



Maritime &  
Coastguard  
Agency

2015-16

# Maritime and Coastguard Agency **BUSINESS PLAN**

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**Safer Lives, Safer Ships, Cleaner Seas**

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# CHIEF EXECUTIVE'S FOREWORD

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Our last Business Plan covered the period April 2014 to March 2016. This refreshed version is an update for the second year of that plan. As Chief Executive of the Maritime and Coastguard Agency, I take great pride in leading such a talented and diverse organisation. The Agency and its staff are united in their commitment to the Agency's core goals of safer lives, safer ships, and cleaner seas – and the range of our activity is truly impressive.

Across small and large teams of expert staff, we provide services from coordinating maritime emergency rescues to running and marketing the economically vital UK Ship Register. We provide survey and inspection capabilities to check the safety of ships operating in British waters and UK-registered ships abroad, and administer the law in relation to wreck and salvage. We support a team of 3,500 volunteer Coastguard Rescue Officers operating bravely in their local communities, and stand ready to respond to pollution incidents at sea. We develop and implement maritime safety standards for ships, and work with others to promote campaigns to reduce accident rates in and around water.

In these and our many other activities outlined in this plan, we strive to be the best maritime safety organisation in the world.

Our focus this coming year will be on working with the shipping industry and with our talented marine surveyor workforce on measures to make ourselves more efficient, responsive and customer focussed. We are working with industry experts on boosting the competitiveness and attractiveness of the UK Ship Register and, as part of the Maritime Growth Study, how that fits with the benefits of the wider UK maritime sector, which already contributes around £14 billion annually to the UK economy.

The flagship Future Coastguard programme is well on the way to delivering a Coastguard fit for the 21<sup>st</sup> century, in line with the revised schedule agreed by Ministers in September 2013. There has already been excellent progress, including a major recruitment campaign to bring in new talent to supplement the superb people already in service. By December 2015, the new search and rescue coordination network, centred around the new National Maritime Operations Centre in Fareham, will be complete, representing the biggest step-change in maritime rescue co-ordination in decades.

We are also at the start of delivering a newly integrated, civilianised search and rescue helicopter service. We will begin to operate this improved service from April 2015, with seven new bases opening over the course of this plan.

The section on digital technology and communications highlights some of the exciting projects already underway to modernise the Agency's systems and services. We have identified ways in which we can use digital means to improve our service and support to customers in the future.

We want to make the Agency an even more inclusive, dynamic and attractive place to work. One of my major priorities this year is to enact a strategy for better engaging, developing and supporting our people to enhance their skills, confidence and job satisfaction.

And we are committed to becoming even better at supporting our UK maritime industry during this period of economic recovery for the country. The growth agenda is something we will continue to promote, and our mission as a regulator is to find ways to enable – rather than hold back – innovation, growth and good business in the maritime industries. In that context, we look forward to playing a leading part in the second London International Shipping Week in September 2015.

A handwritten signature in black ink that reads "Alan Massey" followed by a long horizontal flourish and three dots.

**Alan Massey, Chief Executive**

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# EXECUTIVE SUMMARY

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The Maritime and Coastguard Agency (MCA) is an Executive Agency of the Department for Transport, accountable to the Secretary of State for Transport. The MCA aims to be the best maritime safety organisation in the world, driving progress toward safer lives, safer ships, and cleaner seas, via our four key values of safety, professionalism, trust, and respect. The Agency is committed to supporting sustainable economic growth through good regulation and in partnership with industry.

The MCA fulfils a range of essential maritime safety roles. We coordinate the UK's 24-hour maritime emergency response service, check the quality of ships operating in our waters, promote and manage the UK Ship Register, and work to minimise shipping's environmental impact. We encourage and enforce compliance with a range of international maritime standards, including maritime cargo security legislation designed to mitigate the risk of terrorism against UK interests. Additionally, we are a Category 1 responder as defined in the Civil Contingencies Act, 2004.

