



Maritime &  
Coastguard  
Agency

# Maritime & Coastguard Agency

## Annual Report and Accounts

2023-2024

HC 297



# Maritime & Coastguard Agency Annual Report and Accounts 2023-2024

For the period 1 April 2023 to 31 March 2024

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# Contents

<b>Annual Report</b>	
Non-Executive Chairman’s Introduction.....	8
Chief Executive’s Foreword .....	9
<b>Performance Report</b> .....	12
Who we are and what we do .....	13
Our achievements in 2023-2024.....	15
Delivering against our 2023-24 Business Plan.....	17
Financial Performance Analysis.....	26
Safer Lives – preventing loss of life .....	27
Safer Ships – improving maritime safety.....	31
Cleaner Seas – protecting the environment.....	36
Our People .....	39
Health and Safety .....	40
Sustainable Development.....	43
<b>Accountability Report</b> .....	52
Corporate Governance Report .....	53
Governance Statement.....	56
<b>Remuneration and Staff Report</b> .....	69
Remuneration policy.....	70
Service Contracts .....	70
Remuneration and pension entitlements of senior management (audited).....	71
Salary .....	72
Benefits in kind .....	72
Bonuses .....	72
Pension Benefits .....	73
Cash Equivalent Transfer Values .....	74
Real increase in CETV .....	74
Civil Service Pensions .....	74
Fair Pay Disclosures (audited).....	76
Pensions .....	77
Expenditure on consultancy and temporary staff .....	78
Off-payroll Engagements.....	78
Staff costs (audited).....	81
Staff numbers (audited) .....	81

Staff composition .....	82
Sickness absence data.....	82
Staff turnover.....	82
Staff policies for disabled persons applied during the financial year .....	83
Business Appointment Rules.....	83
The Trade Union (Facility Time Publication Requirements) Regulations 2017 .....	84
Exit packages (audited) .....	84
Diversity and Inclusion.....	85
<b>Parliamentary accountability disclosures</b> .....	88
<b>Comptroller and Auditor General’s report and certificate</b> .....	91
The Certificate and Report of the Comptroller and Auditor General to the House of Commons.....	92
<b>Financial Statements</b> .....	99
Statement of Comprehensive Net Expenditure .....	100
Statement of Financial Position .....	101
Statement of Cash Flows .....	102
Statement of Changes in Taxpayers’ Equity.....	103
<b>Notes to the Agency’s accounts</b> .....	104
1. Statement of Material Accounting Policies .....	105
2. Operating Expenditure .....	113
3. Income .....	115
4. Operating Segments .....	117
5. Property, Plant and Equipment.....	118
6. Right of Use Assets.....	120
7. Intangible Assets.....	122
8. Inventories .....	123
9. Assets Classified as Held for Sale.....	123
10 Trade Receivables and Other Assets.....	123
11. Cash .....	124
12. Trade Payables and Other Liabilities.....	124
13. Lease Liabilities .....	125
14. Provisions for Liabilities and Charges.....	127
15. Capital Commitments.....	128
16. Other Financial Commitments :.....	129
17. Contingent Assets.....	129
18. Contingent Liabilities.....	129

19. Related Party Transactions.....	130
20. Financial Instruments .....	130
21. Events After the Reporting Period .....	130

## Non-Executive Chairman's Introduction



I am pleased to introduce the Maritime & Coastguard Agency's Annual Report and Accounts for 2023-24. They provide a useful overview of the vital work undertaken by the Agency across its wide-ranging responsibilities, from seafarer safety to oversight of merchant shipping, maritime environmental protection and of course the critical role of HM Coastguard. In doing so, the MCA not only has a UK-wide remit, but also works closely with our Red Ensign Group partners in the UK's Overseas Territories and Crown Dependencies.

The UK improved its position in the latest July 2023 Paris MOU White List, becoming a 'top 10' flag state based on international Port State Control performance.

2023-24 again saw a rise in incidents requiring the services of HM Coastguard, who responded to over 39,000 calls with professionalism and expertise. Reasons for this upward trend are being closely monitored, and they underline the necessity of continuing to support our HM Coastguard staff and volunteers as first-in-class responders.

The Agency rightly takes pride in its people, both for their technical expertise and for their professional commitment. They are central to the MCA's future success, as we face in to sector-wide opportunities and challenges in areas such as decarbonisation and maritime autonomy.

Special thanks are owed to Christopher Rodrigues who served with distinction as MCA Chair from April 2021 until April 2024 - a period which includes the reporting year covered by this Annual Report. Nigel Pusey then kindly agreed to act as interim Chair until my substantive appointment in May 2024. On behalf of my colleagues on the MCA Board, thanks to them and to everyone across the Agency for their hugely important work throughout the past year

A handwritten signature in black ink, appearing to read "Lord Stevens". The signature is written in a cursive, flowing style.

**Lord Stevens of Birmingham, Kt  
Chair, Maritime & Coastguard Agency**



## Chief Executive's Foreword



I am pleased to present the Maritime & Coastguard Agency's Annual Report and Accounts for 2023-24.

I take this opportunity to thank our staff and volunteers for their commitment to delivering maritime safety for the UK through the key objectives and priorities for the year.

Our 3,100 volunteers provided support for maritime and coastal search and rescue, covering 11,000 miles of coastline, UK cities, towns and coastal communities. In the UK we are no more than 70 miles from the sea and, with increasing inland flooding, it is worth noting that our teams also provided essential inland flooding rescue response during the year.

It has been a year where we have had a record number of weather events and storms. The MCA has been involved in supporting maritime safety across the globe and rescue during storms that caused interference with passenger journeys, commercial shipping or indeed inland flooding. I would like to thank our teams and our partner agencies for their work during the most challenging of times. In particular, I would like to thank our HM Coastguard (HMCG) flood response volunteers across the UK for their efforts as a result of Storm Babet. These specialist teams were in high demand this year and protected life as well as local economies.

Protection of life will indeed always be our priority and I can advise that HMCG responded to over 39,000 incidents in year. As I travel across the UK meeting our brave and selfless teams and indeed as I watched the second series of our television programme Coastguard: Search & Rescue SOS, I am always reminded that the MCA through HMCG provides the only national emergency response and increasingly are the key support to coastal communities the length and breadth of the country. Through the television programme we also highlighted the work of our Surveyors and Regulatory Compliance team, bringing home other vital safety messages in relation to safety of shipping and crew.

Numbers for this Agency can help tell stories. We currently have 182 MCA approved doctors based across the globe. In the past year, over 52,000 ENG1 medical examinations were undertaken. We have 1,054 vessels totalling 10.12 million gross tonnes on the flag. We submitted seven papers to the International Maritime Organization (IMO) and completed 3,208 surveys and 2,336 inspections in the UK and worldwide. With over 37 million passengers around the UK and thousands earning their living from the sea it is vital those vessels are safe.

HMCG operated aerial assets out of 10 air bases and planning is underway on two additional seasonal bases to go live in 2026, under the future second generation Search and Rescue (UKSAR2G) contract. HMCG responded to 2,735 incidents with our Helicopter assets and 1,777 incidents using the fixed aircraft and unmanned aerial system assets. We gave expert advice on 98 marine licences for offshore renewables and ensured the completion of the in-year programme for mapping the seabed of the UK and of course the MCA managed the shipping forecast, now 150 years old, which operates on the BBC.

We are conscious at MCA that there are a range of partner agencies involved in those numbers, from RNLI to Trinity House and Northern Lights to RYA and key stakeholders for MCA are ship owners and operators. That is why this year we set up the new Customer Directorate placing seafarers, ship owners and operators at the heart of our decision making. We are thrilled to end the 2023-24 business year with 682 maritime cadets, which is the highest number of cadets since before the pandemic.

We worked with our colleagues in the fishing industry and completed 2,604 fishing vessel inspections. We continue to prioritise the investigation and response to fatalities in this industry driving our target to zero fatalities for the UK.

This year like none before we saw how closely we are connected to events across the globe and we celebrate all that the Red Ensign Group (REG) brings together across sixteen Jurisdictions. Together we hold influence at the IMO and we are focusing technical expertise on future fuels to decarbonise shipping with shared learning in a range of new projects across the world.

With increasing demand MCA has prioritised value to the public purse and efficiencies. To that end we have placed digital innovation at our core through a new programme of work. A key component for efficient working is our data pipeline development so that we can all benefit from one view of the working life of a seafarer, one view of a vessel, a piece of coastline and an incident.

Thank you for all those in industry who have assisted with the publication of the workboat code and engaged on the sport and pleasure boat code. Together we will improve the safety of the maritime sector and build our economy.

Thanks to colleagues in the International Maritime Organization (IMO) and Marine Accident Investigation Branch (MAIB) for their continued efforts and engagement and we must communicate our appreciation to the team in Department for Transport for their response and direction across a range of issues. We are grateful for the work of the Classification Societies and Certifying Authorities for their continued

efforts to ensure that the UK maritime economy is safe and well placed for future growth.

Internationally, we continued to engage with the UK Overseas Territories and Crown Dependencies and shared our world leading counter pollution capabilities. With increasingly busy shipping channels, heightened risk and around 1,000 potentially polluting wrecks this is a key area of operation for MCA.

We said farewell to our Chair, Christopher Rodrigues, with grateful thanks for all his efforts and our best wishes for his next chapter. Our thanks go to Sarah Davies and Nigel Pusey for their continued guidance as non-executives as we prepared for the arrival of our new Chair.

Each week in work I send out good luck for those in our team doing exams and I sign certificates acknowledging long service for both staff and volunteers. The MCA is a family of those who wish to dedicate their working lives, and often significant portions of their private lives, to serve in protection of the public along our coast, our maritime workers and the UK economy. I am proud to serve with you and thank you for all you have achieved this year.

A handwritten signature in black ink, appearing to read 'Virginia McVea'.

Virginia McVea  
Chief Executive

# Performance Report

## Who we are and what we do

The Maritime and Coastguard Agency (MCA) is the body set up by government to ensure safety in maritime. As an Executive Agency of the Department for Transport (DfT), our job is to protect the public and those working at sea, and to provide rescue when necessary.

We aim to deliver safer lives, safer ships and cleaner seas. Our vision is to be a world-leading organisation, accelerating the transition to sustainable shipping with non-negotiable safety standards. We put our people, our customers, and our planet at the heart of everything we do.

We work across the UK as the only national emergency response service.

