000
(Decrease)/increase in stocks	(17)	135
(Decrease)/increase in operational debtors	(657)	1,608
Increase in operational creditors	176	1,185
Total	(498)	2,928

18. Reconciliation of Net Cash Expenditure

	2005-06 £'000	2004-05 £'000
Cash resource and capital payments	128,384	126,550
Cash resource and capital receipts	(9,698)	(11,825)
Cash movement in working capital	2,705	(457)
Financing from the Consolidated Fund	121,391	114,268
Consolidated Fund extra receipts	(2,085)	(1,018)
Net cash expenditure	119,306	113,250

19. Reconciliation of Movement in Government Funds

	Note	2005-06 £'000
As at 1 April 2005		46,249
Increase in General Fund	[15]	4,347
Increase in Revaluation Reserve	[16]	895
As at 31 March 2006		51,491

20. Commitments under Operating Leases

At 31 March 2006, the Agency was committed to making the following payments during the next year in relation to operating leases expiring:

	31 March 2006 Land and Buildings £'000	31 March 2005 Land and Buildings £'000
Within 1 year	230	175
Between 1 and 5 years	553	378
After 5 years	2,306	2,344
Total	3,089	2,897

There are no operating leases for motor vehicles.

21. Cash Flow Information

A. Reconciliation of net operating cost to operating cash flows

	Note	2005-06 £'000	2004-05 £'000
Net operating cost		(117,253)	(117,238)
Non-cash transactions	[3]	8,640	10,195
(Decrease)/increase in operational working capital other than cash	[17]	(498)	2,928
Increase/(decrease) in Provisions for Liabilities and Charges	[14]	243	(1,016)
Net cash outflow from operating activities		(108,868)	(105,131)

B. Analysis of capital expenditure

	Note	2005-06 £'000	2004-05 £'000
Purchase of fixed assets	[7]/[8]	(7,954)	(8,843)
Receipts from sale of fixed assets		247	725
Net capital expenditure		(7,707)	(8,118)

C. Reconciliation of financing from the Consolidated Fund

	Note	2005-06 £'000	2004-05 £'000
Financing per the General Fund	[15]	121,391	114,268
Receipt of prior year's under funding		0	3,502
Retention of prior year's overfunding		(2,732)	0
Current year's (under funding receivable) /overfunding payable		(1,659)	2,732
Financing from the Consolidated Fund		117,000	120,502

22. Contingent Liabilities

The Agency faced no known contingent liabilities at the balance sheet date.

23. Post Balance Sheet Events

There have been no significant events between the balance sheet date and the date of these accounts.

24. Related Party Transactions

The MCA is an Executive Agency of the DfT. The DfT is regarded as a related party. During the year, the Agency had a number of material transactions with the DfT, other Government Departments and other Central Government bodies. The majority of such transactions were with the Ministry of Defence.

During the year, none of the Executive Board members, members of the key management staff or other related parties undertook any material transactions with the MCA.

During 2005-06, Stephen Bligh was a director of the Chirp Charitable Trust, Mike Comerford was the chairman and a director of Moray Firth Partnership, Alison Thorne-Henderson was a non-executive director of Young Enterprise South East, and Julian Lee was a director of the

Financial Ombudsmen Service. During the year, The Chirp Charitable Trust, Young Enterprise South East and the Financial Ombudsmen Service did not supply any goods or services to the MCA. Moray Firth Partnership supplied services to the value of £6,000 to the MCA.

25. Financial Instruments

The MCA holds financial instruments only to the extent that they are necessary to meet the normal operational activities of the Agency. The fair value of all financial assets and liabilities approximates to the book value.

Liquidity Risk

The MCA manages its cash and bank balances to meet its short-term liquidity requirements. The Agency is reliant upon the liquidity of the DfT to meet long-term liquidity requirements.

Interest Rate Risk

The Agency has no assets or liabilities that are subject to interest rate fluctuations.

Foreign Currency Risk

The MCA has low exposure to assets or liabilities denominated in a foreign currency. Expenditure denominated in foreign currency amounted to less than £1million in 2005-06.



ANNEXES

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PROJECTED COSTS AND RECEIPTS FOR 2006-08

Projected costs and receipts for 2006-08

	2006-07 £'000	2007-08 £'000
Programme Costs		
Staff, establishment & accommodation costs	57,696	59,095
Non cash items	8,413	8,413
	66,109	67,508
Other Programme Costs		
SAR helicopters	17,275	18,540
Emergency towing vessels	10,800	10,800
Aerial spraying & surveillance	2,112	2,250
Telecommunications	5,519	5,682
Coast rescue equipment, vehicle & boat fleet	1,538	1,400
Counter pollution & storage of equipment stockpiles	946	1,012
Firefighting at sea	600	400
Membership subscriptions to international bodies	1,285	1,380
Other	5,558	4,061
	45,633	45,525
Current Grants		
SMarT	9,600	9,600
Crew relief	1,400	1,400
	11,000	11,000
Disbursements		
Civil hydrography	5,400	5,400
Weather services	867	928
	6,267	6,328
Operating Income Appropriated in Aid (A-in-A)		
Marine surveys & Port State Control	(4,443)	(4,600)
Examinations & certification	(1,944)	(1,800)
Wider market income	(872)	(900)
Other	(2,750)	(2,561)
	(10,009)	(9,861)
Total resource excluding Consolidated Fund	119,000	120,500
Operating income not Appropriated in Aid (non A-in-A)	(686)	(686)
Total net resource	118,314	119,814
Capital (fixed asset) expenditure	9,000	7,500

Projected costs split by business activity 2006-08

	2006-07 £'000	2007-08 £'000
Safer Lives		
Staff, establishment & accommodation costs	31,040	31,793
Non cash items	7,059	7,059
Other programme costs, current grants & disbursements	28,233	28,514
Operating income A-in-A	-120	-120
Total resource excluding non A-in-A	66,212	67,246
Capital expenditure	7,744	5,250
Safer Ships		
Staff, establishment & accommodation costs	19,097	19,560
Non cash items	743	743
Other programme costs, current grants & disbursements	10,677	10,677
Operating income A-in-A	-5,023	-5,150
Total resource excluding non A-in-A	25,494	25,830
Capital expenditure	1,000	2,000
Cleaner Seas		
Staff, establishment & accommodation costs	1,615	1,655
Non cash items	380	380
Other programme costs, current grants & disbursements	14,158	14,062
Operating income A-in-A	-1,790	-1,761
Total resource excluding non A-in-A	14,363	14,336
Capital expenditure	256	250
Delivery to our Customers		
Staff, establishment & accommodation costs	5,944	6,087
Non cash items	231	231
Other programme costs, current grants & disbursements	9,832	9,600
Operating income A-in-A	-3,076	-2,830
Total resource excluding non A-in-A	12,931	13,088
Capital expenditure	0	0

RESEARCH PROGRAMME

MCA's Research Programme aims to:

- identify the need for or reinforce national policy change;
- inform the UK's influence on international policy change;
- address the MAIB or other Government recommendations;
- present publicly credible and reliable findings to underpin MCA work;
- deliver and disseminate quality outcomes for the benefit of the maritime community;
- work with national and global partners to encourage a more collaborative and co-operative approach to maritime safety related research.

RESEARCH PROJECTS 2005-06 – 2006-07

Project number	Title	Value ¹	Summary
Environmental protection			
COMPLETE			
480	Potential ecological effects on chemically dispersed and biodegraded oils	£72,914	To evaluate toxicity contributions from the compounds found in water extracts, sediments and accumulated in mussel tissue; to determine the recovery levels; to make data available in a form compatible with future oil spill modelling and monitoring exercises and to further identify the toxic components produced by the chemically dispersed oils using a Toxicity Identification Evaluation (TIE) approach. Further study under Project 562.
517	Mapping sensitive ecological sites for national contingency planning	£44,000	To update the current UK coastal environmental sensitivity maps and to produce digitised maps for promulgation to UK bodies with a role in maritime pollution incident response.
535	The impact of the Port Waste Reception Facilities Regulations 2003 on UK ports, terminals and harbours – one year on (Ports)	£21,455	To assess the impact of the new regulations on the ports, terminals and harbours; and identify trends, anomalies and problems in the practical application, implementation and day to day management of the new regulations.

¹ This column for complete projects shows the total value of the project. For ongoing projects it shows the total spend in the current year.

Project number	Title	Value	Summary
Environmental protection <i>continued</i>			
COMPLETE			
536	The impact of the Port Waste Reception Facilities Regulations 2003 on UK ports, terminals and harbours – one year on (vessels)	£21,455	To assess the impact of the new regulations on vessels entering and trading between UK ports, terminals and harbours; and identify trends, anomalies and problems in the practical application, implementation and day to day management of the new regulations.
580	Ecosystem assessment following the sinking of tanker ECE	£20,550	To investigate the impact of the release of phosphoric acid on micro bacterial activity, specifically bacterial and phytoplankton production.
ONGOING			
522	Very heavy fuel oil – UK spill risk assessment	£30,047	To plan and implement appropriate counter pollution measures and to produce the risk assessment on a GIS platform.
532	UK contribution to the Oslo-Paris Convention (OSPAR) marine litter project.	£9,862	To enable the UK to quantify the problem of marine litter from shipping, ensuring that forthcoming national and international projects and legislation are efficient, effective and respond to perceived needs.
549	Development of a protocol for the treatment and disposal of oily waste in the UK in the light of the implementation of the EU Landfill Directive and other related legislation	£11,041	To clarify available options for dealing with oily waste. The introduction of the EU Landfill Directive has significantly reduced the available options for disposal of oily waste, and imposed greater restrictions on hazardous waste handling. The number of facilities available in the UK licensed to accept hazardous waste has therefore been dramatically reduced.
562	Data mining study of Project 480	£7,689	A continuation of Project 480 to further research the toxicity impact of chemical dispersants.
FUTURE			
508	Undertaking field trials to evaluate the methodology to assess the extent of garbage pollution from ships		To refine the methodology and produce a practical method of assessing pollution from shipping.

Annex B

Project number	Title	Value	Summary
Environmental protection <i>continued</i>			
FUTURE			
540	Effectiveness of DEFRA approved surface cleaners for use in oil spill response		To identify clean-up techniques for soft sediments, which will work without causing more environmental damage than leave alone.
567	Potentially polluting shipwrecks in UK waters		To assess the level of risk of release of pollutants from deteriorating WWI and WWII vessels.
577	Control of the spread of non indigenous species through ballast water		To investigate the risks presented by non-indigenous species in ships' ballast water, and a strategy for managing ballast water discharge.
581	Validation of the MCA Cessna 404 dispersant spraying pod		To determine and validate the exact deposition rate for the MCA Cessna 406 dispersant application pod. Achieve a more effective and economic dispersant application system.
Seafarer/fisherman safety			
COMPLETED			
538	Study into safe manning requirements in European waters	£45,853	To explore safe manning issues in European waters, looking at consistency in approach to management of safety and promotion of a safety culture.
ONGOING			
464	Fatigue, health and injury among merchant seafarers	£60,000	To investigate seafarer fatigue. Phase I was concerned with comparing fatigue as a factor in offshore oil support shipping and on offshore installations. Phase 2 examined seafarers' fatigue in the short sea shipping sector, including passenger ferries (traditional and high speed), freight ferries, freight ro-ros and near sea tankers. Phase 3, which is currently underway, examines seafarers' fatigue in the deep sea and bulk sectors.
578	Mortality studies of the UK merchant shipping and fishing industries	£5,000	Mortality studies of the UK merchant shipping and fishing industries.