The UK Ship Register has a high international reputation. We intend to maintain that reputation for quality whilst also making the flag more attractive to ship owners by providing services that are more responsive to their needs and at competitive cost. We work with the European Union and International Maritime Organisation to shape policy to support the best interests of British business, representing the UK as the lead member of the Red Ensign Group. We additionally promote wider economic growth by collaborating constructively and positively with the maritime sector and industry representative groups.

The MCA will continue to change as part of our own internal reforms and those initiated by the Civil Service Reform Plan. In line with the revised schedule we published in September 2013, the Future Coastguard Programme will complete in 2015, delivering a service fit for the 21st century, which will continue to be underpinned by the extensive volunteer Coastguard Rescue Service. We will run a programme of reform to improve our efficiency and customer service in our ship survey and inspection activities. We will begin the transition to assuming full responsibility for all UK Search and Rescue Helicopter operations from April 2015.

We have moved to the government's Shared Services hub for the Department for Transport and its agencies, centralising our finance, people management and procurement functions.

The MCA's greatest challenge over the coming year is to incorporate these changes whilst continuing to maintain our high quality delivery of frontline services and responsibilities, at the same time taking our customers, our own people and the wider public along with us, as the Agency evolves and improves.

The Agency has added social media to its communications channels, and has attracted over 31,000 followers on Twitter. The MCA's public website moved to GOV.UK in March 2014. We are also in the process of transitioning more of our customer-facing services digitally.

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# WHO WE ARE AND WHAT WE DO

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## Maritime and Coastguard Agency

- 1.1** The Maritime and Coastguard Agency (MCA) is an executive agency of the Department for Transport (DfT).
- 1.2** We work with strategic partners to promote maritime safety, encourage economic growth, and minimise the maritime sector's environmental impact. This is achieved through the development and implementation of the Government's maritime safety and environmental strategy, and through our support to industry via the UK Ship Register.
- 1.3** The MCA's vision is to be the best maritime safety organisation in the world, driving progress towards safer lives, safer ships, and cleaner seas. This vision is underpinned by our four key values of safety, professionalism, trust, and respect.

## Why our work matters

- 1.4** The MCA fulfils an essential safety role across Britain's maritime estate.
  - a)** The Coastguard responded to more than 20,000 incidents in 2014
  - b)** In 2014 our ship Surveyors carried out 4,638 Inspections, including 1,279 Port State Control Inspections, with a total of 70 subsequent detentions.
  - c)** Britain has over 11,000 miles of coastline, enjoying over 200 million unique tourist visits each year.
  - d)** In 2013 there were 6,399 fishing vessels and 12,150 fishermen working off the UK shore.
- 1.5** It is economically vital for Britain to nurture a successful maritime industry.
  - a)** Our Shipping Register is the 13<sup>th</sup> largest in the world and the 5<sup>th</sup> largest in Europe.
  - b)** Britain relies on shipping for 95% of our visible trade by weight.
  - c)** Shipping is estimated to make a total contribution of £12.5 billion (direct, indirect and induced impact) each year.
  - d)** The maritime sector contributes up to £13.8 billion and 260,000 jobs to the UK economy annually.
- 1.6** We also have responsibility for the United Kingdom's implementation of these key international maritime conventions:
  - a)** The International Convention of the High Seas 1958, article 12;
  - b)** Safety of Life at Sea (SOLAS), 1974, and Protocol, 1988;
  - c)** International Regulations for Preventing Collisions at Sea (COLREGs), 1972;
  - d)** Standards of Training, Certification and Watchkeeping for Seafarers 1978, as amended;
  - e)** The International Convention on Maritime Search and Rescue, 1979;

- f) Prevention of Pollution from Ships (MARPOL), 1973, and Protocol, 1978;
- g) Load Lines 1966, and Protocol of 1988; and
- h) Maritime Labour Convention (MLC), 2006.