HM Coastguard is responsible for the initiation and coordination of civil maritime search and rescue within the UK search and rescue region. This includes the mobilisation, organisation and tasking of adequate resources to respond to persons either in distress at sea, or to persons at risk of injury or death on the cliffs or shoreline of the UK. We provide this service 365 days of the year for the entire 11,000 miles of UK coastline and approximately 1 million nautical miles of the UK Search and Rescue Region. We continue to adapt our response to meet evolving challenges such as increased population migration, the growth of the 'dark fleet,' ageing UK flag vessels, growth of the renewable sector and climate change.

We also work to enable the maritime sector to succeed. The UK's reputation for maritime safety has been the backbone of our economy for centuries, and ship owners across the globe are able to rely upon the protection of their employees and cargo. The work of the MCA ensures the quality of the vessels upon which the UK economy relies, with 95% of all imported goods arriving from the sea. We produce maritime legislation and guidance, and enforce standards for ship safety, security, pollution prevention, seafarer certification and qualifications as well as seafarer health, safety, and welfare. This all contributes to unlocking sustainable growth in the UK maritime economy.

The MCA is also responsible for administering the UK Ship Register, supporting those vessels flying the Red Ensign, a flag which is recognised globally for its high standards and commitment to ensuring that all the vessels used around the UK comply with the internationally agreed safety standards. We deliver this through regulation and through survey and inspection of both foreign vessels using our ports and UK flagged vessels undertaking all kinds of operations around the coast of the UK and travelling further. We work to ensure the safety of passenger ferries all around the UK, recognising the importance of lifeline services to remote communities and their impact on connectivity. We also work to ensure safe navigation routes, and then communicate safety messaging

based on our continuing work mapping the seabed and work with the Met Office to keep people in the UK moving safely.

We are exploring new chapters in the world of maritime safety including the use of automation and scientific advances to ensure improved working practices, cleaner seas and decarbonisation of the sector.

Our key priority is always safety; but ensuring that we continue to have a world leading safety record brings many other benefits to the UK. Our work is also not limited to our shores. The UK sits on the key maritime decision-making body at the United Nations' International Maritime Organization (IMO). We work to demonstrate the safety of all UK Overseas Territories and Crown Dependency maritime sectors as part of the UN assessment of the entire UK maritime environment. All must succeed together, under what is known as the IMO Instruments Implementation Code, for the UK to maintain our position with the IMO. This is vital to our reputation in trade and industry globally.

# Our achievements in 2023-2024

## Safer Lives

- HM Coastguard responded to 39,129 incidents, dealing with distress and 999 calls, tasking and coordinating search and rescue assets including lifeboats, helicopters and fixed wing aircraft, coastguard rescue teams, other emergency services as well as ships in the vicinity to be able to assist.
- We successfully implemented a new digital tool that provides additional functionality to support our monitoring and tracking operations in the Channel.
- This year we continued to support the National Water Safety Forum's ambition to halve the number of accidental drownings by 2026.
- We contributed to the Water Incident Database (WAID) data for 2023.
- Key safety messages, such as the 'Call, Tell, Throw', have been delivered and promoted throughout the reporting year.

## Safer Ships

- We have achieved our Port State Control target, inspecting a total of 1,174 ships against a target of 1,117.
- The UK were ranked inside the top ten in the high performing flag state list known as the 'White List' which was published on 1 July 2023.
- We successfully improved accessibility for our seafarer customers to book examinations, ensuring they could access a slot.
- Our network of MCA approved doctors conducted 52,538 ENG1<sup>1</sup> medical examinations to check that seafarers were fit to work at sea, including 1,539 fishers. This is an increase of 4,730 on last year's figure.
- 39,787 seafarers currently hold UK Certificates of Competency or Certificates of Equivalent Competency. In 2023-24 we issued 4,611 Notices of Eligibility and 8,225 Certificates of Competency and Certificates of Equivalent Competency/Flag State Endorsements.
- We issued 614 Boat Masters' Licences for commercial operations on inland waterways.
- We undertook 3,208 surveys and 2,336 inspections of UK ships.
- All recovered wreck material must be reported to the Receiver of Wreck. Last reporting year we received 211 reports of wreck material. The Receiver of Wreck also dealt with 108 reports of stranded dolphins, porpoises, whales and sturgeon under the Prerogative for Royal Fishes.

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<sup>1</sup> An ENG1 certificate is a medical examination required by the MCA to assess whether individuals are fit to work on a seagoing vessel and perform duties at sea.

- There were 54 new ship registrations (>100 Gross Tonnes) totalling 521k Gross Tonnes. The total tonnage on the UK Ship Register stood at 10.12million Gross Tonnes with 1,054 vessels.

## Cleaner seas

- We investigated over 534 shipping casualty incidents and 425 pollution reports.
- Alongside the Offshore Petroleum Regulator for Environment and Decommissioning we considered over 260 Petroleum Operational Notice reports, taking action where necessary.

## Our People

- Over 960 people from across the MCA responded to the People Survey, which improved our engagement index from 65% to 66%.

## Corporate Commitments

- We responded to all Parliamentary Questions by the due date.



# Delivering against our 2023-24 Business Plan

## Performance Overview

The MCA is comprised of eight directorates: His Majesty’s Coastguard (HMCoastguard), Maritime Business Development, Programme Delivery, UK Maritime Services, Office of the Chairman & Chief Executive, Information Technology, People, Safety & Communications, and Finance, Compliance & Estates. These directorates have been working against a holistic set of Key Performance Indicators (KPIs).

Towards the end of the 2023-24 reporting year, there was a change to the directorates which saw Programme Delivery merge into HM Coastguard directorate and UK Maritime Services split into Customer Services and Technical Services.

The KPIs, as written in the 2023-24 Business Plan, are grouped in six areas: safer lives; safer ships; cleaner seas; contribute to unlocking sustainable growth in the UK maritime economy; our people; and our corporate commitments. A full breakdown of performance against these KPIs is detailed in the performance analysis below.

## Performance Analysis

Performance against the targets is set out below:

### Safer Lives

<p>We will provide a 24/7 search and rescue response for all 11,000 miles of the UK coastline and across the UK Search and Rescue Region</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>During the 2023-24 reporting year, HM Coastguard (HMCG) responded to 39,129 incidents.</p>
<p>We will ensure that the response to all Maritime and Aeronautical incidents in the distress phase is reviewed by an operational supervisor within 30 minutes of the distress phase being declared by HM Coastguard in 95% of all cases.</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>We reviewed 99.10% of Maritime and Aeronautical incidents in the distress phase within 30 minutes.</p> <p>Data was not available in the last reporting year</p>
<p>We will ensure that each Search and Rescue Helicopter base provides a 24/7 service throughout the year, with at least 98% availability for tasking.</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>Overall service availability for our Search and Rescue (SAR) Helicopter bases was 98% for the reporting year.</p> <p>Last reporting year our SAR helicopters were available 99.66% of the time.</p>

<p>We will ensure that surveillance aircraft with the capability of reaching any part of the UK Exclusive Economic Zone are provided 24/7 throughout the year, with at least 98% availability for tasking</p>	<p>31 March 2024</p>	<p><b>This KPI has not been met.</b></p> <p>Overall availability for the year for our surveillance aircraft was 96.02%. This was due to a mixture of technical faults with the aircraft.</p> <p>Last reporting year our surveillance aircraft were available for 96.29% of the time against a 95% metric</p>
<p>We will explore new tracking technology to support our operations in the Channel, aiming to deliver a new tool by December 2023</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>The IT system capability is live and satellite tracker capabilities remain integrated into the Coastguard system to provide additional functionality to support Channel Operations.</p>
<p>We will continue to deliver the upgrade of the HM Coastguard Radio Network through the Radio Network Renewal Programme, moving 96% of radio sites to the new network</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>The programme is on track to rollout of all sites by July 2024 with 154 sites completed to date, 12 remain.</p>
<p>We will complete 50% of our planned 18 new data pipelines, enabling us to analyse and use data more effectively, and prioritise developing a data analytics proposal for forecasting operational need</p>	<p>31 March 2024</p>	<p><b>This KPI has not been met.</b></p> <p>Of the 18 identified data pipelines only 8 of the 9 planned pipelines went live to users during the reporting year.</p> <p>There were some issues in accessing the Consolidated European Reporting System (CERS) data which hampered the development of the data pipeline. The issue is now resolved and pipeline will be complete in 2024-25,.</p>
<p>We will assess our compliance with operational procedures and protocols and the effectiveness of outcomes, by reviewing a minimum of 10% of incidents to which the national network has responded</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>We reviewed 13% of incidents to which the national network had responded.</p> <p>Last reporting year we reviewed 13%</p>

<p>We will undertake operational reviews on all HM Coastguard coordinated incidents that result in a fatality</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>Reviews of all accidental fatal incidents have been undertaken, identified learning was shared with the HM Coastguard operational learning board.</p>
<p>We will conduct at least fifteen joint exercises with the other UK emergency services</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>A total of 19 exercises were completed during the reporting year.</p>
<p>We will develop a virtual “Respect the Water” HMCG coastal community safety programme, in conjunction with the RNLI Water Safety Team, to be delivered by volunteers, educators and other community safety partners</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>Water Safety Key Messages presentation is being used by Coastguard Rescue Service teams (CRS) when engaging with members of the public, teachers and students.</p>
<p>We will support the National Water Safety Forum’s ambition to halve the number of accidental drownings by 2026 by sponsoring three key media moments</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>Three key media moments were delivered during the reporting year.</p> <ul style="list-style-type: none"> <li>• Promotion of the Water Incident Database (WAID) data for 2023 including messages about how to stay safe around water.</li> <li>• Media activity around World Drowning Prevention Day including case studies and radio/tv interviews.</li> <li>• During the August Bank Holiday weekend, 28 radio interviews were delivered and three interviews sharing key safety messages.</li> </ul>

## Safer Ships

<p>To ensure the safety of travel by sea for the UK general public, we will inspect 230 domestic passenger ships and 1,250 fishing vessels</p>	<p>31 March 2024</p>	<p><b>This KPI has not been met.</b></p> <p>We carried out 118 domestic passenger vessel inspections and 2,604 fishing vessel inspections.</p> <p>Last reporting year we undertook 67 domestic passenger vessel inspections and 1,370 fishing vessel inspections.</p>
<p>To meet our international obligations for Port State Control, by December 2023</p>	<p>31 December</p>	<p><b>This KPI has been met.</b></p> <p>We achieved the Port State Control KPI inspecting a</p>