Project number	Title	Value	Summary
Accident prevention			
COMPLETED			
533	UK accident preventions investigations – customer populations	£41,260	To identify populations that participate in sport and leisure activities around the coastline and at sea within the UK's search and rescue region, in order to better target prevention measures.
545	Development of guidance for the mitigation of human error in automated ship-borne maritime systems	£57,301	To develop guidance for better design and operation of automated systems where there is opportunity for human error to prevail.
ONGOING			
543	Sponsorship of a PhD student in Human Element	£15,000	To examine the cause of navigational errors leading to incidents and accidents at sea. Specifically, the research will aim to clarify the relationship between the watch keeper and their use of navigation equipment in modern vessels, including Voyage Data Records.
546	Development of a human cognition workload assessment tool	£90,607	To develop a robust human cognitive workload assessment tool in recognition of the role of mental as well as physiological overload in fatigue and the potential risks posed by cognitive underload.
547	Organisational Structures: the influence of internal company management structures and external industry structures on safety management performance	£70,517	To investigate ways of improving safety management by considering organisational structures.
548	A continuous joint customer survey of UK maritime sport and leisure population and participation rates	£26,655	To continue to contribute to the statistical base which helps MCA to measure accurately the impact of its incident prevention activity.

Annex B

Project number	Title	Value	Summary
Accident prevention <i>continued</i>			
ONGOING			
565	UK Incident Database GAP Analysis (with an option for a European extension)	£12,000	In order to build and develop a proactive and harmonised approach to water-related morbidity and mortality prevention and risk management, a gap analysis needs to be undertaken to map water-related incident, injury and fatality data collection in the United Kingdom (and potentially in Europe).
Vessel safety			
COMPLETED			
502	Dynamic stability in following/ quartering seas Phase 2	£272,665	To identify the currently available literature on dynamic stability of high speed craft following and quartering seas and to identify areas where further specific research is required.
513	Sponsor of lectureship at Strathclyde	£90,000	To establish a risk-based methodology on ship design for safety, building on past work in the area at the Ship Stability Research Centre.
555	Development of lifeboat design	£54,638	To improve safety levels by investigating the design of lifeboats, from the point of view of both maintenance/launch and of use after launch.
557	Suitability of stability criteria applied to small fishing vessels and associated survivability	£28,759	To study the vulnerability to capsizing of conventional and low length to breadth fishing vessels.
559	Guidance for the loading of fishing vessels of less than 12m registered length Phase 2 – see also Project 529 Phase 1	£46,530	To develop a database of data obtained from the Capsizing Safety Sub Group and additional data from fishing vessels.
560	Simplified Presentation of fishing vessel stability information – Phase 2 – see also Project 530 Phase 1	£20,445	To develop a series of notices for the fishing industry, including environmental hazards, loading guidance and combinations, areas to be kept water tight, and maintenance guidance for devices such as valves.

Project number	Title	Value	Summary
Vessel safety continued			
ONGOING			
534	Research into stability criteria for large sailing vessels	£35,250	To explore current stability criteria in relation to changing vessel design.
539	Survey of composite masts and spars used in large yachts	£17,625	To produce an industry standard for the survey, inspection and maintenance of composite structures.
552	Impact assessment on the design of new cruise liners, ro-ro passenger ships and cargo vessels of the forthcoming revision to SOLAS Ch II-1, part A, B and B1 relating to subdivision and probabilistic damage stability	£13,188	To highlight any weak areas of ships in terms of damage survivability and prepare limiting KG/GM curves for the designs, showing compliance with the new regulations and also the current SOLAS regulations.
FUTURE			
563	Development of methodologies of risk based assessment of alternative design proposal and equivalents to statutory provisions		To develop capability for quantitative technical consideration for the specific changes within SOLAS chapter II and the ongoing work at IMO on risk based issues in the form of goal-based standards and formal safety assessment.
564	Investigation into the safety of ro ro passenger ships fitted with long lower holds		To investigate safety aspects of these vessels from the point of view of risk of side damage.
571	Intact stability severe wind and rolling criteria		To establish the UK equivalent standards to the EC Directive 98/18 (as amended) including the standard for severe wind and rolling weather criterion.
572	Intact stability equivalent criteria for small domestic passenger ships		To consider the application of the current intact stability standards that are required by EC Directive 98/18 (as amended) to small domestic passenger ships, particularly open ro ros of a wide beam and shallow draft design or any passenger vessel less than 24m in length.

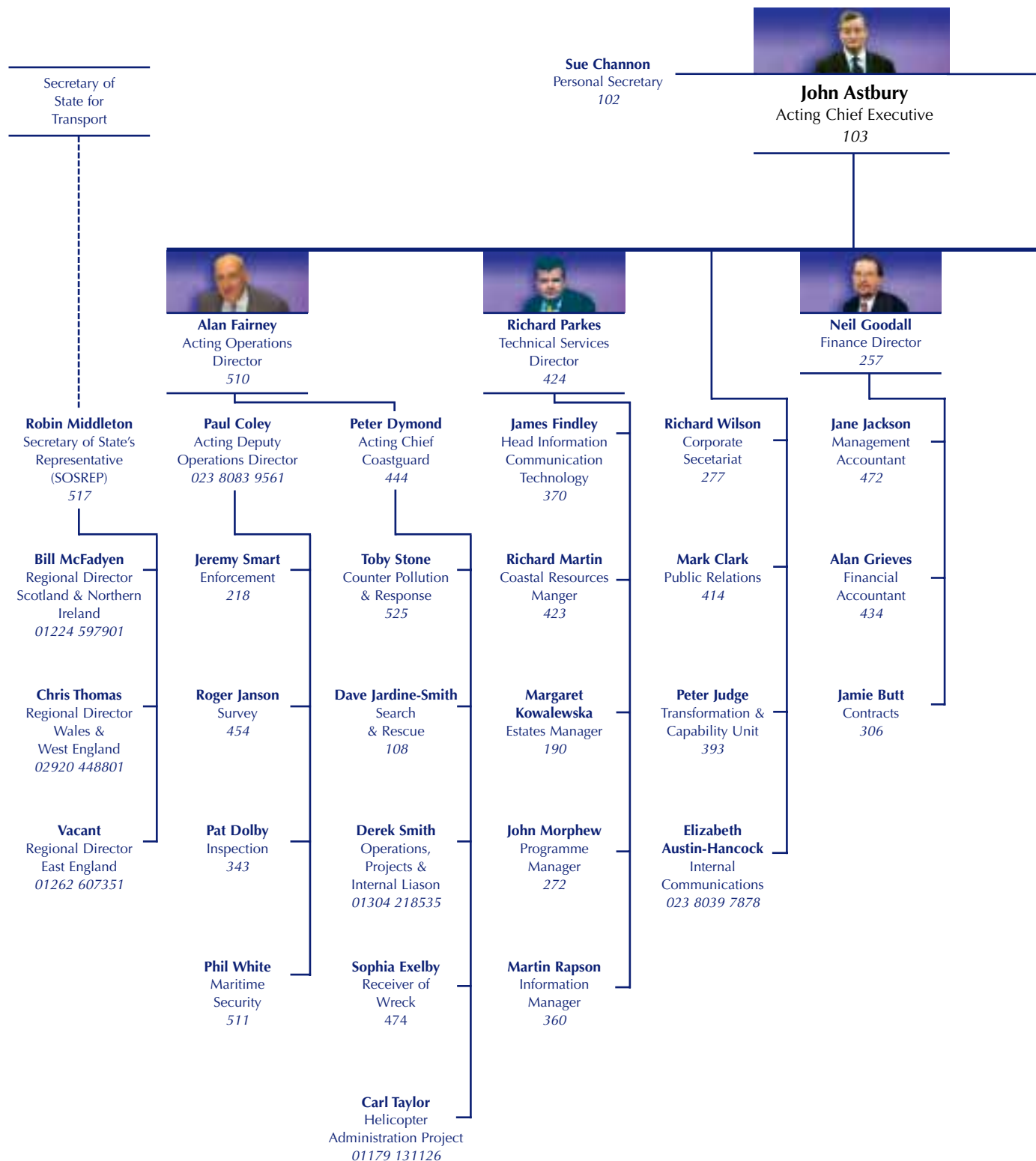
Annex B

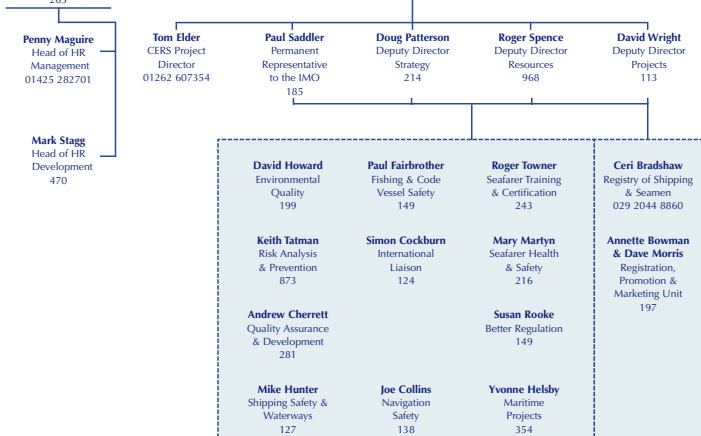
Project number	Title	Value	Summary
Navigation safety			
COMPLETED			
523	MEHRA phase 2 – East coast survey	£38,186	Shipping Policy funded project. To identify the areas of high environmental sensitivity (Marine Environmental High Risk Areas (MEHRAs)), which could be a navigational hazard, and to inform shipmasters of areas where there is a risk, to aid passage planning.
544	Radar performance test methods		To establish feasibility and methods for developing new radar test processes involving simulation techniques and covering the antenna, transmitter and receiver.

MCA would like to seek your views regarding the way research is published. Please take a few minutes to answer our quick questionnaire by visiting the following website www.mcga.gov.uk/c4mca/mpb-maritime-research-results.htm. This questionnaire will be available between July 2006 and 31 January 2007.



AGENCY STRUCTURE CHART





Main Switchboard: 023 8032 9100
 For direct dial, replace the last three digits with local extension.
 GTN 1513 + extension

MCA LOCATIONS

MCA Headquarters	Spring Place, 105 Commercial Road, SOUTHAMPTON SO15 1EG	Tel: 023 8032 9100 Website: www.mcga.gov.uk Infoline: 0870 6006505 E-mail: infoline@mcga.gov.uk
MCA Training Centre	Steamer Point, Highcliffe, CHRISTCHURCH BH23 4JQ	Tel: 01425 282700
Registry of Shipping and Seamen	Anchor Court, Ocean Way, Keen Road, CARDIFF CF24 5JW	Tel: 029 2044 8800
MCA Stability Unit (Glasgow)	Navy Buildings, Eldon Street, GREENOCK, PA16 7QY	Tel: 01475 553370
EPIRB Registry	Pendennis Point, Castle Drive, FALMOUTH TR11 4WZ	Tel: 01326 211569

Scotland and Northern Ireland Region

Regional Business Unit, MO and MRCC	4th Floor, Marine House, Blaikies Quay, ABERDEEN AB11 5EZ (MO)/AB11 5PB (MRCC)	Tel: 01224 597900 (RO & MO) Tel: 01224 592334 (MRCC)
Belfast MO and MRCC	Bregenz House, Quay Street, BANGOR, Co. Down BT20 5ED	Tel: 028 9147 5300 (MO) Tel: 028 9146 3933 (MRCC)
Clyde MRCC and Glasgow MO	Navy Buildings, Eldon Street, GREENOCK PA16 7QY	Tel: 01475 729988 (MRCC) Tel: 01475 553370 (MO)
Forth MRCC	Fifeness, CRAIL KY10 3XN	Tel: 01333 450666
Leith MO	Suite 3, Waterside House 46 The Shore, Leith EDINBURGH EH6 6QV	Tel: 0131 554 5488
Shetland MO and MRCC	The Knab, Knab Road, LERWICK, Shetland ZE1 0AX	Tel: 01595 743514 (MO) Tel: 01595 692976 (MRCC)
Stornoway MRCC	Clan MacQuarrie House, Battery Point, STORNOWAY, Isle of Lewis HS1 2RT	Tel: 01851 702013