## Delivering for customers and the public

### Our services in 2015-16

- 1.7** We will work closely with our delivery partners. Building on the success of the first London International Shipping Week in September 2013 we will continue to work closely with the Department for Transport's Maritime team to promote the UK as open for maritime business and encourage the operators of quality ships to join the UK Ship Register. We will provide improvements in customer service through our network of Customer Account Managers and Customer Service Managers, providing 24/7 support for ship owners and operators. In collaboration with the UK Chamber of Shipping we will develop the UK Flag Advocacy Panel initiative to give clear, direct feedback routes from our customers. We will be investing in customer relations training for our people involved in these areas.
- 1.8** We will inspect foreign Flag ships visiting UK waters on the basis of a risk-based Port State Control inspection regime, and we will inspect UK ships where we have concerns about how they are operated. Quality operators can expect less frequent inspections. In parallel we will continue to survey and inspect UK ships for the issue of statutory certification in accordance with international maritime conventions.
- 1.9** We will continue to participate in mitigating the National Security Strategy's high priority risk of international terrorism affecting the UK or its interests, which includes attacks against ships. We will do this primarily through compliance with the International Ship and Port Facility Security (ISPS) Code by UK registered cargo ships and all foreign ships visiting UK ports.
- 1.10** Seafarers using our certification services can expect their applications to be dealt with in a timescale that suits their needs. We will work with shipping companies and nautical colleges to help us prioritise certificate applications. We will ask our seafarer customers how we are doing and we will act on what they tell us.
- 1.11** At the international level, we will work as one team alongside the Department for Transport and with the input of other government departments to represent the UK's interests at the International Maritime Organization (IMO), at other relevant United Nations bodies and within the European Union. We will use both formal and informal consultation with relevant stakeholders at an early stage in the development of new international requirements and proposals, so that we actively influence their development along principles of good regulation.
- 1.12** Domestically, we will engage with key stakeholders including the Fishing Industry Safety Group, the Domestic Passenger Ship Steering Group, Port Marine Safety Group, Port Marine Safety Code and Vessel Traffic Services Steering Groups, UK Radio and Navigation Equipment Standards Group and through our development of safety and technical policies and standards.



- 1.13** The creation of our new national network of the Maritime Operations Centre and other Coastguard Operations Centres will provide:
- a. search and rescue coordination;
  - b. vessel traffic monitoring (VTM);
  - c. counter pollution response;
  - d. maritime safety information;
  - e. accident and disaster response; and
  - f. maritime security support.
- 1.14** The new National Maritime Operations Centre in Fareham and 10 other Coastguard Operations Centres (including a unit in London) will improve our ability to manage the demand on our emergency response resources. When fully open in 2015 we will be able to redistribute work across the network in order to focus attention on emergencies, including search and rescue incidents, without dropping or delaying other important safety tasks. We will also assume responsibility for the Aeronautical Rescue Coordination Centre (ARCC) which is currently based at the Ministry of Defence (MoD).
- 1.15** We will be putting more of our resources into the frontline leadership and support of the 3,500 dedicated volunteers who make up our Coastguard Rescue Service. Alongside our partner organisations including the RNLI, the many independent lifeboat teams, the National Coastwatch Institution, and the new arrangements for search and rescue helicopter management, we will deliver an improved and increasingly coherent matrix of frontline response and rescue resources. At the same time, we recognise the need to remain intimately and reassuringly connected with the hearts and minds of the public, taking them with us as we make these significant changes for the better. The same applies to our own workforce, whose justifiable pride and allegiance to the MCA need to be nurtured and reinforced through sometimes unsettling periods of change.