<p>inspect 1,117 ships overall, at least 95% of all Priority I high risk ship arrivals, 90% of all Priority I non-high risk ship arrivals calling at UK ports</p>	<p>2023</p>	<p>total of 1,174 ships against a target of 1,117.</p> <p>Last reporting year we inspected a total of 1,536 ships against a target of 1,215.</p>
<p>Conduct 30 inspections of ports, ferries and cruise ships to ensure compliance with passenger rights conventions.</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>We undertook 30 inspections; 20 vessel inspections and 10 port inspections to ensure compliance.</p> <p>Last reporting year we undertook 10 domestic passenger rights inspections, against a target of 10 inspections</p>
<p>We will complete development of a new capability to analyse survey and inspection data to support safer ships</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>A new data set has been established within our existing database to enable analysis of survey and inspection data.</p>
<p>We will provide a new digital service for seafarers to access online services</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>The development phase for our new digital service for seafarers was almost complete at year end and will be delivered during 2024-25.</p>
<p>We will demonstrate influence at the IMO by securing UK objectives in key areas of international regulation such as maritime safety and future technologies</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>The IMO 80th session of Marine Environment Protection Committee (MEPC 80) convened on 3rd July. The IMO has adopted more ambitious climate targets to reach net-zero emissions by or around 2050, while also agreeing to indicative checkpoints of Greenhouse Gas (GHG) emission reductions by at least 20%, striving for 30% by 2030 as well as at least 70% by 2040, striving for 80%, with all targets from a 2008 baseline.</p> <p>IMO member states have also agreed to develop a global marine fuel standard as a technical measure regulating the phased reduction of the marine fuel's GHG intensity.</p> <p>These measures will be finalised and agreed by the Marine Environment Protection Committee by 2025 and the measures will enter into force 16 months after the adoption, according to the agreement.</p> <p>The UK has been re-elected to the IMO Council as a Category A Council member for the 2024-2025 biennium.</p>

<p>We will continue to encourage positive behaviours with the UK Overseas Territories and Crown Dependencies in the Red Ensign Group, with MCA guidance regularly followed by partners</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>III Code and Red Ensign Group monitoring programme for year was completed. Final submission to IMO of the UK/Red Ensign Group III Code Findings close-out was drafted for agreement with IMO Member State Audit Department. Red Ensign Group Technical Forum was delivered, and the next financial year work programme agreed.</p>
<p>We will improve the UK's position on the Paris Memorandum of Understanding's performance list, moving from 19<sup>th</sup> into the top ten.</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>The White List was published on 1 July 2023 and confirmed that the UK is ranked number 10.</p>
<p>We will establish new customer satisfaction measures in order to improve the experience of our customers.</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>A new customer satisfaction tool is now in place, and we are monitoring satisfaction against agreed customer service KPIs.</p>
<p>We will improve accessibility for seafarers to book examinations to ensure first time access to a slot</p>	<p>31 December 2023</p>	<p><b>This KPI has been met.</b></p> <p>The examination system went live in May 2023 and was available for seafarer Notice of Eligibility examination resits from 1 June 2023.</p>
<p>We will continue to deliver against our objectives under Maritime 2050, as reported to the Maritime Council</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>We delivered against key Maritime 2050 objectives such as the Cadet Training &amp; Modernisation and provided regular Ministerial and Governmental updates.</p>
<p>We will complete review of regulation capability for new technologies and Maritime Autonomous Surface Ships</p>	<p>31 December 2023</p>	<p><b>This KPI has not been met.</b></p> <p>Work is ongoing to refine and review the regulation capability. Further discussion has been scheduled for the next reporting year.</p>
<p>We will deliver a new communications initiative with fishers to promote participation in medical certification, so that by December 2023 60% of all vessels under 15m have medical certification in place</p>	<p>31 December 2023</p>	<p><b>This KPI has not been met.</b></p> <p>This requirement was superseded and no longer required.</p>

We will communicate biannually to the public and industry the outcomes of our compliance, investigation, and prosecution work

31 March  
2024

**This KPI has been met.**

At the conclusion of each prosecution any convictions are published on the gov.uk website, there were four instances.

## Cleaner Seas

We will ensure that Counter Pollution and Salvage Officers continue to engage in incident response within 10 minutes of activation in at least 95% if cases

31 March  
2024

**This KPI has been met.**

Our Counter Pollution and Salvage Offices engaged in incidents within 10 minutes 99% of the time  
Last reporting year we engaged in incident response within 10 minutes 99% of the time

We will ensure that Counter Pollution and Salvage staff meet all training and competency requirements to lead or participate in a deployment using every piece of MCA equipment

31 March  
2024

**This KPI has been met.**

Counter Pollution staff underwent continuous development and participated in training and exercises throughout the reporting year

We will maintain equipment in a state of operational readiness, with at least 75% able to be immediately deployed.

31 March  
2024

**This KPI has been met.**

100% achieved throughout the year.

We will continue to support UK Overseas Territories (OT) and Crown Dependencies (CD) to develop their counter pollution capabilities

31 March  
2024

**This KPI has been met.**

Scheduled support programme of Overseas Territories counter pollution equipment supplies and training concluded with IMO Levels 1-3 training for Ascension Island following supply of shoreline pollution equipment, pollution response workshop in Cayman Islands, completion of Port Waste Reception Facilities scoping studies in Anguilla, British Virgin Islands,, Montserrat and Turks and Caicos Islands.

## Contribute to unlocking sustainable growth in the UK maritime economy

<p>We will promote a responsive and competitive maritime offer, including by launching a new UK Shipping Concierge website by September 2023</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>The new UK Shipping Concierge website launched on 19 June 2023.</p>
<p>We will set a concrete target for growing the UK Ship Register which will be sustainable, feasible and focused upon delivering wider objectives such as a cleaner global fleet</p>	<p>31 March 2024</p>	<p><b>This KPI has not been met.</b></p> <p>This KPI was incomplete due to a staffing transformation programme.</p>
<p>We will deliver our commitments to improving the UK's competitive advantage as defined in Maritime 2050</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>We have delivered our commitments, which were in our control, as outlined in Maritime 2050.</p>
<p>We will identify opportunities to secure economic benefits to the UK economy from innovative technological solutions associated with maritime decarbonisation, including establishing a new Maritime Decarbonisation Centre of Excellence</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>We have established the Regulatory Innovation team, that acts as our 'Centre of Excellence' to amplify technical expertise across the MCA and horizon scanning for technological and regulatory development supporting decarbonisation, digitisation and autonomy and securing the economic benefit of shipping to the UK</p>
<p>We will define and deliver the DfT business case for a cross government programme – the Great British Maritime Economy Programme – to support the delivery of Maritime 2050</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>The business case has been submitted to DfT Director General.</p>

## Our People

<p>We will improve our staff survey engagement score from 65% and share our Executive response to findings with the whole organisation</p>	<p>31 March 2024</p>	<p><b>This KPI has been partially met.</b></p> <p>968 people from across the MCA responded to the People Survey, the engagement score was 66%.</p> <p>An Executive response has not been shared with the organisation.</p>
<p>As part of our inclusion activities, we will work with our staff networks to increase membership and awareness within the MCA</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>The Staff Networks are represented at all MCA</p>

<p>and increase impact by creating a direct link to the Executive Team and by providing additional funding to all networks</p>		<p>Induction Events, creating awareness for all New Starters of the work of the Networks. Budgets are set aside for the Networks.</p> <p>Networks have seen an increase in membership of 26% in the reporting year. The Chief Executive chairs meetings of the United Networks. This provides the Networks with direct engagement opportunities with the Executive Team via the Chief Executive.</p> <p>A People Group has been formed of senior leaders across the MCA. Meetings are now taking place, and the People Group will lead on key issues from April 2024 onwards.</p>
<p>We will support the data apprenticeship programme through the whole of the MCA.</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>The MCA onboarded 19 new Data Apprentices in the last financial year, ending the year with 45 Data Apprentices.</p>
<p>We will run talent development programmes for staff identified with the potential at every grade. We will deliver a comprehensive training and coaching package for the organisation across the year.</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>We have talent development programmes available for each grade in the MCA tailored to specific needs. Additionally, we utilise development opportunities available through the Civil Service Learning platform.</p> <p>We have a network of qualified internal executive coaches and use external coaches subject to need. In 2023, 57 individuals received formal coaching, 617 places were attended on Manager learning/training events and over 300 people attended various other management development offers.</p>

**Corporate Commitments**

<p>95% of Parliamentary Questions will have a draft response by the due date</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>65/65 - 100%</p> <p>Last reporting year our response was 100% (48 of 48)</p>
<p>95% of Ministerial Correspondence will have a draft response by the due date</p>	<p>31 March 2024</p>	<p><b>This KPI has not been met.</b></p> <p>97/125 – 77.6%</p>



		<p>Last reporting year we responded to 100% (74 of 74)</p> <p>Enhanced clearance processes affected the time taken to return completed responses to the DfT. These processes have now been relaxed enabling more timely responses.</p>
<p>At least 80% of Official Correspondence will have a draft response within 20 working days</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>36/42 – 85.71%</p> <p>Last reporting year we responded to 92% (25 of 27)</p>
<p>At least 90% of Freedom of Information requests will be responded to within 20 working days</p>	<p>31 March 2024</p>	<p><b>This KPI has not been met.</b></p> <p>207/240 - 86.25%</p> <p>Last reporting year we responded to 81.93% (195 of 238)</p> <p>The number of complex requests and resource challenges affected completion of responses in some areas. Additional support and assistance has been provided to aid returning completion rates to the target level.</p>
<p>We will pay at least 80% of all invoices within 5 working days</p>	<p>31 March 2024</p>	<p><b>This KPI has been met.</b></p> <p>We have paid 91.54% of invoices within 5 working days.</p> <p>Last reporting year 88.07% of invoices were paid within 5 working days</p>

# Financial Performance Analysis

The MCA is funded through Parliamentary Supply voted to the Department for Transport and the Agency remained within the budgets allocated.