Annex C

East of England Region

Regional Business Unit and Humber MRCC	Limekiln Lane, BRIDLINGTON YO15 2LX	Tel: 01262 607352 Tel: 01262 672317 (MRCC)
Hull MO (Beverley)	Crosskill House, Mill Lane, BEVERLEY, HU17 9JB	Tel: 01482 866606
Tyne MO	Compass House, Tyne Dock, SOUTH SHIELDS NE34 9PY	Tel: 0191 496 9900
Stockton on Tees MO	3rd Floor, Victoria House, Pearson Court, Pearson Way, STOCKTON ON TEES TS17 6PT	Tel: 01642 611040
Thames MRCC and Harwich MO	Hall Lane, East Terrace, WALTON ON THE NAZE, CO14 8PY	Tel: 01255 682107 (MO) Tel: 01255 675518 (MRCC)
Great Yarmouth MO and MRCC	4-5th Floor, Havenbridge House, GREAT YARMOUTH NR30 1HZ	Tel: 01493 841300
Southampton MO	Spring Place, 105 Commercial Road, SOUTHAMPTON SO15 1EG	Tel: 023 8032 9329
Dover MO and MRCC	Langdon Battery, Swingate, DOVER CT15 5NA	Tel: 01304 218500
London Search and Rescue	Thames Barrier Navigation Centre, Unit 28, 34 Bowater Road, Woolwich, LONDON SE18 5TF	Tel: 020 8312 7380
Orpington MO	Central Court, 1b Knoll Rise, ORPINGTON, BR6 0JA	Tel: 01689 890400
Portland MRCC	Custom House Quay, WEYMOUTH DT4 8BE	Tel: 01305 760439
Solent MRCC	44A Marine Parade West, LEE-ON-SOLENT PO13 9NR	Tel: 023 9255 2100

Wales and West of England Region

Regional Office and Cardiff MO	Anchor Court, Ocean Way, CARDIFF CF24 5JW	Tel: 029 2044 8800
Regional Business Unit and MRCC	Tutt Head, Mumbles, SWANSEA SA3 4HW (RO)/SA3 4EX (MRCC)	Tel: 01792 368472 (RO) Tel: 01792 366534 (MRCC)
Falmouth MO and MRCC	Pendennis Point, Castle Drive, FALMOUTH TR11 4WZ	Tel: 01326 310811 (MO) Tel: 01326 310800 (MRCC)
Plymouth MO	New Fish Market, Baylys Wharf, Fish Quay, PLYMOUTH PL4 0LH	Tel: 01752 266211
Brixham MRCC and Fishing Vessel Survey Office	Customs House, Kings Quay BRIXHAM TQ5 9TW	Tel: 01803 882704 (MRCC) Tel: 01803 884051 (FVSO)
Holyhead MRCC	Prince of Wales Road, HOLYHEAD, Anglesey LL65 1ET	Tel: 01407 762051
Liverpool MO and MRCC	Hall Road West, LIVERPOOL L23 8SY	Tel: 0151 931 6600 (MO) Tel: 0151 931 3341 (MRCC)
Milford Haven and MRCC	Gorsewood Drive, Hakin, MILFORD HAVEN SA73 3HB	Tel: 01646 699604 (MO) Tel: 01646 699600 (MRCC)
Newlyn Fishing Vessel Survey Office	1 Harbour Block, NEWLYN TR18 5HW	Tel: 01736 333234

OUTCOMES

Vessel accidents

Outcome 1: A reduced rate of accidents and accident related deaths involving UK registered merchant ships and fishing vessels

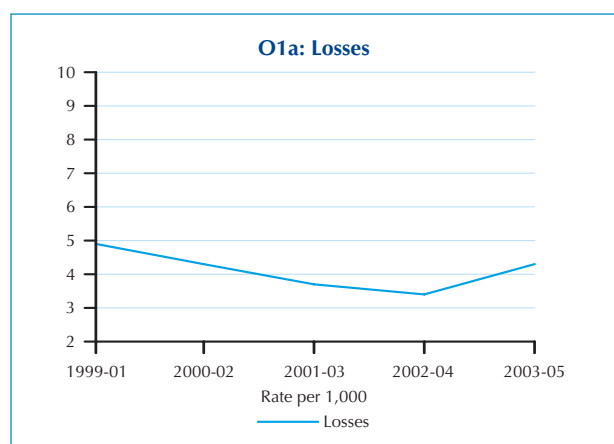
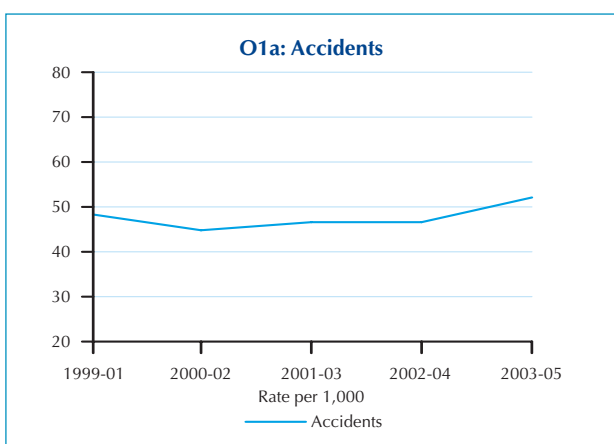
O1a: The rate of accidents involving UK registered fishing vessels

Data Sources: (Calendar Year)

MAIB	Numbers of UK registered fishing vessel accidents and losses Data is published in the MAIB Annual Report
RSS	Number of UK registered fishing vessels

Annual Data	2001	2002	2003	2004	2005
No. of accidents	334	286	354	314	361
No. of losses	33	18	27	24	34
No. of vessels	7,126	7,046	6,731	6,693	6,314
Accidents per 1,000	46.9	40.6	52.6	46.9	57.2
Losses per 1,000	4.6	2.6	4.0	3.6	5.4

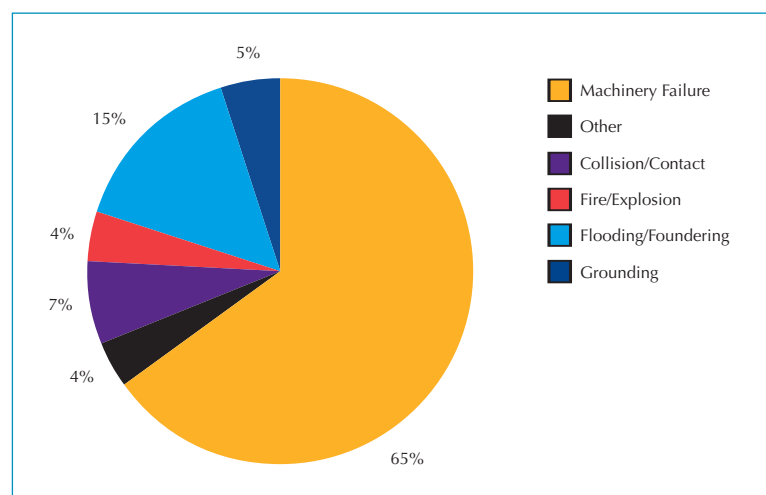
3 Year Rolling Average	1999-01	2000-02	2001-03	2002-04	2003-05
Average no. of accidents	351	319	325	318	343
Average no. of losses	35	30	26	23	28
Average no. of vessels	7,260	7,122	6,968	6,823	6,579
Accident rate per 1,000	48.3	44.8	46.6	46.6	52.1
Loss rate per 1,000	4.9	4.3	3.7	3.4	4.3



Fishing vessel accidents by type

Annual Data

Type of Accident	2001	2002	2003	2004	2005
Collision/contact	23	16	24	17	26
Fire/explosion	10	12	13	14	16
Flooding/foundering	46	41	50	40	55
Grounding	29	26	38	28	19
Machinery failure	212	181	221	202	231
Other	14	9	8	13	14
Total	334	286	354	314	361



Annex D

O1b: The rate of accidents involving UK registered fishing vessels: breakdown by length

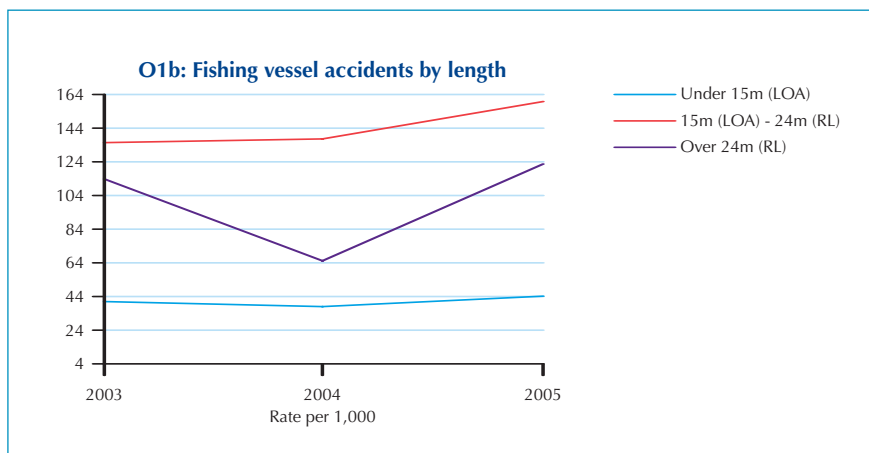
Data Sources: (Calendar Year)

MAIB	Number of accidents to UK registered fishing vessels by length
RSS	Number of UK registered fishing vessels

LOA = Length overall
RL = Registered length

Annual Data	Under 15m (LOA)	15m (LOA) – 24m (RL)	Over 24m (RL)
No. of vessels	5,835	650	246
No. of accidents	239	88	28
2003 Accidents per 1,000	41.0	135.4	113.8
No. of vessels	5,889	574	230
No. of accidents	224	79	15
2004 Accidents per 1,000	38.0	137.6	65.2
No. of vessels	5,537	557	220
No. of accidents	245	89	27
2005 Accidents per 1,000	44.2	159.8	122.7

The new consolidated Code of Safe Practice for 15-24 Metre Fishing Vessels came into force in November 2002, and our statistics have been adjusted to fit with the length definitions used in the Codes.