**1.16** The MCA's core responsibilities are:

- the coordination of a 24-hour search and rescue service by Her Majesty's Coastguard; and, as a rolling programme, from April 2015, responsibility for all Search and Rescue Helicopter operations throughout the UK;
- checking the safety and quality of ships and seafarers operating under the Red Ensign, including seafarer certification and ship survey and Inspection;
- being lead authority and Category 1 responded for Maritime under the Civil Contingencies Act 2004;
- maritime pollution prevention and response, and the monitoring of vessel movement within UK waters as defined by the EU Vessel Traffic Monitoring Directive;
- promoting and administering the UK Ship Register;
- promoting the Red Ensign Group of Shipping Registers as a collection of quality, business-friendly flags under which to operate;
- we also provide an audit and assurance service for the other shipping registers within the Red Ensign Group;
- additional survey and inspection of ships, according to our European and international responsibilities, and certification of independent survey organisations;
- promoting and enforcing legislative compliance, and working to achieve the best legislation for British business;
- working with the Department for Transport to develop policy advice for Ministers; and
- ensuring continuous availability of a team of professional Marine Casualty Officers to support the Secretary of State's Representative (SOSREP) for Maritime Salvage and Intervention when required.

# PLANS FOR 2015-16



**Category**                      **MCA measure**                      **In 2015/16**

Reform	<b>Future Coastguard Programme</b>	
	In line with the government’s blueprint for changes to HM Coastguard, which will deliver a national and more resilient search and rescue coordination service and greater support to the volunteer Coastguard Rescue Service, we will complete the transition programme whilst maintaining and enhancing safety	Dec 2015
Reform	We will review a percentage of incidents to which the National Network has responded to assess the effectiveness of outcomes and learn any appropriate lessons for future operations. A summary of those assessments and any lessons learned will be published quarterly on the Agency’s website.	5% of incidents in the National Network
Reform	<p><b>MCA Digital Strategy</b></p> <p>Making the most of digital technology, we will be improving the way we deliver a range of our services by 2017, and this year we expect to make particular progress with:-</p> <ul style="list-style-type: none"> <li>• Fleet Management System</li> <li>• Seafarer Documentation</li> <li>• EPIRB Registration</li> <li>• An enhanced service for the Small Ship Register (SSR)</li> <li>• The Coastguard voluntary small vessel identification scheme (CG66)</li> </ul>	31 March 2017

Reform	<p><b>Search and Rescue Helicopters</b></p> <p>As part of the extensive programme to implement a new, nationwide, coastguard search and rescue helicopter service, we will have the new bases open and operationally ready according to the following schedule:</p> <p>Humber and Inverness</p> <p>Caernafon and Kent</p> <p>Cardiff St Athan</p> <p>Prestwick and Newquay</p>	<p>1 April 2015</p> <p>1 July 2015</p> <p>1 October 2015</p> <p>1 January 2016</p>
Operational	<p><b>Search and Rescue</b></p> <p>Helicopters take off from all sites that have been incorporated into the new Search and Rescue helicopter arrangements within 15 minutes (day) or 45 minutes (night) in at least</p> <p>When a volunteer Coastguard rescue team is ready to leave the Rescue Station, it will reach the incident within 30 minutes in at least</p>	<p>98% of cases</p> <p>90% of cases</p>
Operational	<p><b>Pollution response</b></p> <p>Verification aircraft tasked to respond to incidents will be airborne within 30 minutes during daylight hours and 2 hours at night in at least</p> <p>Incident response - Counter Pollution and Salvage Officer engaged in incident response within 10 minutes of activation and, where appropriate, other specialist counter pollution support personnel engage within 30 minutes of incident activation in at least.</p>	<p>98% of cases</p> <p>95% of cases</p>
Operational	<p><b>Inspections</b></p> <p>Meet the international requirement for Port State Control (PSC) inspections, designed to check the safety of foreign-registered ships at UK ports, for the 2015 calendar year</p>	<p>1,169</p>