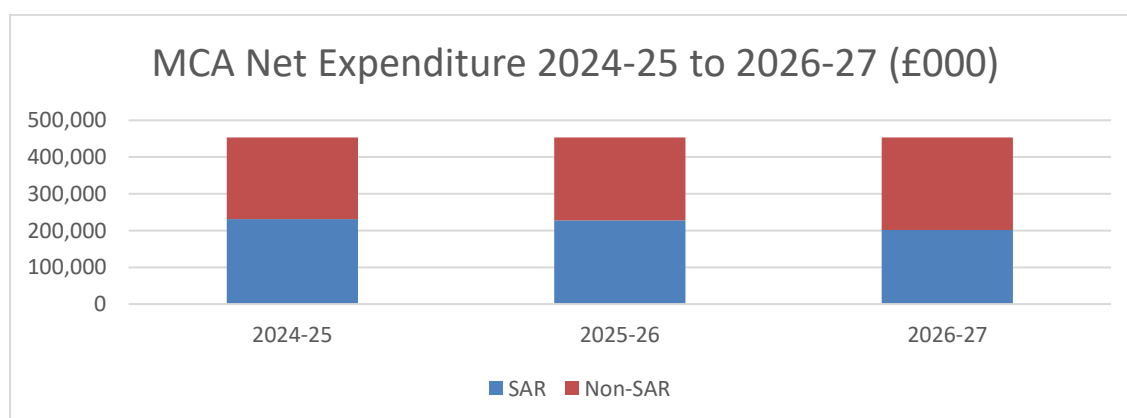
At the end of 2023–24 the Agency had total net assets of £81.7million, comprising total assets of £255.0million and total liabilities of £173.3million. Our non-current assets include property, plant and equipment and intangible assets of £129.0 million, as well as right of use assets of £95.2million primarily made up of Search and Rescue helicopters of £66.7million.

In year our capital expenditure was £32.6million (2022–2023 £32.6million) which includes the requirements under IFRS16 incorporating costs for new leases agreed in year of £13.2million. The remaining expenditure was primarily in relation to MCA's Radio Network Infrastructure Replacement programme with spend in year of £12.9million.

Total operating expenditure has risen by £3.2million to £438.4million (2022–23: £435.2million). Expenditure breakdown is included in Accounts Note 2. Total income has increased by £1.9million to £19.6million (2022-23: £17.7million) primarily due to higher revenue from statutory services. Income breakdown is included in Accounts Note 3.

## MCA Long Term Expenditure Trends

MCA net expenditure includes services under both the current UK SAR Helicopter (SAR-H) contract and the future second-generation Search and Rescue (SAR2G) contract due to commence from 2024-25. The phased transition between the two contracts results in a small change in profile of expenditure. Expected expenditure trends in the graph below include leasing cost profiles altered by IFRS 16 and the contract for the Radio Network Infrastructure Replacement programme. The Agency's overall delegated budget post 2024-25 will be subject to future fiscal events and will be agreed through the Department for Transport's Supply Estimates..



# Safer Lives – preventing loss of life

## Search and Rescue coordination

We provide 24-hour emergency response search and rescue coordination service for the UK Search and Rescue Region. During the reporting year HM Coastguard national network responded to 39,129 incidents, dealing with distress and emergency 999 calls, coordinating and tasking search and rescue partners including lifeboats, helicopters, fixed wing aircraft, coastguard rescue teams, other emergency services as well as ships in the vicinity able to assist. The number of incidents during 2023-24 increased from 36,504 in 2022-23 and 36,330 in 2021-22.

## Coastguard Rescue Service

Our Coastguard Rescue Service comprises over 3,500 Volunteers in 287 teams in local communities throughout the UK. They give their time to respond to emergencies and spread safety messages in their local communities, or more widely when required. They practice, train, and exercise a range of specialist skills to carry out search, water, mud and cliff rescue. The volunteers are led by over 100 employed operational staff distributed throughout the UK.

As a category one responder, in the UK's Civil Contingencies Act, we remain committed to supporting the UK Coastal Resilience Forums and Partnerships, which plan, prepare for, respond to, and recover from local, regional and or significant national incidents and major emergencies.

## Coastal and water safety

HM Coastguard continues to participate in the National Water Safety Forum (NWSF), Water Safety Wales, Water Safety Scotland and in the setup of Water Safety Northern Ireland.

The MCA broadcasts key safety insights and campaigns across social media channels, such as the 'Coast Clever' campaign which is designed to educate the public on some of the key risks around our coasts.

Locally our Coastguard Rescue Teams contribute to community safety by participating in events and delivering safety focused presentations around the UK.

## Implementation of international maritime standards

Under the IMO Instrument Implementation Code (III Code) mandatory audit scheme for Member States, the Agency has a role to play in oversight and governance of all ships and territories flying the Red Ensign on behalf of the UK Government. Following the III Code audit of the UK and Red Ensign Group (REG, the collective name for the maritime administrations of the UK, Overseas Territories and Crown Dependencies) in October 2021, we are completing the audits of the remaining Category 2 REG states as tasked by the IMO. Our quality objectives as flag, port and coastal States are being enhanced to better promote sustained compliance with

international conventions going forward.

Through the Government's Conflict Stability and Security Fund Programme, we continue to provide additional support to the Overseas Territories (OT) to strengthen their capabilities and reduce the risk and impact of maritime incidents in the OTs. The OT support programmes additionally aid the mitigation of the risk of the UK Government's contingent liability in the event of a maritime incident in an OT. We are progressing legislation with the Attorney Generals and Maritime Administrations and finalising a unified standard and delivering a training package for surveyors of small craft. Funding for port waste reception facilities scoping studies, pollution response equipment, navigational risk assessments and training for front line search and rescue and pollution responders further increases capacity within the Territories.

Building on the foundations of III Code compliance, we are also providing technical and project management support to decarbonisation projects in the OTs developing alternative propulsion systems for OT flagged vessels.

### UK Second Generation Search and Rescue Aviation Programme (UKSAR2G)

The UKSAR2G programme brings together its search and rescue and surveillance aviation services under a single contract to deliver a service which will meet the needs of the UK for the next 10 years. The UKSAR2G programme will build on the success of the previous contracts, making use of operational data and experience, to deliver a modern service using helicopters, fixed wing aircraft and drones operating out of 12 bases, including two new seasonal bases operating during the busier summer months to ensure the safety of lives at sea, enforce environmental protection and provide coastal emergency response.

The contract was awarded to Bristow Helicopters Ltd in July 2022 and will be phased in from October 2024.

### Radio Network Infrastructure Replacement Programme (RNIR)

The RNIR programme ensures the continued capability of HM Coastguard to communicate with people in distress at sea or on land and to coordinate search and rescue by replacing the aging copper cable (Kilostream) infrastructure connecting c165 remote radio sites to HM Coastguard control rooms with modern fibre cabling following resilient, diverse routing.

The construction and commissioning of digital remote radio sites and network cabling continued through 2023-24 with various contractors working together to connect remote areas of the UK and to date has installed over 700km of fibre cabling around the UK coast including at some of the most remote locations in the British Isles. To date 93% of radio sites have now moved onto the new network and the Programme is on track to be completed by the end of September 2024.

## Our public and media presence

We have launched safety campaigns, delivered frequent, informative and impactful social media activity, featured in the media and worked with partner organisations to deliver important safety messages to the public.

Our social media profile has continued to grow over the past year with audiences on Facebook, MCA and HMCG 'X,' LinkedIn and Instagram climbing to:

- 102,000 on Facebook
- 58,300 and 13,500 on MCA and HMCG 'X'
- 68,000 on LinkedIn
- 15,200 on Instagram

From 1 April 2023 until 31st March 2024, we achieved over 8.4 million impressions on Facebook with over 380k interactions and an engagement rate of 5.7%.

Summer 2023 saw the first series of our Channel 5 documentary series 'Coastguard: Search and Rescue SOS' broadcast to critical acclaim and high audience figures. A six-part behind-the-scenes look at the lifesaving work carried out across the Maritime and Coastguard Agency, featuring rescues from HM Coastguard, compelling investigations and the vital work of marine surveyors. As a result of the success of the first series, Channel 5 commissioned a second series – filming ran from August 2023 to February 2024, for broadcast in April and May 2024.

HM Coastguard's Coast Clever campaign ran through July and part of August 2023. It aimed to help prevent tidal cut offs and warn people about the dangers of mud and cliffs. The campaign was fronted by ex-professional footballer and social media influencer Adebayo Akinfenwa with the aim to get people who live near and/or visit the coast to recognise that complacency around cliffs, tide and mud is dangerous and to enjoy with caution. Our research following the summer burst of activity indicated that, where the campaign ran, 3% more men would call 999 and ask for the Coastguard if they saw someone in difficulty on cliffs, 3% more men would take a charged phone, 6% more men would wear appropriate clothing and shoes and 4% more men would call 999 if they got stuck in mud. A short campaign burst using the same content was run again at the end of March in the lead up to Easter.

The RNLI's Float to Live message continues to be an important message that HM Coastguard supports and has been proven to save lives. In 2023, we worked in collaboration with the RNLI to identify that Merseyside was a key area where concentrating a paid media focus for Float to Live could have a high impact. A focused paid media campaign in August had a reach of around 1 million with over 375k 100% views of the Float to Live short film on YouTube.

We supported the National Water Safety Forum to deliver media moments including one on World Drowning Prevention Day, where representatives of the forum, including HM Coastguard gave media interviews across the country.

Other notable activity included:

- The MCA press office handled over 3,000 media enquiries, the busiest months were August, October and June.
- Participation at key industry events including London International Shipping Week, Airshows, Seawork and Southampton International Boat Show.
- UK Shipping Concierge website was built and launched in June 2023.
- Continued support of the Home and Dry campaign providing safety information and guidance for commercial fishers.

# Safer Ships – improving maritime safety

The UK relies on shipping for about 95% of our imports and exports<sup>2</sup>. A safe environment for ships and professional seafarers supports growth by facilitating trade and a vibrant maritime sector.

## Safety of lives at sea

The Agency continued development of regulatory and non-regulatory measures to help improve maritime safety and seafarer health and wellbeing.

The MCA undertook extensive stakeholder engagement on an updated Code of Safe Working Practices for Merchant Seafarers. With support from industry there has been a major redrafting and reformatting of The Code to improve useability for seafarers. The updated Code will be published in 2024-25.

In the 2023 calendar year our network of MCA approved doctors conducted 52,538 ENG1 medical examinations to check that seafarers were fit to work at sea, including 1,539 fishers. This is now back to pre-pandemic levels, with an increase of 4,730 on last year's figure. Our online medical system is now fully operational with all MCA approved doctors using the system for all ENG1 medical examinations. This system delivers improved services for doctors and seafarers with much better control and access to ENG1 medical certificate statistical data, as well as medical history continuity for approved doctors.