O1c: The number of crew deaths on UK registered fishing vessels

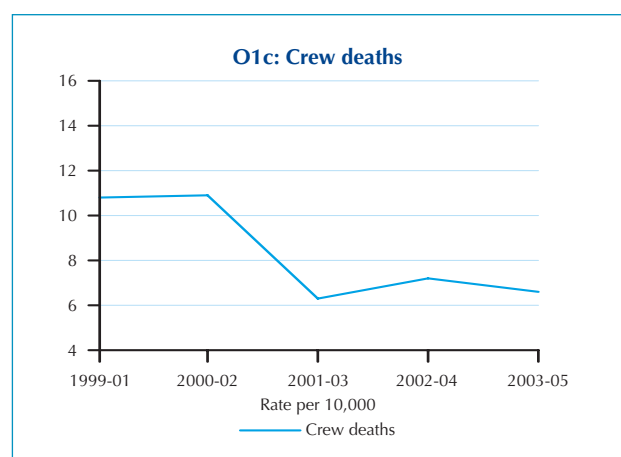
Data Sources: (Calendar Year)

MAIB	Number of deaths to crew on UK registered fishing vessels resulting from the operation of the vessels
DEFRA	Number of crew on UK registered fishing vessels – data for 2005 estimated

Annual Data	2001	2002	2003	2004	2005
Crew deaths*	8	6	11	9	3
Total crew	14,645	12,746	12,044	11,559	11,500
Crew deaths per 10,000	5.5	4.7	9.1	7.8	2.6
No vessels involved	8	5	10	7	3

*Our figures for crew deaths may differ from those published by the MAIB as we only record deaths resulting from the operation of the vessel

3 Year Rolling Average	1999-01	2000-02	2001-03	2002-04	2003-05
Crew deaths	16	15	8	9	8
Total crew	15,167	14,095	13,145	12,116	11,701
Crew deaths per 10,000	10.8	10.9	6.3	7.2	6.6



Annex D

O1d: The rate of accidents involving UK registered merchant ships

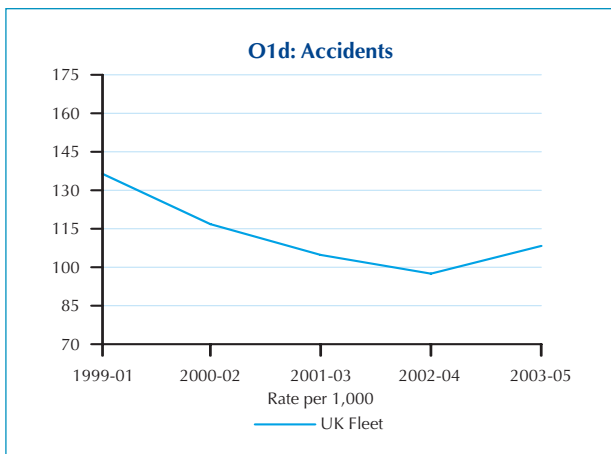
Data Sources: (Calendar Year)

MAIB	Number of accidents to UK registered merchant ships 100GT and over Data is published in the MAIB Annual Report
DfT	Number of UK registered merchant ships 100GT and over (prior to 2003)
RSS	Number of UK registered merchant ships 100GT and over (from 2003)

GT = Gross Tonnes

Annual Data	2001	2002	2003	2004	2005
No. of accidents	133	122	137	138	186
No. of ships	1,071	1,249	1,419	1,404	1,433
Accidents per 1,000	124.2	97.7	96.5	98.3	129.8

3 Year Rolling Average	1999-01	2000-02	2001-03	2002-04	2003-05
Average no. of accidents	144	132	131	132	154
Average no. of ships	1,058	1,130	1,246	1,357	1,419
Rate per 1,000	136.4	116.8	104.8	97.5	108.3



For merchant vessel losses, please refer to O4a

O1e: The number of passenger and crew deaths on UK registered merchant ships

Data Sources: (Calendar Year)

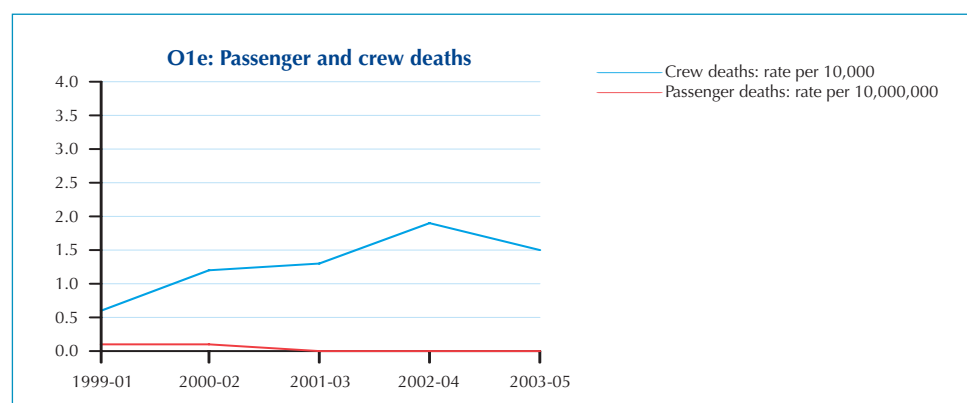
DfT Statistics	Number of passengers on merchant ships (2005 provisional)
Chamber of Shipping	Number of crew on merchant ships prior to 2002 (Estimated)
London Metropolitan University	Number of crew on merchant ships from 2002 (Estimated)
MAIB	Number of deaths to passengers and crew on merchant ships resulting from the operation of the vessels

Annual Data	2001	2002	2003	2004	2005
Crew deaths*	1	5	3	7	2
Total crew (estimated)**	21,629	23,362	26,667	27,060	27,000
Crew deaths per 10,000	0.5	2.1	1.1	2.6	0.7
Passenger deaths	0	0	0	0	0
Total passengers ('000)	54,425	53,860	52,727	53,956	52,160
Passenger deaths per 10,000,000	0.0	0.0	0.0	0.0	0.0

*Our figures for crew deaths may differ from those published by the MAIB as we only record deaths resulting from the operation of the vessel

**Note that this figure is for active UK Seafarers, not seafarers on UK ships.

3 Year Rolling Average	1999-01	2000-02	2001-03	2002-04	2003-05
Crew deaths (merchant ships)	1.3	2.7	3.0	5.0	4.0
Total crew (merchant ships)	23,593	23,107	23,886	25,696	26,909
Crew deaths per 10,000	0.6	1.2	1.3	1.9	1.5
Passenger deaths	0.3	0.3	0.0	0.0	0.0
Total passengers ('000)	54,669	54,022	54,173	54,017	53,450
Passenger deaths per 10,000,000	0.1	0.1	0.0	0.0	0.0



Annex D

Outcome 2: To reduce the frequency and severity of incidents within the UK search and rescue region

O2a: The number of incidents and deaths recorded by HM Coastguard within the UK Search and Rescue Region

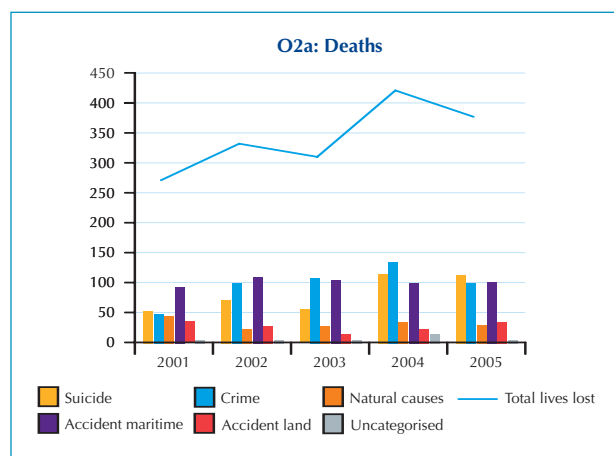
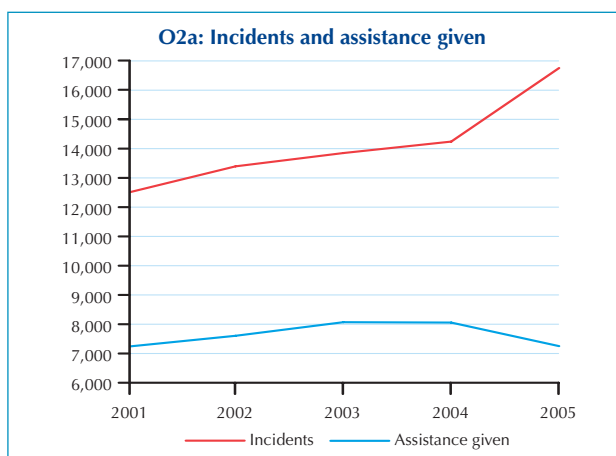
Data Sources: (Calendar Year)

MCA Data is collated in MCA Headquarters

What we previously specified as an 'accident' is now termed 'Assistance Given'

Incidents	2001	2002	2003	2004	2005
Incidents	12,514	13,395	13,849	14,240	16,754
Assistance given	7,242	7,604	8,070	8,056	7,252
Hoax	206	260	232	301	406
Deaths					
Suicide	52	71	55	115	113
Crime	48	100	107	135	100
Natural causes	44	23	28	34	29
Accident maritime	92	110	105	100	101
Accident land	35	27	14	23	34
Uncategorised	0	1	1	14	0
Total lives lost	271	332	310	421	377

As part of the Government's response to the Transport Select Committee investigation into 'The work of the MCA' in July 2004, we initiated an analysis of accident and death statistics to help us inform our policies. This analysis has resulted in a new set of categories being used above. Those deaths listed as uncategorised are currently being investigated.



O2b: The number of incidents and deaths recorded by HM Coastguard within the UK Search and Rescue Region

Data Sources: (Calendar Year)

MCA		Data is collated in MCA Headquarters Figures do not include incidents that are not maritime related, such as animal rescue				
		2001	2002	2003	2004	2005
Leisure	Diving	27	38	43	39	38
	Diving-medical	N/A	N/A	N/A	54	101
	Watersports	1,072	1,067	1,140	1,270	1,612
	Inshore vessels	2,401	2,421	2,608	2,561	1,823
Commercial	Shipping	420	421	340	830	550
	Fishing vessels	673	627	589	521	628
	Commercial diving	161	176	172	131	121
Shoreside	Shoreside	753	749	855	744	512
	Beach	446	502	613	672	604
Other	Medical matters	466	460	585	481	431
	other	823	1,143	1,125	753	832
Total assistance given		7,242	7,604	8,070	8,056	7,252

Leisure

'Diving' in mid 2004 we also began to separate out incidents where medical assistance was required. 'Watersports' covers activities involving small craft such as jetskiing, surfing, canoeing and sailing dinghies. 'Inshore vessels' covers larger recreational vessels such as yachts and cruisers.

Shoreside

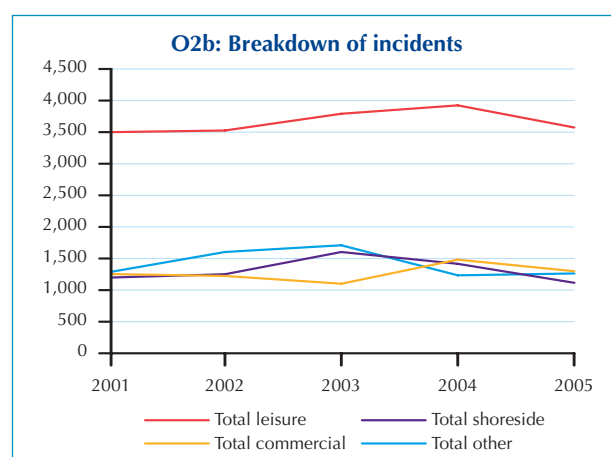
'Shoreside' covers activities such as cliff or beach walking.

'Beach' includes activities such as swimming, inflatables and angling.

Other

'Medical matters' generally covers circumstances in which we assist people who either have a health problem or become injured, rather than those specifically in a maritime incident.

'Others' includes military vessels, motor vehicles, aircraft, ordnance and other incidents.



HM Coastguard Search and Rescue (SAR): Capability and Response Indicators

(Developed from the recommendations of the NAO Report HMCG: Civil Maritime Search and Rescue, reference sections 2.51 and 3.36 of the summary of actions).

Data is provided on a calendar year basis and therefore may differ from the Service Standard data, which is based on a financial year.

HM Coastguard

1. Effectiveness of Search and Rescue Service

In 2005 a total of 4,790 persons were rescued and 377 lives were lost, which indicates that 92.7% of people involved in life threatening situations were rescued. This compares with 92.7% in 2004, 94.4% in 2003 and 94.5% in 2002.

The following breakdown of deaths by category shows those that might possibly have been caused by a preventable event:

Suicide suspected	113
Crime suspected/malicious/unknown	100
Natural causes suspected	29
Accident maritime suspected	101
Accident shore based suspected	34
Sub Total	377
Outside UK Search and Rescue Region	2
Total	379

The effectiveness of HM Coastguard's Search and Rescue Service in 2005 was 97.9% (4,790 persons rescued, 101 deaths from maritime incidents), compared with 98.1% in 2004 (4,947 persons rescued, 100 deaths from preventable events).