Operational	<p><b>UK Ship Register</b></p> <p>Focus UK Ship Register (UKSR) marketing on quality owners and quality vessels so that the average age of 85% of the internationally trading UK flag ships greater than 500 Gross Tonnes is</p> <p>Maintain UK Flag State performance in the Paris MOU White list</p>	<p>10 years or less</p> <p>Remain in the top 10 of the White List</p>
Finance and Efficiency	<p><b>Agency Finance</b></p> <p>Deliver financial performance, including efficiency programmes, in line with published plan</p> <p>In the financial year 2015-2016, reduce the cost of delivering fee-earning activity by</p>	<p>Meet published targets</p> <p>At least 5% (275k) against 2015-16 baselines</p>
Finance and Efficiency	<p><b>Workforce</b></p> <p>Maintain average annual sickness absence levels below</p> <p>By March 2016 the agency workforce (full time equivalent) will number no more than</p>	<p>7 days per employee</p> <p>1,133 FTEs</p>
Customer Service	<p><b>Customer satisfaction</b></p> <p>Encourage the completion of online satisfaction surveys on the Registry of Shipping and Seafarers; UK Ship Register; Seafarer Certification Services; and Ship Survey and Inspection activity, with a positive response rate of</p>	<p>80%</p>
Customer Service	<p><b>Freedom Of Information</b></p> <p>Provide response within 20 working days in</p>	<p>93% of cases</p>
Customer Service	<p><b>Parliamentary Questions</b></p> <p>Provide a response within due date (in 24 hours)</p>	<p>100% of cases</p>

Customer Service	<b>Member of Parliament correspondence</b> Provide a response within 7 working days in	100% of cases
Customer Service	<b>Official correspondence</b> Provide a response within 20 working days in	80% of cases
Customer Service	<b>Prompt payment</b> Payment of invoices within 5 working days in	80% of cases

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# SUPPORTING DELIVERY OF THE PLAN

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- 3.1** Developing, retaining and recruiting the right people for the right roles will be essential to support our plans. We will continue recruiting into the new Coastguard roles that will be better paid to reflect increased responsibilities. As some staff are likely to choose voluntary redundancy, succession planning and extended handovers will be important to support the new Coastguard staff and maximise knowledge retention. New employment contracts for all MCA staff provide an opportunity for a minimum of five days' learning each year, and this will be directed through personalised support in the Performance and Development Management Report process, reinforcing the personal involvement of managers at all levels in providing effective leadership, coaching and mentoring. We pay particular attention to the leadership, effective management and personal development of all our people, and this is gratifyingly reflected in our 'Silver Standard' Investors in People certification, for which we re-qualified in 2014.
- 3.2** Financial support for reform has been vital over this period. While our reform programmes are set to deliver both qualitative business improvements and cost savings in the long run, a high level of capital and programme investment has been fundamental in the transition stage. This investment will support a future of better quality services that represent excellent value to the taxpayer.
- 3.3** Modernising our IT will be a key facilitator of progress over the period of this plan. The Agency's new corporate network will underpin the shift to a modern, digital working environment, bringing slicker systems and a cutting-edge suite of new hardware and software. This, accompanied by improvements in the way that we manage and exploit our information and corporate knowledge will support working practices which are more flexible to customer demands, delivering continued improvements in our ways of working throughout the Agency.
- 3.4** Governance and capacity management, as well as strong leadership and internal communication, will be required to ensure the Agency can cope with the number of concurrent change programmes continuing or beginning over the planning period.
- 3.5** In order to ensure a continued ability to provide a strong regulatory regime in support of the shipping industry and to meet statutory requirements, we will thoroughly examine the way in which we provide this service by means of a Survey and Inspection Transformation Programme.

## **Digital**

The Agency has embraced the challenge to be digital by default to modernise how we work, communicate and deliver services. A Digital Champion has been appointed to lead the Agency's progress.

## **Operational Capability**

Consolidating our 22 coastguard data centres to two (Fareham & Aberdeen) by December 2015 will deliver a new national network that will support improved emergency response capabilities.

## **Priority Next Steps**

We will introduce a new Cloud-enabled network capable of delivering modern services. This will be separate from the Blue Light Network which protects the critical emergency services we deliver, at the same time enabling greater flexibility and agility for other areas of the business.