Members from the Seafarer Safety and Health team visited 36 ports, including Northern Ireland, South West, South coast, North East and Scotland meeting fishers to discuss medical certification requirements under the Merchant Shipping (Work in Fishing Convention) (Medical Certification) Regulations 2018.

## Setting standards

By setting standards and producing guidance, we create a level playing field for the UK maritime sector and influence ships operating in UK waters and seafarers on UK ships to follow best practice. We work in partnership with colleagues across Government and key stakeholders to negotiate international maritime policies, regulations and technical standards, principally at the IMO and the International Labour Organization (ILO).

The following Regulations and Orders were introduced during the year:

- The Merchant Shipping (Seamen's Documents) (Amendment) Regulations 2023
- The Merchant Shipping (Fire Protection) Regulations 2023
- The Merchant Shipping (Counting and Registration of Persons on Board Passenger Ships) (Amendment) Regulations 2023

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<sup>6</sup> UK Port Freight Statistics 2020 (DfT)

- The Merchant Shipping (Inspections of Ro-Ro Passenger Ships and High-Speed Passenger Craft) Regulations 2023
- The Merchant Shipping (Small Workboats and Pilot Boats) Regulations 2023

We also published the following Codes of Practice:

- The safety of small Workboats and Pilot Boats - a Code of Practice

## Monitoring and enforcing standards

By monitoring compliance with UK policies, regulations, technical standards and international requirements, we provide an assurance of safety, protection of the environment and the health and welfare of seafarers.

We undertook 3,208 surveys and 2,336 inspections of UK ships and carried out 1,174 Port State Control inspections. We carried out 29 inspections of roll-on roll-off passenger ferries and passenger high speed craft operating between the UK and Europe and found 122 deficiencies requiring corrective action. We completed 1,029 inspections for compliance with the International Marine Pollution Convention's Air Pollution requirements and four samples were analysed using the newly procured portable fuel testing equipment.

We authorise six Classification Societies as Recognised Organisations, all six are members of the International Association of Classification Societies, to carry out a proportion of our statutory survey work on our behalf. For smaller vessels that operate under Codes of Practice, we have authorised ten Certifying Authorities to survey and issue certificates on our behalf. We undertake risk-based audits of their offices, processes and surveyors.

When necessary, we take appropriate and proportionate action. In 2023-24, 414 incidents were reported to our Regulatory, Compliance and Investigations team. This resulted in 81 investigations and five prosecutions. Other enforcement sanctions are also used.

## UK Ship Register & The Red Ensign Group

The MCA continues to support vessels registered on the UK Flag.

During 2023-24, there were 54 new merchant ship registrations of vessels over 100 Gross Tonnes (GT), totaling 521k GT. In 2023-24 the total tonnage on the UK Ship Register decreased by 3.19% (March 2023 to March 2024). At the end of March 2024, the UK Flag stood at 10.12 million GT with 1,054 vessels over 100 GT. The UK Flag stood at 22<sup>nd</sup> largest in the world by tonnage and is the 9<sup>th</sup> largest in Europe (according to Clarkson's reporting). In addition to commercial vessels over 100GT, the UK Ship Register also supports 4,855 fishing vessels and 36,260 small vessels.

Throughout the year, we have focused on improving customer experience through continuing to enhance our online presence. The Registry of Shipping and Seamen is operating well, exceeding published service level agreements. In addition, to support our commitment to digital service improvements, the MCA has embarked on the



delivery of a major digital programme. The first phase currently being developed is a new Seafarer Database which will enable increased self-service opportunities in the future and which provides a stable platform for future development.

The UK was ranked 10<sup>th</sup> in the list of top performing Flag States in the Paris Memorandum of Understanding on Port State Control. We are on the 'White List' of the Tokyo Memorandum of Understanding list of Quality Flag States. The UK also retained United States Coast Guard's Qualship 21 award for our commitment to quality and safety.

At the end of 2023 the British shipping registers of the Red Ensign Group, made up of the UK, nine Overseas Territories and three Crown Dependencies, each of which operate their own British ship register, amounted to 38.2 million Gross Tonnes. Any vessel on these registers is a British ship. Taking account of all the territories able to fly the Red Ensign, British shipping is the 9<sup>th</sup> largest international fleet. We work collaboratively to ensure all ships flying the Red Ensign are maintained and operated to the highest standards and IMO Instruments Implementation Code and Red Ensign Group monitoring audits check that maritime standards are maintained against our collective flag, port and coastal State obligations. In 2023-24, we undertook audits of the Administrations of Bermuda, the Isle of Man and Montserrat.

The UK Ship Register online reach has grown slightly with a 1.13% increase in website users compared to last reporting year. A new website build started in January 2023, and is due to be delivered in 2024. The new website will serve as a valuable tool for ship owners, managers and seafarers. The website will provide easy access to key information and empower customers to interact more effectively with our services. It features a modern, on-brand design, enriched content, and enhanced navigation.

## Seafarers

We support UK seafarers by setting training and certification policy and standards, carrying out college course approvals and undertaking examination moderation. We also provide examination and certification services for seafarers of all ranks.

We continue to promote high standards of marine safety and marine environmental protection through delivery of policy, legislation and associated guidance within the areas of Seafarer Training and Certification. We deal with skills and qualifications of all seafarers pursuing a UK seafaring qualification and those working on UK vessels (including Merchant Navy, Fishing Fleets, Inland Waterways, Large Yachts, Tugs and Workboats).

39,787 seafarers currently hold UK Certificates of Competency or Certificates of Equivalent Competency. In 2023-24 we issued 4,611 Notices of Eligibility and 8,225 Certificates of Competency and Certificates of Equivalent Competency/Flag State Endorsements. During the same period, we also issued 614 Boatmasters' Licences.

A Transformation Programme has been in progress throughout the year to modernise the Seafarer Operations ways of working and organisation. The aim has

been to focus on improving the speed of response and create a platform for digital improvements in 2023-24 starting with the development of a new Seafarer Database System which will launch in 2024-25. The new system modernises the previous aged database and is the first of many system updates which will feed into the Maritime Digital Platform providing efficiency, future-proofing and enhanced service to our customers.

We have taken the lead in modernising seafarer training through the Cadet Training & Modernisation project by collaborating with stakeholders. The syllabus and assessment review for seafarer qualification courses is now complete. The next step is to review the tasks in the Training Record Book.

## Safety of Navigation

To meet the UK international obligations under Chapter IV and Chapter V of the Safety of Life at Sea (SOLAS) Convention 1974 and Convention on the International Regulations for Preventing Collisions at Sea 1972, we:

Implement SOLAS Chapter IV and V ship obligations in UK regulation;

- Fund, manage and deliver the UK Civil Hydrography Programme (CHP), working in partnership with the UK Hydrographic Office, and ensure that UK home waters are adequately surveyed for the safe update of navigational charts and publications;
- Fund, manage and deliver the UK Marine Weather Service (MWS), in collaboration with the Met Office and the BBC, ensuring that suite of shipping forecasts and warnings and Maritime Safety Information (MSI) are communicated to sea-users;
- Maintain close liaison and contacts with the DfT, and the UK and Ireland General Lighthouse Authorities (GLA) to ensure delivery of a modern, reliable and economic Aid to Navigation (AtoN) service to assist the safety of all classes of mariners in general navigation;
- Engage with the development and maintenance of around 150 international navigation and radio equipment standards, as well as provide policy and guidance for the carriage and use of navigational and radio equipment on board ships;
- Implement and monitor traffic routing and reporting measures to assist safe navigation and improve the provision of navigation and weather-related advice information to the mariner by means of MSI and appropriate E-navigation implementation;
- Co-ordinate the UK's Long-Range Identification and Tracking Data Centre.

In addition to meeting the UK SOLAS obligations we provide advice to other Government organisations on marine licensing, planning, marine protected areas, offshore renewable energy installations, autonomous shipping, maritime cyber

security and matters affecting maritime radio spectrum. We are also advising and developing guidance to those in the space industry where their activities impact shipping.

We maintain the Consolidated European Reporting System that manages the flow of reporting data from vessels arriving in the UK, transmitting it to the European THETIS system to inform our ship inspection regime. Information is also supplied to other government departments such as Border Force and the National Maritime Information Centre.

Eleven Port Marine Safety Code (PMSC) health-checks were conducted, and we worked with other government departments and industry to improve the application of the Code and its Guide to Good Practice. We recognise and approve Vessel Traffic Services (VTS) in the UK, monitor compliance with international standards and implement the guidance from the International Association of Lighthouse Authorities (IALA) VTS committee.

We receive over 1,000 applications for new UK radio transmitters annually. Each is reviewed to avoid harmful impact to maritime radiocommunications and safety. We engage with international forums on issues including electronic chart implementation, Global Maritime Distress and Safety System modernisation, international provision, use and protection of maritime radio spectrum, bridge navigation and radiocommunications product performance and test standards. We support other MCA policy areas in maritime radio matters and set requirements for radio installations on large fishing vessels and domestic cargo ships.

## Cleaner Seas – protecting the environment

The UK is a signatory to international conventions that place duties on contracting parties to protect the marine environment, including:

- The United Nations Convention on the Law of the Sea (UNCLOS);
- The International Convention for the Prevention of Pollution from Ships (MARPOL);
- International Convention on Oil Pollution Preparedness, Response and Co-operation;
- International Convention Relating to Intervention on The High Seas in Cases of Oil Pollution Casualties (The Intervention Convention),
- The Convention on The Prevention of Marine Pollution by Dumping of Wastes and Other Matter (the London Convention) and,
- The Nairobi International Convention on the Removal of Wrecks (the Wreck Convention).

The UK has one of the longest coastlines in Europe and the UK Exclusive Economic Zone encompasses a sea area of some 773,000 square kilometres with offshore oil and gas infrastructure and some of the world's busiest shipping lanes. Whilst oil pollution may be seen as a major source of environmental damage, vessels transporting other hazardous and noxious substances also present a pollution risk. The scale of actual marine pollution continues to fall, however, the risks of marine pollution remain and are proactively managed.