2. Workload efficiency

In 2005 HM Coastguard co-ordinated a total of 16,754 incidents, and the total number of watch keeping staff was 413. The average number of incidents for watch keeping staff was 40.6, which compares with 32.9 in 2004, 32.3 in 2003 and 30.4 in 2002.

3. Time to mobilise when asked for help

This indicator continues to be monitored under Ministerial Target 1. For 2005 we achieved 97.19% which compares with 97.93% in 2004, 98.94% in 2003 and 98.54% in 2002.

4. Major emergency exercises

Major emergency exercises are planned to take place on a regular basis at Co-ordination Centre, Regional and National level, involving two or more authorities and organisations. In 2005, all Coastguard Co-ordination Centres participated in a total of 31 major emergency exercises (6 involving ferries and 25 practical exercises). The average number of major exercises per Co-ordination Centre was 1.63. In addition to this we carried out 59 table top exercises.

Radio

5. Geographical coverage achieved by VHF Radio Aerials

The current VHF radio coverage for the United Kingdom out to 30 miles remains at 94.5% in 2005.

6. Availability of remote radio aerials

In 2005, the percentage availability figure for the radio circuits used for the MCA's Civil Maritime Search and Rescue operations (i.e. VHF channels 16, 0, X, MF including 2182 KHz, Inmarsat and VHF/MFDSC) was 99.94%.

Helicopters

7. Geographical coverage of helicopters

The prime objective for a search and rescue (SAR) helicopter is to reach survivors within any part of the UK Search and Rescue Region (UKSRR) as quickly and safely as possible. A SAR helicopter should be capable of reaching all very high and high risk areas and 75% of all medium risk areas within the UKSRR within 60 minutes of take off.

Very High Risk Areas

up to 2 incidents per day on average

High Risk Areas

up to 1 incident every 2-5 days on average

8. Availability of helicopters

The availability of search and rescue helicopters is continuously updated to Coastguard Co-ordination Centres to prevent an 'unavailable' helicopter being tasked. During 2005 helicopters at all four HMCG helicopter bases were available for 98.58% of the year. Total 'down time' amounted to 60 hours 45 minutes. Off service information is not available for MOD helicopters.

9. Time to scramble helicopters

Coastguard helicopters are required to be ready to proceed within 15 minutes of notification to scramble by day, and within 45 minutes of notification at night. This target was met 100%.

Lifeboats and Beach Lifeguards

Data for these indicators is provided by the Royal National lifeboat Institution (RNLI) as lifeboats and Beach Lifeguards are not directly within our control.

10. Geographical coverage of lifeboats – RNLI

The RNLI aims to:

- Achieve an average launch time of 10 minutes from notification to the RNLI.
- Reach all notified casualties where a risk to life exists, in all weathers, out to a maximum of 100 nautical miles.
- Reach at least 90% of all casualties within 10 nautical miles of Lifeboat stations within 30 minutes of launch in all weathers.
- Reach any beach casualty up to 300m from shore within the flags on RNLI lifeguard patrolled beaches, within 3½ minutes.

11. Availability of lifeboats – RNLI

In 2005, RNLI lifeboats were launched on 8,273 occasions compared with 7,656 occasions in 2004. Coastguard Co-ordination Centres are kept up to date on the availability of RNLI lifeboats so an unavailable lifeboat would not be tasked.

In 2005, RNLI Beach Lifeguards attended 8,511 incidents compared with 8,010 incidents in 2004.

There were 783 occasions when lifeboats were off service or on restricted service in 2005, compared with 862 occasions during 2004.

Annex D

This figure consists of 121.9 days off service and 101.8 days on restricted service. RNLI lifeboats were therefore available for service 99.82% of the time in 2005 (99.8% in 2004). On each occasion HM Coastguard was advised and therefore these lifeboats would not have been tasked as a first response.

12. Time for lifeboats to launch – RNLI

The average times to launch from call-out were 11 minutes 26 seconds for All-Weather Lifeboats, and 7 minutes 2 seconds for inshore lifeboats or hovercraft, which is comparable with previous years.

Coastguard Rescue Teams (CRT)

13. Availability of Coastguard Rescue Teams

In 2005, Coastguard Rescue Teams (CRT) were tasked to SAR incidents on 9,654 occasions. The availability of Teams is continuously updated to Coastguard Co-ordination Centres to prevent an 'unavailable' Team being tasked.

14. Level of training of Coastguard Rescue Teams

There are a total of 398 Coastguard Rescue Teams (CRT). All teams are trained to perform one or more of the core tasks of cliff rescue, mud rescue, coastal search together with the common tasks of patrol work, surveillance, first aid and provision of safety advice. In 2003, every CRT member was issued with a Personal Training and Service Record, which provides an induction into the Service and records all training and casualty attendance. Following the review of the Auxiliary Coastguard Service, recruitment, training and development matters are being examined by working Groups with a view to streamlining these processes and ensuring compliance with current and upcoming legislation.

15. Time for Coastguard Rescue Teams to arrive

In 2005 there were 604 occasions on which Coastguard Rescue Teams (CRT) failed to arrive on scene within the service response time out of 9,654 taskings. This means that the Coastal Response criterion was met in 93.74% of cases. This is also monitored under Service Standard 2, but the results differ as the Standards are recorded over the financial year.

The most common reasons for teams not meeting the 30 minute criterion were: held up in traffic; geographical location of incident; unable to locate scene of incident (due to poor description by casualties), weather conditions or the team was 'stood down' before arriving at the incident.

Outcome 3: A reduced number of incidents of pollution from shipping activities in the UK pollution control zone

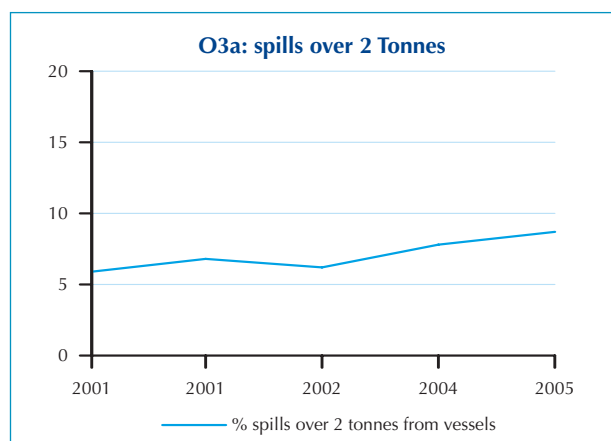
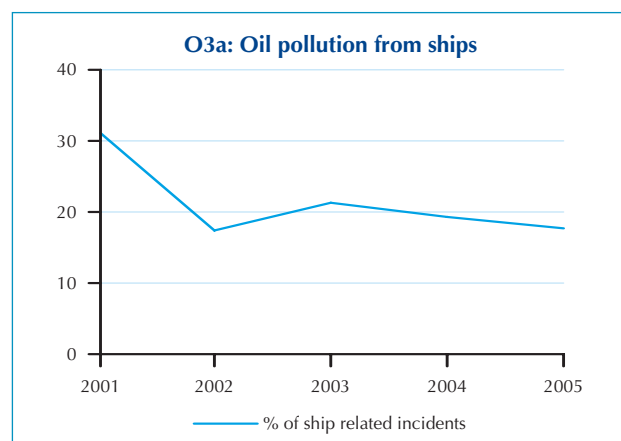
O3a: Oil pollution levels in the marine environment

Data Sources: (Calendar Year)

ACOPS Number of oil pollution incidents by source

Figures for 2005 are taken from a draft report and will be restated next year.

Annual Data	2001	2002	2003	2004	2005
Total no. of incidents	543	846	610	633	650
Tankers	21	18	19	8	8
Other Vessels	148	129	111	120	107
Total no. of vessel incidents	169	147	130	128	115
% ship related incidents	31.1	17.4	21.3	19.3	17.7
Total no. of spills over 2 tonnes	10	10	8	10	10
% spills over 2 tonnes from vessels	5.9	6.8	6.2	7.8	8.7



O3b: Counter pollution

Data Sources: (Financial Year)

MCA Incidents involving SOSREP and/or MCA tugs and estimated amounts of fuel and cargo oil

This measure indicates the success of our counter pollution activities, and covers those incidents which included interventions by the Secretary of State's Representative (SOSREP), and also our four tugs – whether they were fighting fires, providing tows, or simply standing by to ensure vessels did not get into difficulties.

This year there were 11 incidents to which we provided assistance from our tugs or from SOSREP.

Tonnes (Estimated)		Heavy Oil	Light Oil	Cargo
	Saved	1,020.0	325.5	6,000.0
	Lost	0.0	42.0	1,900.0
2,003	Net Saved	1,020.0	283.5	4,100.0
	Saved	843.0	2,421.4	5,999.0
	Lost	0.0	60.0	0.0
2,004	Net Saved	843.0	2,361.4	5,999.0
	Saved	1,404.0	311.0	10,047.0
	Lost	0.0	90.0	0.0
2,005	Net Saved	1,404.0	221.0	10,047.0

Overall, over 1,600 tonnes of oil and 10,000 tonnes of cargo were at risk in these incidents, but the Agency's action prevented a spill.

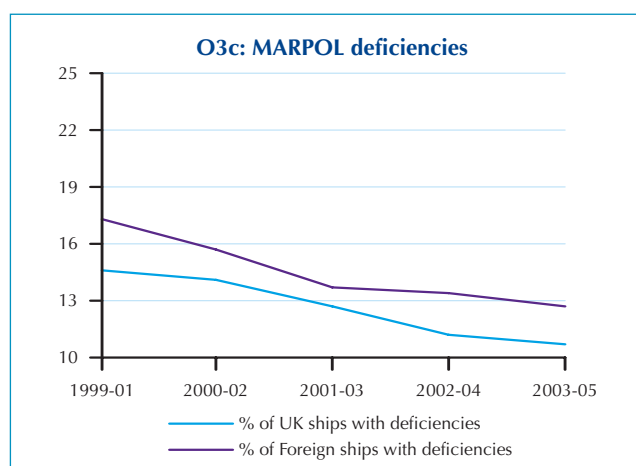
O3c: MARPOL deficiencies

Data Sources: (Calendar Year)

MCA	Port State Control inspections in UK: number of foreign ships inspected and number of deficiencies
MCA	Inspections of UK sea going ships: number of UK ships inspected and number of deficiencies

Deficiencies – Annual Data	2001	2002	2003	2004	2005
UK ships inspected	683	845	905	984	920
UK ships with deficiencies	100	108	102	96	102
% of UK ships with deficiencies	14.6	12.8	11.3	9.8	11.1
Foreign vessels inspected	1,811	1,769	1,692	1,768	1,894
Foreign vessels with deficiencies	279	245	200	257	221
% of Foreign vessels with deficiencies	15.4	13.8	11.8	14.5	11.7

Annual Data	1999-01	2000-02	2001-03	2002-04	2003-05
UK ships inspected	694	717	811	911	936
UK ships with deficiencies	101	101	103	102	100
% of UK ships with deficiencies	14.6	14.1	12.7	11.2	10.7
Foreign vessels inspected	1806	1795	1757	1743	1785
Foreign vessels with deficiencies	312	283	241	234	226
% of Foreign vessels with deficiencies	17.3	15.7	13.7	13.4	12.7