We will also introduce new digital solutions for storage and records management.

## **Customer Service**

Working towards delivery by 2017 we will make significant progress in digitising the following customer services:

- Fleet Management System used for the registration of ships
- Seafarer Documentation including certification arrangements
- EPIRB Registration to allow speedier processing of details
- An enhanced service for the Small Ships Register (SSR)
- The Coastguard voluntary small vessel identification scheme (known as CG66)



# ANNEX



## Financial Summary

Programme	Forecast Outturn 2014-15 £ million	Business Plan 2015-16 £ million
Statutory fee income	(8.2)	(8.0)
Commercial fee income	(1.0)	(1.0)
Other income	(2.4)	(1.0)
<b>Total income</b>	<b>(11.6)</b>	<b>(10.0)</b>
Payroll Staff costs	39.4	41.9
Helicopters	56.1	175.2
ARCC	-	3.2
Navigational Safety	6.5	6.5
ICT	14.5	13.8
SMarT	15.3	15.3
Depreciation	8.1	9.7
Accommodation	9.9	10.0
Other Expenditure	23.9	26.1
<b>Total expenditure</b>	<b>173.7</b>	<b>301.7</b>
<b>Net Operating (cost)</b>	<b>162.1</b>	<b>291.7</b>

# ANNEX



<b>Admin Income &amp; Expenditure</b>	<b>Forecast Outturn 2014-15 £ million</b>	<b>Business Plan 2015-16 £ million</b>
Statutory fee income		
Commercial fee income		
Other income	(0.9)	(0.6)
<b>Total income</b>	<b>(0.9)</b>	<b>(0.6)</b>
Payroll	5.9	6.5
Non Pay	1.7	1.4
Accommodation	0.5	0.5
Audit Fee	0.2	0.2
<b>Total expenditure</b>	<b>8.3</b>	<b>8.7</b>
<b>Net Operating (cost)</b>	<b>7.4</b>	<b>8.1</b>

# ANNEX



	<b>Forecast Outturn 2014-15 £ million</b>	<b>Business Plan 2015-16 £ million</b>
<b>Resource DEL</b>	<b>169.5</b>	<b>299.7</b>
<b>Resource AME</b>	<b>1.0</b>	<b>(1.8)</b>
<b>Total Resource and AME</b>	<b>170.5</b>	<b>297.9</b>
<b>ARCC Capital</b>	<b>0.3</b>	<b>1.0</b>
<b>Capital</b>	<b>10.6</b>	<b>9.1</b>
<b>Total Capital</b>	<b>10.9</b>	<b>10.1</b>
Statement of financial position		
Non-current assets		
Property, plant and equipment	75.2	76.8
Intangible assets	6.8	5.8
Trade and other receivables due after more than one year	3.9	3.9
<b>Total non-current assets</b>	<b>85.9</b>	<b>86.5</b>

# ANNEX



	Forecast Outturn 2014-15 £ million	Business Plan 2015-16 £ million
<b>Current assets</b>		
Trade and other receivables	5.6	5.6
Cash and cash equivalents	0.5	0.5
<b>Total current assets</b>	<b>6.1</b>	<b>6.1</b>
<b>Total assets</b>	<b>92.0</b>	<b>92.6</b>
<b>Current liabilities</b>	<b>(29.9)</b>	<b>(32.0)</b>
<b>Total assets less current liabilities</b>	<b>62.1</b>	<b>60.6</b>
<b>Non-current liabilities</b>	<b>(2.6)</b>	<b>(2.3)</b>
<b>Assets less liabilities</b>	<b>59.5</b>	<b>58.3</b>
<b>Taxpayers' equity</b>		
Public dividend capital		
Loans from the Secretary of State		
Government grants reserve		
General Fund	46.8	46.6
Revaluation reserve	12.7	11.7
<b>Total taxpayers' equity</b>	<b>59.5</b>	<b>58.3</b>