### Counter Pollution

As part of HM Coastguard, our Counter Pollution and Salvage function leads on the maintenance and implementation of the UK's National Contingency Plan for Marine Pollution from Shipping and Offshore Installations. We manage preparedness for and response to all marine pollution within UK Waters and the UK Exclusive Economic Zone, we also monitor and support pollution response on the shoreline.

We investigated over 534 shipping casualty incidents and 425 pollution reports. In addition, we reviewed and investigated 835 satellite surveillance detections which indicated potential pollution at sea. Alongside the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) we considered over 260 Petroleum Operational Notice reports, taking action where necessary.

2023-24 saw us delivering five Beach Supervisor Courses and three Pollution Response and Management Courses to Local Authorities across the UK. We engaged with the Secretary of State's Representative for maritime salvage and intervention (SOSREP) Team, OPRED and the UK Offshore Oil and Gas community in nine training exercises and activated a Marine Response Centre to support a major Tier 3 pollution response exercise with Shell International in the Dover Straits.

Our work supporting the UK Overseas Territories (OT) in enhancing their maritime incident response capability, backed by the Conflict, Stability and Security Fund (CSSF) and latterly Integrated Security Fund (ISF), has continued and saw us delivering counter pollution training to the Turks and Caicos Islands, British Virgin Islands, Ascension Island, and Cayman Islands and wider regional exercises with the OTs and neighbouring states. Costs are captured in the Statement of Comprehensive Net Expenditure (Staff Costs and Purchase of Goods and Services)

Three equipment deployment exercises have been completed this year, one to test newly acquired equipment, one heavy equipment deployment for personnel training and a 'cold call-out' to test the national contractor's ability to deploy resources to the scene of an incident and undertake response operations within the parameters of the contract.

Finally, we returned to the polluting wreck off Plymouth to further seal the recurring leaks being reported from the vessel SS James Eagan Layne.

## Receiver of Wreck

The Receiver of Wreck administers Part IX of the Merchant Shipping Act 1995 relating to matters of wreck and salvage. All recovered wreck material must be reported to the Receiver of Wreck regardless of age, size or apparent value. We received 211 new reports of wreck material during the reporting year. The Receiver of Wreck also dealt with 108 reports of stranded dolphins, porpoises, whales and sturgeon under the Prerogative for Royal Fishes.

## Secretary of State's Representative for Maritime Salvage and Intervention (SOSREP)

The SOSREP represents the Secretaries of State for Transport in relation to ships and for the Department of Energy Security and Net Zero in relation to offshore installations by removing or reducing the risk to safety and the environment arising from accidents involving ships, fixed or floating platforms or sub-sea infrastructure. The intervention powers available to the SOSREP extend to UK territorial waters (12 nautical miles from the coast/baseline) for safety issues and to the UK Exclusive Economic Zone (200 nautical miles or the median line with a neighbouring state) for pollution incidents. For pollution incidents from offshore installations the powers extend to the UK Continental Shelf.

The SOSREP is empowered to make crucial and time-critical decisions, without delay and without recourse to higher authority and has the ultimate and decisive voice for maritime salvage, offshore containment, and intervention.

During the financial year 2023-24, there were more than 60 incidents which required SOSREP involvement. The level of involvement ranged from monitoring an incident to prolonged incident management lasting several days. Of particular note was the grounding of a roll-on roll-off ferry in the Southwest Approaches. Following successful refloat operations and a tow to a nearby port, three Safety Directions

under Schedule 3A of the Merchant Shipping Act 1995 were issued to help resolve the incident. The severely damaged vessel was directed to a dry dock for damage inspections and extensive repairs.

There is ongoing work with several Government Departments and other stakeholders involving wrecks, offshore renewable energies, aquaculture and floating offshore infrastructure.

The review of the IMO Guidelines on places of refuge, coordinated by the SOSREP over the past five years, saw the refreshed Guidelines adopted at the IMO Assembly 33 as Resolution A.1184(33). The reviewed document provides practical guidance and support to maritime authorities around the world and to all organisations who may find themselves involved in a maritime incident where a vessel in need of assistance requires a place of refuge.

## Our People

We encourage job applications from people with diverse backgrounds and life experiences. Where individual candidates can demonstrate that they meet the essential requirements of a role we will guarantee them an interview under the Disability Confident Scheme and the Great Place to Work for Veterans initiative. Employees who may become disabled can be supported by reasonable adjustments to enable them to work, develop and progress.

Learning and development activity included:

- Leadership and management development programmes,
- Talent programmes for high potential staff, and
- Apprenticeships at all levels.

MCA is committed to good employee relations and recognises the Public and Commercial Services (PCS) and Prospect unions as representing staff under collective bargaining processes.

We use the results of the annual People Survey to monitor our performance and to inform action where this is needed. Our staff and their wellbeing are supported through our commitment to a set of positive behavioural expectations and through our staff and employee engagement networks.

We celebrate the excellent work our people do through blogs in our in-house communication channels. An internal digital magazine continues to be made available bi-annually called Coast-To-Coast to highlight the Agencies breadth of work for our own people and our customers and stakeholders.

To give individuals an opportunity to challenge poor behaviours of all forms (i.e., discrimination, harassment, and victimisation) safely and confidentially, the Speak Up initiative continues to be embedded in the organisation. Individuals who raise concerns through this channel are supported by Human Resources throughout to a resolution.

We issue certificates to mark long service, we use our Recognising Positive Impact scheme, instant reward vouchers and Chief Executive's Awards to recognise outstanding work and exemplary behaviours. We also use the formal Honours process to nominate exceptional staff and volunteers for national awards, including the Merchant Navy Medal.

# Health and Safety

## Management Arrangements

The MCA Health and Safety (H&S) Team continues to recognise the importance of engaging directly with internal and external stakeholders to ensure the MCA's Health and Safety policies, plans and arrangements remain fit for purpose and support the delivery of the overall business plans achieved within the context of a world class safety culture.

Our aim has been to realign and refine our Health and Safety (H&S) policies, plans and arrangements to reduce bureaucracy and simplify use whilst maintaining compliance with the Health and Safety Executive (HSE) HS(G)65. A Government Internal Audit Agency (GIAA) audit requested by the MCA Executive Team in 2023-24 provided confirmation that we are achieving our goal by providing a robust Health and Safety management system to support our business activities. Three recommendations provided by the GIAA Team were aligned to plans already in place to focus on improving management controls and visibility of health and safety data.

We continue to ensure that our 'Safety First' approach is reflected in meetings by discussing safety as a first agenda item at management meetings including the Executive Team, Agency Board and other management team meetings.

The introduction of a Health and Safety Steering Group in 2023 supported by a Health and Safety Working Group has been used as a foundation for the introduction of further working groups to focus on health, wellbeing and safeguarding. These groups have been used to expand collaborative working between Human Resources (HR) and individual Directorates to identify gaps, establish plans and deliver solutions for progressing wellbeing across the MCA. The working groups focus on the tactical delivery of strategic aims and objectives. The Unions are actively encouraged to participate in these working groups. The approach has also delivered a high degree of empowerment and autonomy for health and safety matters across the business.

Reporting on Health and Safety performance and activities has become a standard feature of Directorate Management Boards supported by regular attendance of Health and Safety team members to help focus on key features or exceptional items occurring during the month. A fuller explanation of this is provided on page 64.

During the year, it became apparent that although coronavirus infections have reduced, other infections have become more concerning. To combat the impact of this we continue to monitor a broad suite of infections to ensure that, should a new threat begin to impact our operations, we will have the earliest possible warning of such a threat and can take appropriate action.

We ensure that our management systems and processes remain effective and aligned to our business needs using both internal and external checks and balances to provide the correct level of assurance. Our level of engagement with staff and



volunteers on issues of health and safety has improved since the introduction of our incident reporting tool in 2023. More details can be found on page 64

## Occupational Health & Safety

The MCA continues to focus on improvements and initiatives to support occupational health and wellbeing of our staff and volunteers. In 2023 we launched a number of packages for our Coastguard staff and volunteers focused on helping them to deal with traumatic events e.g. the Distressing incident Support ToolKit (DiST). We also commissioned the design and development of a mental health resilience tool to help assess the mental health status resilience of new starters working in front line positions.

We worked in collaboration with our occupational health partners to deliver wellbeing clinics across the business. This activity identified 27% referral rate to GPs for follow ups due to previously undiagnosed health issues such as high blood pressure, diabetes and high cholesterol.

During the year we have continued to roll out of Organisational Stress Risk Assessments across the MCA to establish what stressors are present and identify what existing and future programmes will help to reduce them. This will further enhance the businesses resilience.

Other tool kits have been run for all staff on topics such as burnouts, stress and resilience, managing attendance with targeted well-being support for those going through change and transformation.

## Improvements from last year's plans

The original three-year health and safety strategic plan has been reviewed toward the end of this year to enable a revised strategy to be issued in 2024-25. There have been a number of achievements in the past year which are detailed in the governance report on page 65 including progress in the following areas:

- Improved induction training for coastguard and surveyors
- Introducing a Behavioural Safety Network .
- Improving the appearance of monthly reporting
- Continuing work on driving risks
- Providing input into the TFM supplier selection project
- Working with the Internal Assurance team to ensure health and safety topics are included in the audit programme
- Plan and complete the safety climate survey
- Working on the Organisational Stress Risk Assessments in the MCA

Overall serious injury performance for staff and volunteers under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) has

improved from twelve in 2021-22, six in 2022-23 and eight in 2023-24, for staff and volunteers. All RIDDOR injuries were investigated by local and headquarters management and any lessons identified integrated into the Agency's safe operating procedures. Serious injuries or those with high potential for such have been subject to detailed investigation, reporting and action. All other incident and near miss summaries are discussed at headquarters and local management meetings.

# Sustainable Development

We are embedding sustainable development to:

- Live within acceptable environmental limits.
- Continuously improve our environmental performance.
- Support a strong, healthy and just society.
- Practise and deliver sustainable procurement.
- Promote and demonstrate good governance.

MCA's Sustainability Strategy has been aligned with Department for Transport (DfT) departmental objectives. Performance on agreed targets is reported via the DfT on a quarterly basis. The aim of the strategy is to assess the overall impact the Agency has on the environment, how this can be measured and managed in line with the Greening Government Commitments (GGC).