Annex D

**Table A: Inspection of foreign ships in UK ports – analysis by flag
1 April 2005 to 31 March 2006**

Flag	Number inspected	Number with defects	% with defects	Average number of defects per inspection	Number detained	% detained
Antigua & Barbuda	136	96	70.6 %	3.6	7	5.1 %
Antillies Netherlands	23	18	78.3 %	4.9	1	4.3 %
Austria	3	3	100.0 %	5.3	0	0.0 %
Bahamas	143	106	74.1 %	4.1	4	2.8 %
Bahrain	2	1	50.0 %	1.0	0	0.0 %
Barbados	20	16	80.0 %	3.5	0	0.0 %
Belgium	8	7	87.5 %	6.3	0	0.0 %
Belize	11	11	100.0 %	4.5	1	9.1 %
Brazil	3	3	100.0 %	10.0	0	0.0 %
Bulgaria	13	12	92.3 %	6.5	0	0.0 %
Cambodia	5	4	80.0 %	8.6	2	40.0 %
Canada	3	1	33.3 %	2.3	0	0.0 %
China – Peoples Republic	8	7	87.5 %	5.4	0	0.0 %
Comoros	4	2	50.0 %	0.8	0	0.0 %
Cook Islands	3	3	100.0 %	8.0	0	0.0 %
Croatia	5	4	80.0 %	6.0	0	0.0 %
Cyprus	62	50	80.6 %	4.7	1	1.6 %
Democratic Republic of Yemen	1	1	100.0 %	8.0	1	100.0 %
Denmark	49	33	67.3 %	3.2	1	2.0 %
Dominica	6	6	100.0 %	5.8	3	50.0 %
Egypt	3	3	100.0 %	18.3	1	33.3 %
Estonia	2	2	100.0 %	7.5	0	0.0 %
Faeroe Islands	1	1	100.0 %	8.0	0	0.0 %
Finland	10	5	50.0 %	2.1	0	0.0 %
France	8	7	87.5 %	4.4	0	0.0 %
Georgia	12	10	83.3 %	13.5	3	25.0 %
Germany	30	23	76.7 %	1.8	2	6.7 %
Greece	35	22	62.9 %	3.7	3	8.6 %

Table A: continued

Flag	Number inspected	Number with defects	% with defects	Average number of defects per inspection	Number detained	% detained
Honduras	4	4	100.0 %	8.3	1	25.0 %
Hong Kong	48	33	68.8 %	3.6	3	6.3 %
India	8	5	62.5 %	2.8	0	0.0 %
Iran	6	6	100.0 %	4.7	0	0.0 %
Ireland	11	9	81.8 %	4.5	2	18.2 %
Italy	20	14	70.0 %	3.6	0	0.0 %
Jamaica	3	3	100.0 %	7.7	0	0.0 %
Japan	3	2	66.7 %	2.7	0	0.0 %
Korea – Democratic Republic	2	1	50.0 %	6.0	0	0.0 %
Korea – Republic	11	9	81.8 %	5.2	1	9.1 %
Latvia	3	3	100.0 %	5.7	1	33.3 %
Lebanon	3	3	100.0 %	8.7	0	0.0 %
Liberia	108	77	71.3 %	4.4	4	3.7 %
Lithuania	1	1	100.0 %	6.0	0	0.0 %
Luxemburg	5	4	80.0 %	3.0	0	0.0 %
Malaysia	4	3	75.0 %	2.5	0	0.0 %
Malta	87	73	83.9 %	6.0	9	10.3 %
Marshall Islands	35	23	65.7 %	3.1	1	2.9 %
Morocco	2	2	100.0 %	23.5	1	50.0 %
Netherlands	127	79	62.2 %	2.5	2	1.6 %
New Zealand	1	0	0.0 %		0	0.0 %
Norway	156	111	71.2 %	3.1	1	0.6 %
Panama	205	152	74.1 %	5.1	18	8.8 %
Philippines	7	6	85.7 %	4.1	0	0.0 %
Poland	8	5	62.5 %	1.4	0	0.0 %
Portugal	15	10	66.7 %	3.5	0	0.0 %
Qatar	1	1	100.0 %	1.0	0	0.0 %
Russia	73	63	86.3 %	4.7	6	8.2 %
Seychelles	1	0	0/0%	0.0	0	0.0 %

Annex D

Table A: continued

Flag	Number inspected	Number with defects	% with defects	Average number of defects per inspection	Number detained	% detained
Singapore	28	20	71.4 %	4.0	2	7.1 %
Slovakia	2	2	100.0 %	12.5	1	50.0 %
Spain	1	1	100.0 %	9.0	0	0.0 %
St Vincent & Grenadines	81	68	84.0 %	6.3	8	9.9 %
Sweden	39	27	69.2 %	3.2	0	0.0 %
Switzerland	1	1	100.0 %	9.0	0	0.0 %
Thailand	20	17	85.0 %	8.5	5	25.0 %
Tunisia	3	3	100.0 %	3.7	0	0.0 %
Turkey	18	17	94.4 %	5.4	0	0.0 %
Tuvalu	1	1	100.0 %	3.0	0	0.0 %
Ukraine	6	4	66.7 %	3.2	0	0.0 %
Union of Myanmar (Burma)	1	1	100.0 %	2.0	0	0.0 %
United Arab Emirates	1	1	100.0 %	9.0	0	0.0 %
United States of America	2	2	100.0 %	5.5	0	0.0 %
Vanuatu	2	1	50.0 %	2.0	0	0.0 %
NK or register withdrawn	3	3	100.0 %	4.3	0	0.0 %
All Targeted Flags	617	503	81.5 %	5.8	57	9.2 %
All Non Targeted Flags	1159	825	71.2 %	3.6	39	3.4 %
All MOU Flags	598	421	70.4 %	3.2	17	2.8 %
All Non MOU Flags	1178	907	77.0 %	4.9	79	6.7 %
All Flags	1776	1328	74.8 %	4.3	96	5.4 %

Table B: Inspection of foreign ships in UK ports – analysis by Classification Society 1 April 2005 to 31 March 2006

Classification Society name	Number inspected	% with defects	Number detained*	% detained
American Bureau of Shipping	115	72.2 %	1	0.9 %
Bulgarski Koraben Registar	9	100.0 %	0	0.0 %
Bureau Veritas	216	75.0 %	5	2.3 %
China Classification Society	11	90.9 %	0	0.0 %
Class NK (was Nippon Kaiji Kyokai)	206	73.8 %	4	1.9 %
Croatian Register of Shipping (Hrvatski Registar Brodova)	4	75.0 %	0	0.0 %
Det Norske Veritas	314	68.8 %	2	0.6 %
Germanischer Lloyd	311	73.3 %	7	2.3 %
Hellenic Register of Shipping	1	100.0 %	0	0.0 %
Hondura International Surveying & Inspection Bureau	1	100.0 %	0	0.0 %
Inclamar	8	100.0 %	2	25.0 %
Indian Register of Shipping	5	40.0 %	0	0.0 %
International Naval Surveys Bureau	9	77.8 %	0	0.0 %
Isthmus Bureau of Shipping Classification Div	1	100.0 %	0	0.0 %
Korean Register of Shipping (South)	25	72.0 %	1	4.0 %
Korea Register of Shipping (North)	2	50.0 %	0	0.0 %
Lloyd's Register of Shipping – LR	310	76.8 %	2	0.6 %
Polski Rejestr Statkow – PRS	18	77.8 %	3	16.7 %
RINA – Registro Italiano Navale	35	80.0 %	0	0.0 %
Rinave Portuguesa – RP	1	100.0 %	0	0.0 %
Romanian Naval Register – RNR	1	100.0 %	0	0.0 %
Russian Maritime Register of Shipping – RMRS	129	83.7 %	1	0.8 %

Table B: continued

Classification Society name	Number inspected	% with defects	Number detained*	% detained
T.RINA – The Royal Institution of Naval Architects	1	0.0 %	0	0.0 %
Turkish Lloyd – TL	1	100.0 %	0	0.0 %
OTHER	22	86.4 %	3	13.6 %
IACS UK Recognised	1507	73.5 %	21	1.4 %
IACS Non UK Recognised	174	81.0 %	2	1.1 %
All IACS	1681	74.2 %	23	1.4 %
Non IACS	75	85.3 %	8	10.7 %
Unclassed	20	80.0 %	0	0.0 %
Overall Total	1776	74.8 %	31	1.7 %

* The number of detained ships includes only those for which the Classification Society was found to hold responsibility under Paris MOU criteria. As a result the total number of detentions by Classification Societies is 65 fewer than the overall total.

**Table C: Inspection of foreign ships in UK ports – analysis by ship type
1 April 2005 to 31 March 2006**

Ship type	Number inspected	Number with defects	% with defects	Total number of defects	Average number of defects per inspection	Number detained	% detained
Bulk Carrier	346	284	82.1 %	2038	5.9	27	7.8 %
Chemical Tanker (all types)	96	60	62.5 %	278	2.9	2	2.1 %
Combination Carrier	5	4	80.0 %	20	4.0	0	0.0 %
Containership	129	79	61.2 %	276	2.1	3	2.3 %
Gas Carrier (all types)	39	27	69.2 %	112	2.9	0	0.0 %
General Cargo/Multi Purpose Ship	586	449	76.6 %	2613	4.5	39	6.7 %
Heavy Load Carrier	1	0	0.0 %	0	0.0	0	0.0 %
Offshore Service Vessel	130	96	73.8 %	428	3.3	2	1.5 %
Oil Tanker	144	96	66.7 %	472	3.3	7	4.9 %
Passenger Ship	32	26	81.3 %	205	6.4	1	3.1 %
Refrigerated Cargo Carrier	43	38	88.4 %	344	8.0	8	18.6 %
RO-RO Cargo Ship	136	100	73.5 %	561	4.1	4	2.9 %
RO-RO Passenger Vessel*	10	8	80.0 %	51	5.1	0	0.0 %
Special Purpose Ship (SPS Code)	8	6	75.0 %	26	3.3	0	0.0 %
Survey Vessel	5	4	80.0 %	19	3.8	1	20.0 %
Tanker	20	17	85.0 %	94	4.7	1	5.0 %
Tug or Tender	4	4	100.0%	13	3.3	0	0.0 %
Other Types	42	30	71.4 %	162	3.8	1	2.4 %
	1,776	1,328	74.8 %	7712	4.3	96	5.4 %

* Since 2001 Ro-Ro passenger ships on regular routes are covered by mandatory annual and in-service surveys under the provisions of EU Directive 99/35/EC. 180 surveys were carried out in 2005-06. PSC inspections are additional and are carried out in response to complaints and incidents etc.

Annex D

**Table D: Inspection of foreign ships in UK ports – analysis by ship age
1 April 2005 to 31 March 2006**

Ship age	Number inspected	Number with defects	% with defects	Average number of defects per inspection	Number detained	% detained
0 - 4 Years	227	134	59.0 %	2.0	3	1.3 %
5 - 15 Years	564	377	66.8 %	2.7	6	1.1 %
15 Years and Over	985	817	82.9 %	5.8	87	8.8 %
	1776	1328	74.8 %	4.3	96	5.4 %

Table E: Inspection of foreign ships in UK ports – deficiencies leading to detention 1 April 2005 to 31 March 2006

Deficiency category and details	Number	%
Ship certificates:		
Document of Compliance (DOC/ISM Code)	1	0.3 %
International Ship Security Certificate	1	0.3 %
(IOPP) Prevention of Pollution by Oil	1	0.3 %
Loadlines	1	0.3 %
Other	3	0.8 %
Passenger ship safety	2	0.5 %
Safety Management Certificate	1	0.3 %
Total	10	2.7 %
Crew:		
Certificates for Masters and Officers	6	1.6 %
Evidence of basic training	1	0.3 %
Manning specified by the Minimum Safe Manning Document	3	0.8 %
Total	10	2.7 %
Accommodation:		
Dirty, parasites	1	0.3 %
Other	1	0.3 %
Sanitary facilities	3	0.8 %
Total	5	1.4 %

Table E: continued

Deficiency category and details	Number	%
Food & catering:		
Cleanliness	2	0.5 %
Cold room temperature	1	0.3 %
Food temperature	1	0.3 %
Provisions quantity	1	0.3 %
Water, pipes and tanks	1	0.3 %
Total	6	1.6 %
Working spaces:		
Machinery	1	0.3 %
Obstruction/slipping, etc.	1	0.3 %
Total	2	0.5 %
Life-saving appliances:		
Emergency equipment for 2-way communication	1	0.3 %
Fast rescue boat	1	0.3 %
Immersion suits	1	0.3 %
Inflatable liferafts	1	0.3 %
Launching arrangements for survival craft	23	6.3 %
Lifeboats	14	3.8 %
Lifejackets	7	1.9 %
Line throwing appliance	1	0.3 %
Maintenance and inspection	1	0.3 %
On-board training and instructions	1	0.3 %
Rescue boats	2	0.5 %
Stowage of lifeboats	1	0.3 %
Total	54	14.8 %

Table E: continued

Deficiency category and details	Number	%
Fire Safety Measures:		
Division main zones	1	0.3 %
Doors within main vertical zone	3	0.8 %
Emergency fire pump	11	3.0 %
Fire dampers	11	3.0 %
Fire fighting equipment and appliances	4	1.1 %
Fire prevention/diversion – main zones/fire patrol	4	1.1 %
Fire pumps	1	0.3 %
Fixed extinguishing installation	2	0.5 %
Jacketed piping system for HP fuel line	2	0.5 %
Valves and means of control	8	2.2 %
Other	3	0.8 %
Personal equipment	1	0.3 %
Ready availability of fire fighting equipment	2	0.5 %
Ventilation	2	0.5 %
Total	55	15.1 %
Accident prevention:		
Pipes, wires (insulation)	1	0.3 %
Total	1	0.3 %
Stability, Structure and Related Equipment:		
Ballast, fuel and other tanks	3	0.8 %
Bulkheads – corrosion	3	0.8 %
Bulkheads – operational damage	2	0.5 %
Decks – corrosion	1	0.3 %
Decks – cracking	1	0.3 %
Emergency lighting, batteries and switches	1	0.3 %
Gangway, accommodation ladder	1	0.3 %
Hull – cracking	2	0.5 %
Closing devices/watertight doors	3	0.8 %
Means of escape	2	0.5 %
Pilot ladders	1	0.3 %
Stability/strength/loading information and instrument	1	0.3 %
Total	21	5.8 %

Table E: continued

Deficiency category and details	Number	%
Alarm-signals:		
Fire alarm	2	0.5 %
Machinery controls alarm	1	0.3 %
Total	3	0.8 %
Cargo:		
Lashing material	1	0.3 %
Stowage of cargo	1	0.3 %
Total	2	0.5 %
Loadlines:		
Cargo and other hatchways	1	0.3 %
Covers	5	1.4 %
Doors	1	0.3 %
Freeboard marks	1	0.3 %
Other	1	0.3 %
Ventilators, air pipes, casings	6	1.6 %
Total	15	4.1 %
Mooring arrangements:		
Anchoring devices	1	0.3 %
Winches and capstans	1	0.3 %
Total	2	0.5 %
Propulsion & auxillary machinery:		
Auxiliary engine	2	0.5 %
Bilge pumping arrangements	1	0.3 %
Cleanliness of engine room	9	2.5 %
Insulation wetted through (oil)	1	0.3 %
Other	2	0.5 %
Propulsion main engine	1	0.3 %
Total	16	4.4 %

Annex D

Table E: continued

Deficiency category and details	Number	%
Navigation:		
Charts	4	1.1 %
Lights, shapes, sound-signals	2	0.5 %
Magnetic compass	1	0.3 %
Nautical publications	2	0.5 %
Total	9	2.5 %
Radio:		
INMARSAT ship earth station	1	0.3 %
Main installation	1	0.3 %
Maintenance/duplication of equipment	1	0.3 %
MF/HF radio installation	9	2.5 %
MF radio installation	1	0.3 %
Radar transponders	1	0.3 %
Radio log	1	0.3 %
Reserve source of energy	5	1.4 %
Satellite EPIRB 406Mhz/1.6 GHz	3	0.8 %
VHF radio installation	8	2.2 %
Total	31	8.5 %
Marpol annex 1:		
Oil discharge monitoring and control system	1	0.3 %
Oil filtering equipment	4	1.1 %
Other	1	0.3 %
Retention of oil on board	5	1.4 %
Total	11	3.0 %
SOLAS operational:		
Abandon ship drills	4	1.1 %
Fire drills	10	2.7 %
Total	14	3.8 %

Table E: continued

Deficiency category and details	Number	%
ISM related:		
Certification, verification and control	2	0.5 %
Company responsibility and authority	1	0.3 %
Development of plans for shipboard operations	6	1.6 %
Documentation	1	0.3 %
Emergency preparedness	21	5.8 %
Maintenance of the ship and equipment	39	10.7 %
Masters responsibility and authority	4	1.1 %
Report and analysis of non-conformities, accidents and hazardous occurrences	4	1.1 %
Resources and personnel	15	4.1 %
Safety and environmental policy	2	0.5 %
Total	95	26.0 %
Bulk carrier:		
Bulkhead strength	1	0.3 %
Total	1	0.3 %
Maritime security:		
Security related deficiencies	2	0.5 %
Total	2	0.5 %
Grand Total	365	100.0 %

Annex D

**Table F: Major categories of deficiency for all PSC inspections – all ship types
1 April 2005 to 31 March 2006**

Code	Category of deficiencies	Number of deficiencies	Deficiencies as % of total
100	Ship certificates	296	3.8 %
200	Crew	391	5.1 %
300	Accommodation	226	2.9 %
400	Food & catering	312	4.0 %
500	Working spaces	292	3.8 %
600	Life-saving appliances	930	12.1 %
700	Fire safety measures	1,177	15.3 %
800	Accident prevention	132	1.7 %
900	Stability and structure	571	7.4 %
1000	Alarm-signals	41	0.5 %
1100	Cargo	44	0.6 %
1200	Loadlines	401	5.2 %
1300	Mooring arrangements	57	0.7 %
1400	Propulsion & auxiliary machinery	452	5.9 %
1500	Navigation	734	9.5 %
1600	Radio	694	9.0 %
1700	Marpol annex I	190	2.5 %
1800	Gas & chemical carriers	10	0.1 %
1900	Marpol annex II	4	0.1 %
2000	SOLAS operational	141	1.8 %
2100	Marpol operational	10	0.1 %
2200	Marpol annex III	1	0.0 %
2300	Marpol annex V	19	0.2 %
2500	ISM related	432	5.6 %
2600	Bulk carrier	19	0.2 %
2700	Maritime security	135	1.8 %
2900	Marpol annex IV	1	0.0 %
	Total	7,712	

Foreign ships visiting UK ports are inspected under a co-ordination inspection regime known as the Paris Memorandum of Understanding on Port State Control. These Port State Control (PSC) inspections check for compliance with international standards on safety, pollution prevention and crew living and working conditions. Defects found are recorded and forwarded to the Paris MOU database known as SIRENAC. Ships are detained when inspections reveal serious deficiencies that present an unacceptable risk to safety, health or the marine environment. During 2005-6 5.4% of the foreign ships inspected in the UK were detained. This is a small decrease on the 5.7% detention rate last year.

Tables A,B,C and D show statistics for PSC inspections by flag, Classification Society, ship type and age of ships inspected by the MCA. Tables E and F give a breakdown of the types of deficiencies found and more detail on those which were the grounds for detaining ships.

Table A shows that:

- on average 4.3 deficiencies were found at each inspection. This is a slight increase on last year's figure of 4.2.
- the 9.2% detention rate for flags targeted by the Paris MoU is identical to last years figure and is over twice the rate for non-targeted flags.

Table B shows that:

- a total of 23 ships classed by members of the International Association of Class Societies (IACS) were detained where the Classification Society was found to be held responsible for the detention.

- the detention rate for IACS ships is 1.4% which is slightly lower than last years figure of 1.6%.
- ships classed with Classification Societies which are not members of IACS were over 7 times more likely to be held responsible for a detention than IACS societies.

Table C shows that:

- of vessel types with a significant number of inspections, refrigerated cargo carriers, bulk carriers and general cargo ship had the highest detention rates at 18.6%, 7.8% and 6.7% respectively.
- Refrigerated cargo ships showed the highest increase in detention rates for the third year running, (from 8.6% in 03/04, 14.6% in 04/05 and 18.6% in 05/06).

Table D shows that:

- ships over 15 years old had over twice the average number of defects and nearly 10 times the number of detentions as those under 15 years old.

Table E shows that:

- failures in the Safety Management System (ISM Code) accounted for 26% of all the detainable deficiencies compared to 20% last year and 18.7% in 03/04.
- the most common defects leading to detention were in the following categories: ISM related (26%) fire safety measures (15.1%), and Life saving appliances (14.8%).
- The most common ISM deficiencies related to Section 10 of the Code (Maintenance of the Ship and Equipment) at 10.7% of all detainable deficiencies, and Section 8 (Emergency Preparedness) at 5.8%.

Annex D

- The increase in ISM related detainable deficiencies partially reflects an increasing trend for surveyors to identify failings in the safety management on board vessels rather than simply the hardware and operational defects which result from those failings.
- on average each detained ship was found to have 3.8 detainable deficiencies which is slightly lower than last year (4.1).

Table F shows that:

- defects in fire safety measures, life-saving appliances, navigation and radio equipment accounted for almost half of all defects found reflecting a similar picture to last year.

Outcome 4: An enhanced safety record to the Red Ensign fleet

O4a: The number of merchant ship losses in the Red Ensign fleet compared with the world fleet

Data Sources: (Calendar Year)

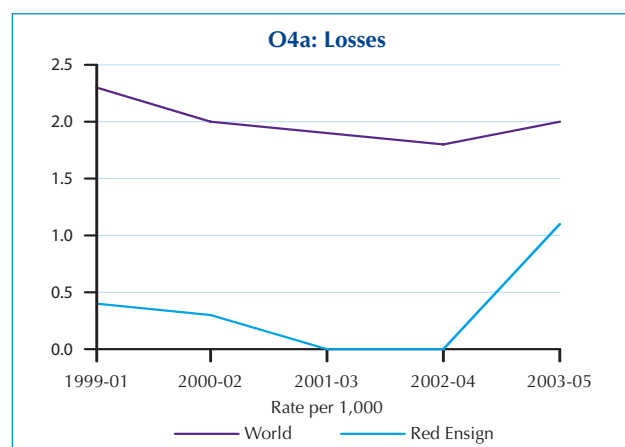
Lloyd's Register – Fairplay Ltd Merchant ships (Cargo Carrying) 100gt and above, actual losses

GT = Gross Tonnes

Data excludes fishing vessels, dredgers and offshore supply vessels.

Red Ensign Fleet = Category 1 Registers: UK, Bermuda, Cayman Islands, Isle of Man, Gibraltar.