## Mitigating Climate Change – Working towards Net Zero

We are committed to achieving the targets set out within the Greening Government Commitments (GGC) Agenda 2021-25<sup>3</sup>, which includes our vehicle fleet, emissions on domestic business flights and overall reduction in greenhouse gas emissions. This is included in more detail below

### Travel – Car Fleet

We recognise the Government's aspiration to ensure all Central Government vehicles have zero emissions by 2027 and will explore all options available for acquiring zero emission vehicles to meet the Government's target. This target was split into two elements, firstly for 25% of the Government's car fleet to be Ultra Low Emissions Vehicles (ULEV) by 31 December 2022 and secondly for the Government's car and van fleet to be zero emissions by the tailpipe by 31 December 2027. The MCA achieved the first element in December 2022.

In relation to the second element, due for completion by 2027, the MCA's blue light response vehicles are exempt, but we continue to monitor and evaluate available electric vehicles against the search and rescue operational capabilities required. This will include a phased introduction of electric vehicles where it is operationally viable to do so. Reporting on this activity will form part of the data return in relation to overall Greening Government Commitments (GGC). Discussions with the Office for

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<sup>3</sup> <https://www.gov.uk/Government/publications/greening-Government-commitments-2021-to-2025/greening-Government-commitments-2021-to-2025>

Zero Emission Vehicles (OZEV) continue with an aim of identifying suitable and evolving technologies that can continue to deliver the overall capabilities required for emergency response activity.

## Flights

In line with the Greening Government Commitments Framework, the Agency has a specific target to reduce domestic flights against the 2017-2018 baseline. Flights have now increased following the travel restrictions placed on all organisations during the pandemic period, but flights reported during 2023-24 remain below the 2017-18 baseline. Given the nature of the MCA estate, which includes multiple island locations - domestic flights remain the only viable option for some essential operational business travel. However, the emerging figures are in line with target levels and the MCA continues to promote the use of online meetings rather than non-essential travel.

## Car Hire

Car Hire mileage has increased slightly compared to 2022-23 but remains lower than 2017-18 baseline levels. MCA's business travel policy remains under ongoing review with organisational wide promotion of alternatives being promoted and supported wherever possible.

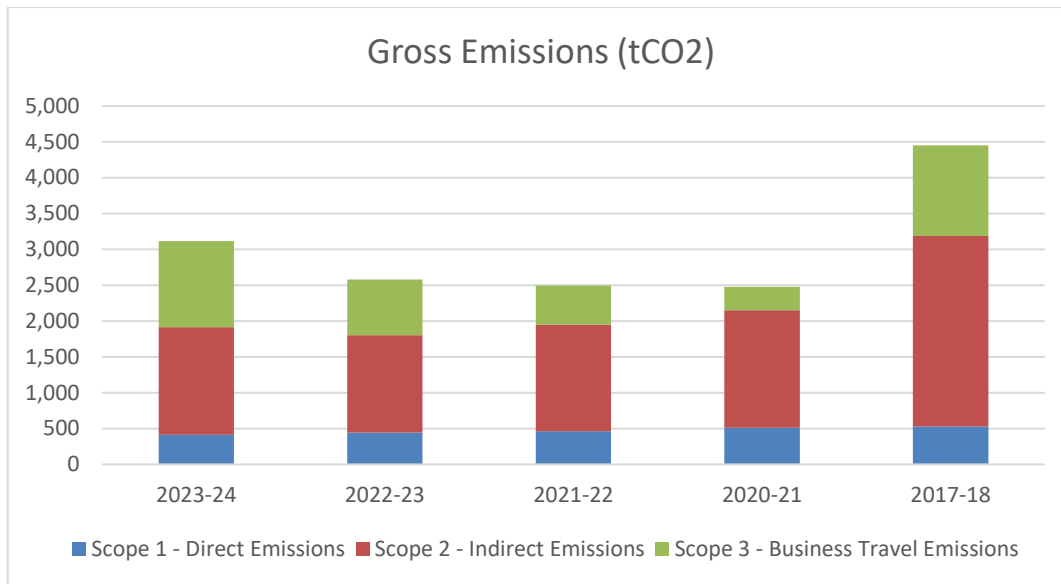
## Energy

The MCA's estate comprises of just under 500 sites located across the entire UK, including many Highland and Island locations and many in very remote locations. The diverse nature of the estate means that properties vary in size, age, condition, and location. There are short and long-term plans to achieve the required target reductions. The MCA's plan is to deliver a more efficient, effective, and sustainable estate by removing the demand for onsite fossil fuel consumption and reducing overall electricity consumption. With further planned and targeted measures on renewable energy, and the continued organisational wide promotion of efficiency measures.

## Our Performance

Performance in relation to the MCA's Emissions by scope throughout the GGC reporting period and to date is detailed below:

		Achieved 2023-24	Achieved 2022-23	Achieved 2021-22	Achieved 2020-21	Baseline 2017-18
<b>Gross Emissions (tonnes CO2)</b>	Scope 1 - Direct Emissions	412.83	443.15	463.85	512.62	528.33
	Scope 2 - Indirect Emissions	1,499.84	1,357.07	1,486.78	1,636.89	2,659.59
	Scope 3 - Business Travel Emissions	1,201.86	780.92	544.31	327.94	1,263.55
	<b>Total Emissions</b>	<b>3,114.53</b>	<b>2581.14</b>	<b>2,494.94</b>	<b>2,477.45</b>	<b>4,451.47</b>
<b>Related Energy Consumption (kWh)</b>	Oil	330,700	289,589	401,838	373,473	263,596
	Gas	1,793,987	1,842,720	2,246,209	2,231,941	2,388,403
	Electricity	7,243,020	7,017,623	7,688,388	7,709,167	8,072,597
<b>Related Business Travel (miles)</b>	Non-fleet Road Travel (car hire only)	956,763	945,044	893,247	970,535	1,118,267
	Domestic Flights	962,124	806,010	384,571	170,161	1,165,376
	Medium Haul Flights	525,381	470,993	68,999	10,619	1,232,445
	Long Haul Flights	2,010,340	1,595,711	515,837	141,866	2,391,692
	Rail Travel	468,030	393,234	169,970	83,263	660,597
<b>Finite Resources</b>	Water use (m3)	15,728	15,786	10,631	18,412	14,690
	Paper use (reams)	1,029	1,571	1,509	1,300	4,419
<b>Waste</b>	HQ waste (tonnes)	38	38	23	38	59



## Financial Indicators

The table below represents the gross expenditure during 2022-23 and 2023-24 for usage of energy and water, and waste management.

Financial Indicators	2023-24	2022-23
	£	£
Electricity	2,453,957	1,513,382
Natural Gas	94,727	137,873
Water and Sewage	103,988	102,335
Waste Management and Disposal	128,921	112,607

## Minimising Waste and Promoting Resource Efficiency

### Waste

Currently volume data is only available on waste from the MCA's Head Quarters building in Southampton. The MCA is currently developing an Agency Waste Strategy and Waste Management Plan and will look to gather additional data to drive effective management and compliance on waste management processes.

Waste and recycling costs for 2023-24 were £128,921 an increase from £112,607 in 2022-23. The increase is attributable to a combination of greater demand and an increase in contracted rates for waste management. The MCA continues to monitor

overall waste minimisation and recycling performance via quarterly performance reporting.

The MCA continues to investigate potential efficiencies that can be achieved through improved overall waste management and plans are underway to develop an organisation wide waste strategy as part of wider environmental work to support this drive.

## Paper Use

The Agency paper consumption continues to reduce in line with set targets. Paper usage for 2023-24 was 1,029 reams (2022-23 1,571 reams)

MCA's overall aim is to eliminate the use of all virgin paper (paper that contains no recycled content) by the end of March 2025. In addition, the MCA will continue to promote efficiency in printing where it proves necessary.

## Single Use Plastic

MCA has reduced unnecessary single use plastics wherever possible. This includes all consumer plastics such as disposable plastic cups and cutlery. We continue to monitor our supply chains and identify and implement alternative products. Data collection arrangements are now being put in place to capture and collate information relating to the use of single use plastics.

## Finite Resource Consumption

A finite resource can be defined as non-renewable and therefore requires management and plans to limit consumption.

## Water usage and Conservation

Our water conservation programme comprises individual targets focused on utilisation across the estate and more general practical measures aimed at reducing overall consumption. These measures include early detection and action should any leaks be suspected or detected through bill validation. We have undertaken a water audit at several sites where water consumption has been validated and identified as high to ensure early leak detection. Given the geographically dispersed nature of our estate it is imperative that early warning measures, such as water consumption validation and ongoing monitoring continue to form an integral part of our ongoing utility verification procedures.

Water demand across the estate varies based on operational requirements, however we remain confident of achieving the necessary reduction by 31 March 2025.

## Energy Conservation

We have established a set of measures and commitments aimed at conserving finite energy resources, these include reducing the use of natural gas and heating oil and the phased introduction of renewables.

Progress against these commitments is monitored as part of the wider GGC

reporting process with full reporting on the strategy due to be published in March 2025.

## Climate Change Adaptation

The Agency recognises the importance of adapting to climate change as part of our planning processes. We take part in the Department for Environment, Food and Rural Affairs planning and reporting activities as well as contributing to the DfT commitments. Climate Change Adaptation will now be included within sustainability updates for all senior management groups. In relation to assessing potential impacts going forwards with the planned implementation of the Environmental Management System (EMS), it is envisaged that a cross Agency working group will be established. Part of the working group remit will be to manage and report on Climate Change Adaptation activities. This will involve ensuring that effective procedures are in place in relation to medium- and longer-term estates and operational planning and projects. To further support this and ensure effective management and reporting a package of awareness training, tools and modules will be made available.

## Sustainable Procurement

The MCA recognises the significant impact that our procurement decisions have on sustainability outcomes and is committed to ensuring that our supply chain supports our sustainable development goals.

The MCA utilise the Crown Commercial Services framework agreements to underpin its procurement activity, which contain standardised clauses to ensure registered suppliers have adopted a sustainable supply chain approach and all major contracts include metrics on Social Value.

We are working toward the targets in the Government Greening Commitments (GGC), by:

- Issuing guidance notes to staff on sustainable procurement, which underwent significant revisions this year to include emerging issues like modern slavery in the supply chain.
- Introducing Social Value Champions to promote social value outcomes and to support the evaluation process for these criteria.
- Embedding of 10% mandatory social value weighing into all procurement activity including KPI (Key Performance Indicator) reporting requirements, for all high value/elevated risk contracts
- Actively engaging with suppliers and the MCA business units to promote continuous improvement in sustainability performance throughout the term of a contract.