Annual Data	2001	2002	2003	2004	2005
World Losses	100	62	109	77	99
World number ships	46,373	46,656	46,918	47,050	48,442
World losses per 1,000	2.2	1.3	2.3	1.6	2.0
Red Ensign losses	0	0	0	0	4
Red Ensign number ships	966	1,068	1,216	1,181	1,195
Red Ensign losses per 1,000	0.0	0.0	0.0	0.0	3.3
3 Year Rolling Average	1999-01	2000-02	2001-03	2002-04	2003-05
World losses	105.0	92.7	90.3	82.7	95.0
World no. ships	46,193	46,411	46,649	46,875	47,470
World no. ships	2.3	2.0	1.9	1.8	2.0
Red Ensign losses	0.3	0.3	0.0	0.0	1.3
Red Ensign no. ships	880	971	1083	1155	1197
Red Ensign losses: rate per 1,000	0.4	0.3	0.0	0.0	1.1



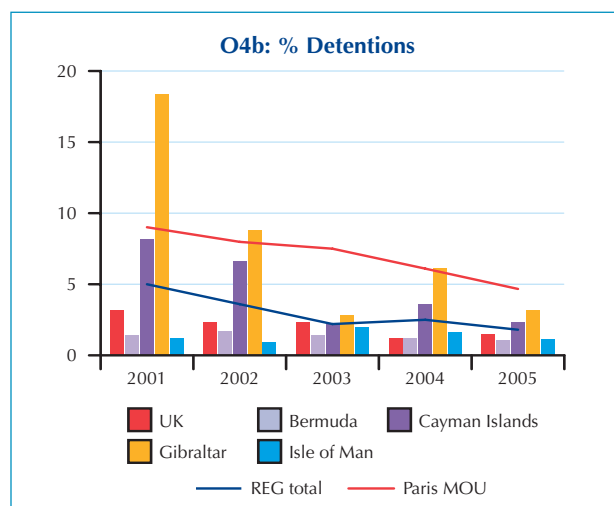
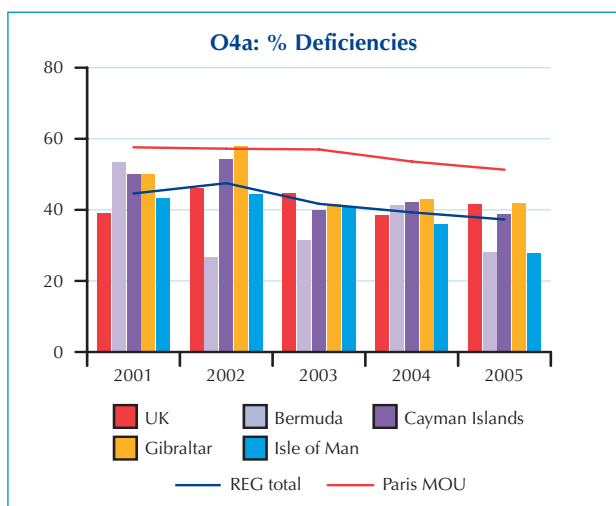
O4b: Number of deficiencies reported for Red Ensign vessels by other port states

Data Sources: (Calendar Year)

Paris Memorandum of Understanding (MOU) Inspection and deficiencies

Red Ensign Fleet Category 1 Registers: UK, Bermuda, Cayman Islands, Isle of Man, Gibraltar.
Paris MOU EU Member States, Canada, Croatia, Poland, Russia and Norway.

Annual Data	2001	2002	2003	2004	2005
Total no. inspections	657	910	1126	1191	1306
No. with deficiencies	293	432	470	468	487
% with deficiencies	44.6	47.5	41.7	39.3	37.3
% with deficiencies (MOU)	57.6	57.0	55.0	53.6	51.3
No. of detentions	18	33	25	30	23
% detained	2.7	3.6	2.2	2.5	1.8
% with detentions (MOU)	9.1	8.0	7.1	6.1	4.7

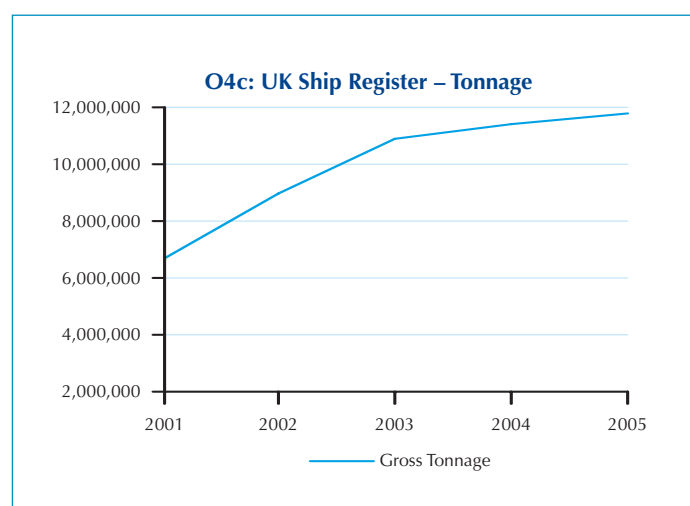


O4c: UK ship register activity

Data Sources: (Calendar Year)

RSS Number and Gross Tonnage of UK registered merchant ships 100GT and over (from 2003)

	2001	2002	2003	2004	2005
Gross tonnage	6,691,576	8,970,641	10,893,658	11,409,754	11,785,870
Number of ships			1,419	1,404	1,433



Between 1998 and 2003, the RSS undertook a registration renewal exercise. Whilst this was in progress, we used statistics supplied by the DfT Statistics Branch. However, these figures only covered trading ships and are therefore not directly comparable to those we now use from RSS. We have therefore decided to only show the RSS figures from 2003.

TABLE OF PLANNED INSPECTIONS, SURVEYS AND OTHER ACTIVITIES

	2005-06 Planned	2005-06 Actual	2006-07 Planned
Port state control – Actual	1614	1768	1630
UK vessel inspections			
Small passenger (exc.Class V) – full	191	206	190
Small passenger (exc.Class V) – incognito	36	34	38
Class V passenger – full	634	638	659
Class V passenger – incognito	87	89	97
Fishing vessels – under 15M	1200	1949	1108
Fishing vessels – 15-24M	215	278	223
Fishing vessels – over 24M	75	100	82
Code boats/commercial yachts	507	588	507
Seagoing ships/tankers	1000	1108	–
Seagoing ships/tankers – standalone inspections	–	–	253
Seagoing ships/tankers – inspections in conjunction with a survey	–	–	762
Comm river/inland waterway >24m	65	133	71
Comm river/inland waterway <24m	175	172	192
Ro-ro & HSC – additional	73	57	61
Sub total	4258	5352	4243
Mandatory inspections			
Ro-ro & HSC – specific surveys	87	100	85
Ro-ro & HSC – in-service surveys	87	80	85
Sub total	174	180	170
Surveys & certification			
Growth of UK register – new builds	45	36	41
Growth of UK register – flag-ins	41	57	43
Sub total	3486	4028	3484

	2005-06 Planned	2005-06 Actual	2006-07 Planned
Port waste management plans & port inspections			
Port waste management plan approval/re-approval	143	66	50
Port waste reception facilities – port inspections	61	97	65
Port marine safety code – liaison visits	28	39	28
Sub total	232	202	143
Other			
Packaged dangerous goods/cargo transport units	750	750	1010
Bulk carrier terminals	27	31	20
Joint inspections with HSE	21	28	21
Overseas code vessel campaign	3	3	3
Marine equipment directive	50	49	50
Enforcement – follow up	39	53	43
Exams	3921	4464	4104
Reg. safety committees & associated meetings	58	79	69
Quality assurance/inspections	50	49	72
Sub total	4919	5506	5392
Overall inspection/survey programme total	14683	17036	15062

GLOSSARY

AIS	Automatic Identification System	ISPS	International Ship and Port Facility Security
ACOPS	Advisory Committee on the Protection of the Sea	MAIB	Marine Accident Investigation Branch
CERS	Consolidated European Reporting System	MARPOL	Marine Pollution (Convention)
CHP	Civil Hydrography Programme	MCA	Maritime and Coastguard Agency
COI	Central Office of Information	MIRG	Maritime Incident Response Group
DEFRA	Department for the Environment, Food and Rural Affairs	MO	Marine Office
DfT	Department for Transport	MOD	Ministry of Defence
EMSA	European Maritime Safety Agency	MOU	Memorandum of Understanding
EU	European Union	MRCC	Maritime Rescue Co-ordination Centre
FISG	Fishing Industry Safety Group	PSC	Port State Control
FCO	Foreign and Commonwealth Office	REG	Red Ensign Group
GIS	Geographical Information System	RNLI	Royal National Lifeboat Institution
GT	Gross Tonnage	RSS	Registry of Shipping and Seamen
HSC	High Speed Craft	SAR	Search and Rescue
IACS	International Association of Classification Societies	SMarT	Support for Maritime Training
ILO	International Labour Organization	SOLAS	Safety of Life at Sea
IMO	International Maritime Organization	SOSREP	Secretary of State's Representative (for Salvage and Intervention)
ISM	International Safety Management (Code)	UKHO	UK Hydrographic Office
ISO	International Organization for Standardization	VTMD	Vessel Traffic Monitoring Directive
		VTS	Vessel Traffic Services

NEW TARGETS FOR 2006-07

Delivery Targets

1 In at least 96% of incidents, within five minutes of being alerted, take a decision on the appropriate search and rescue response and initiate action if necessary.

2a Deliver the programme of planned ship inspections. We will inspect vessels during 2006-07 in a targeted manner based on factors such as, UK policy direction (small passenger vessels), EU policy (Ro-Ro Passenger vessels) and/or risk, based on MAIB statistics on accidents and deaths. Most categories fall into a yearly based regime whilst others, fishing vessels are part of a longer term five year inspection regime.

2b Carry out 95% of mandatory expanded inspections.

3 Work with UK shipowners so that no more than 3% of UK ships inspected under global Port State Control arrangements are detained, and the UK Shipping Register maintains a position on the Paris MOU White List which is comparable to registers of a similar size and reputation.

4 Reduce the proportion of vessels suffering machinery failures (commercial ships and leisure craft) in the UK, by increasing prevention activities, working with other relevant organisations.

5 Strengthen our evidence base by analysing all fatal incidents and serious maritime accidents, to inform our assessment of maritime safety risks and prioritise these to assist with future

regulatory policy and planning, including the allocation of costs and resources to activities.

6 As a Category One Responder, meet the provisions of the Civil Contingencies Act 2004 on behalf of the Secretary of State, in so far as his functions include responsibilities to maritime and coastal emergencies (excluding the investigation of accidents).

Development Targets

7 Prepare for a review in 2007-08 of the implementation, effectiveness and impact of the comprehensive prevention strategy, using evidence based information to check the Agency's direction in this area.

8 Work with other responders and providers to contribute to improvement of joined up approaches to civil resilience matters, and specifically develop with the Ministry of Defence a harmonised provision for search and rescue helicopters from 2012.

SERVICE STANDARDS

1. in 98% of cases, we will answer 999 telephone calls and maritime distress signals immediately in accordance with the Code of Practice for the Emergency Call Service
2. in 80% of cases, the Coastguard mobile unit will arrive on the scene of an incident within 30 minutes of being activated
3. in 95% of cases, within 28 days, we will assess your eligibility to sit an exam
4. in 95% of cases, we will issue Certificates of Competency (COC) within 14 days
5. in 95% of cases, we will issue your revalidated Certificate of Competency within 14 days
6. in 90% of cases, we will assess your Certificate of Equivalent Competency (CEC) application and issue the Confirmation of Receipt of Application (CRA) within 14 days
7. in 95% of cases, we will issue your survey or audit certificate within 14 days of completion of a satisfactory survey
8. in 80% of cases, we will complete your approval within 28 days
9. in 95% of cases, on receipt of the signed carving and marking note, we will issue your registration certificate within 7 days (for merchant ships, pleasure vessels, fishing vessels and bareboat charter ships)
10. in 95% of cases, we will issue your registration certificates within 14 days (for small ships – under 24 metres)
11. in 90% of cases, we will respond to your letters, faxes and e-mails within 14 days
12. in 90% of cases, we will respond to your complaints within 14 days

Treatment of customers

You are entitled to expect us to treat your enquiries impartially, with courtesy and the appropriate level of confidentiality. You are entitled to receive clear and unambiguous advice.

If you are not satisfied with the service from the Maritime and Coastguard Agency please get in touch with the person or section that you have been dealing with. They will be keen to put the matter right if they can. All our letters give the name and telephone number of the sender and usually a reference number. If you do not know how to contact us, please telephone our 24 hour Infoline on 0870 600 6505, or use our website at www.mcga.gov.uk.

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