The DfT Jaggaer sourcing tool which is used by the MCA for all its high value procurement activity now has mandated social value commitments embedded into each tendering project.



In collaboration with our Office Stationery and Supplies contractor the MCA have developed a green preference on all items ordered through the online portal, deviations from this require approval. This has assisted with the MCA's commitment to reduce its use of virgin paper.

## Reducing environmental impacts from IT and Digital Equipment

The MCA disposes of redundant IT equipment under a 'zero' landfill agreement. During the reporting period 2023-24 there were six collections with a total of 1,675 items being collected. There were twelve boxes of waste designated and collected under the Waste Electrical and Electronic Equipment (WEEE) Regulations.

Waste Type	2023-24 tonnes	2022-23 tonnes	2021-22 tonnes
Waste electronic and electrical equipment containing hazardous components: Recycled	4.5	6.3	3.5
Waste electronic and electrical equipment reused	0.2	8.5	1.1
Batteries Mixed: 200133	0.0	0.1	0.0
Monitors – Disposed	0.9	0.2	1.2
Monitors – Reused	0.6	0.5	0.0
<b>Total Tonnes</b>	<b>6.2</b>	<b>15.6</b>	<b>5.8</b>

During 2023-24 total disposals have reduced significantly, the high levels of IT waste disposals reported during 2022-23 resulted from planned upgrade projects and replacement of equipment and operating environments.

During 2023-24 a new contract was awarded to cover the disposal and collection of IT Waste.

Work is ongoing to replace legacy systems, hardware and migrate more services into the Cloud or Crown Hosting data centres, reducing the technical estate hosted on the MCA premises. The MCA continues to use technology to support hybrid working, reducing emissions from administrative business travel and daily commutes.

## Nature Recovery and Biodiversity Action Planning

MCA does not currently have Nature Recovery Plans in place, but development of these has been incorporated into longer term sustainability and estates planning. There is a commitment to have a full Nature Recovery Plan in place by 31 March 2025 in line with agreed targets, and the MCA continues to monitor opportunities to maintain and improve biodiversity wherever viable. Any risks associated with Nature Recovery and biodiversity will also be further identified, measured, and monitored through the ongoing development of an Environmental Management System (EMS) which will be published by December 2024.

## Sustainable Construction

Sustainability and social value criteria form part of all tender processes within the MCA.

### High Value Construction Projects

There have been no major or high value construction projects during the reporting period.

### Other Building Works including Refurbishments

All building project works are subject to a 10% sustainability scoring in terms of technical assessment. Where works have been assigned to the appointed Total Facilities Management (TFM) contractor, the main contractor and any associated sub-contractors are checked against sustainability and social value performance criteria.

## Task Force on Climate-related Financial Disclosure (TCFD) requirements

To improve and increase the reporting of climate focused financial information, the Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosure (TCFD). The TCFD recommended disclosure the following four pillars to help organisations systematically assess and account for their handling of climate rated financial risks. The four pillars are Governance, Strategy, Risk Management and Metrics and targets.

The TCFD recommendation was for reporting by Government departments to disclose against these four pillars in three phases. For 2023-24 reporting, Phase 1 requires departments to include disclosures on 'Governance', 'Metrics and Target's (where information is available), and Compliance statement.

### Governance – oversight of climate related risks and opportunities

Strategic, financial and other significant matters, including those relating to environmental direction, policy and performance standards, are reviewed and advised by the MCA Board.

The MCA Board receives regular updates on the progress made in managing the Agency's Principal Risks, which, in 2024-25 will extend to include those related to climate change and will be submitted to the Audit and Risk Committee on a regular basis. This will allow challenge to the efficient and effective management of climate risk and review of the internal controls and governance arrangements in place.

## **Management's role in assessing and managing climate-related risks and opportunities.**

The Executive Team provide the main oversight of climate related issues, ranging from climate risks, opportunities, impacts and subsequent strategies for their effective management.

The issue of climate change and sustainability risk was subject to discussion as part of the Executive Team future strategy development meetings held in 2023-24. During 2024-25 a framework will be established to ensure a deep dive on climate-based risks is completed on a regular basis including a review of the risk appetite and tolerance levels and providing a challenge to the actual or proposed mitigating actions.

Details of future climate related discussions that take place at both the Executive Team and MCA Board will be captured via the meeting minutes

The MCA will be engaging with colleagues across the DfT and other Agencies during 2024-25 to enable the Agency to meet the requirements of the standard during the forthcoming year.

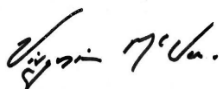
## **Metrics and Targets**

These are captured in the performance section (page 45)

## **Compliance Statement**

MCA has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. This statement includes the TCFD recommended disclosures for phase 1 on Governance, and Metrics and Targets disclosures on Emissions, which is in line with the central government's TCFD-aligned disclosure implementation timetable.

MCA plans to make disclosures for Strategy, Risk Management and the remaining Metrics and Targets in future reporting periods in line with the central government implementation timetable



**Virginia McVea**  
Chief Executive

**10 January 2025**



# Accountability Report

# Corporate Governance Report

## Directors Report

The Maritime & Coastguard Agency Board's role and relationship with other management groups are set out in the Governance Statement (see page 59). The composition of the Board, including advisory and non-executive members, during the year is shown below:

**Christopher Rodrigues**, the **Non-Executive Chairman**

**Virginia McVea**, the **Chief Executive** from 3 April 2023 to 31 March 2024, the Agency's Accounting Officer and responsible for Risk Management and Maritime Governance, Improvement and Assurance.

**Damien Oliver**, the **Interim Chief Executive** from the 1 April to 2 April 2023 the Agency's Accounting Officer and responsible for Risk Management and Maritime Governance, Improvement and Assurance. From the 3 April 2023 to 13 August 2023, he reverted to the **Director** with responsibility for the Great British Maritime Economy Programme.

**Katy Ware**, the **Director of UK Maritime Services**. Her key responsibilities were the United Kingdom's statutory obligations as a flag Administration in respect of the safety, security and protection of the environment from shipping, of United Kingdom ships, wherever they are operating in the world and foreign flagged vessels in United Kingdom waters. She held responsibility for the safety of the United Kingdom domestic passenger ship and fishing fleet as well as the United Kingdom Navigational safety regime including the Civil Hydrography Programme and approved Nautical Colleges and training providers. Until 24 March 2024, she was also responsible for seafarer services and the UK Ship Register, including attracting owners of quality ships to the United Kingdom flag to secure its long-term commercial growth and success and delivery of front-line services including vessel registration.

As Permanent Representative of the United Kingdom to the IMO, she was responsible for the oversight and negotiation of United Kingdom policy and interests in relation to international maritime matters within the IMO and European Union.

**Claire Hughes**, the **Director of HM Coastguard**. Her key responsibilities were the delivery of the six internationally recognised Coastguard functions through the national network of Coastguard Operation Centres, the volunteer Coastguard Rescue Service, Aeronautical Rescue Coordination Centre and Search and Rescue Helicopter provision.

**Matthew Briggs**, the **Director of People, Safety and Communications**. His key responsibilities were Human Resources, Learning and Development, Health & Safety and Communications. From the 1 December 2023, he was also the Senior Information Risk Owner (SIRO).

**Oliver Poxon**, the **Director of Finance, Compliance and Estates**. His key responsibilities were Finance, Fraud & Whistleblowing, Shared Services, Internal Audit & Assurance, Procurement, Estates and UK Maritime Regulatory Compliance and Investigations.

**Chloe Bowes**, the **Director of Corporate Services** between 19 February 2024 and 31 March 2024. Her key responsibilities were Chief Financial Officer, Corporate Governance, Strategic Planning, Performance Management and the development of the Corporate Services Directorate.

**Steve Mulcahy**, the **Director of Information Technology**. His key responsibilities were Information Technology and Information Security.

**Richard Pellew**, the **Assistant Director, Maritime Governance, Improvement and Assurance**. His key responsibilities were leading the oversight and enforcement of standards of Classification Societies and Certifying Authorities authorised to undertake delegated statutory surveys, the oversight and enforcement of the performance of the non-UK members of the Red Ensign Group, and the management of Conflict, Security and Stability Fund projects and IMO Instruments Implementation Code audit preparedness in the Overseas Territories and Crown Dependencies.

**Jonny Lloyd Davidson**, the **Head of the Office of the Chairman and Chief Executive** between the 1 April 2023 and 30 November 2023. His key responsibilities were Corporate Governance, Strategic Planning and Performance Management. These responsibilities were not reallocated until 19 February 2024. He was also the Senior Information Risk Owner (SIRO) until 30 November 2023.

**Karen McNeill**, seconded from HM Revenue & Customs, was the **Head of Private Office Engagement**, between 1 December 2023 and 31 March 2024. Her key responsibilities were support to the Chief Executive and Private Office Engagement.

**Lars Lippuner**, the **Director of UK Customer Maritime Services** between 25 March and 31 March 2024. His responsibilities were seafarer services, the UK Shipping Concierge and the UK Ship Register, including attracting owners of quality ships to the United Kingdom flag to secure its long-term commercial growth and success, and delivery of front-line services including vessel registration.

The **Non-Executive Directors** were **Nigel Pusey** and **Sarah Davies** and, until 27 June 2023, **Noel Shanahan** who also chaired the Audit & Risk Assurance Committee (ARAC). Sarah Davies took on the role of Chair of ARAC from the 28 June 2023.

**Representatives from the Department for Transport (DfT)**, who attended the board on behalf of the DfT Sponsorship Team for Maritime, were as follows: **Dave Whyte** in April, September, October and December 2023 and January 2024, **Johnathan Mitchell** in September, October and December 2023 and January 2024 and **Lisa Gilmour** in June 2023.

## Statement of Accounting Officer's Responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the Maritime & Coastguard Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the Agency's state of affairs and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer must comply with requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements and 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 Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Financial Statements, and
- prepare the Financial Statements on a going concern basis

The Accounting Officer confirms as required that, as far as they are aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The Accounting Officer also confirms that the Annual Report & Accounts as a whole is fair, balanced and understandable, and that they take personal responsibility for the Annual Report & Accounts and the judgements required for determining that it is fair, balanced and understandable.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Agency's assets, are set out in Managing Public Money published by HM Treasury.

# Governance Statement

## Introduction

The Agency was established on 1 April 1998 and is an Executive Agency of the Department for Transport. We are accountable through the Department for Transport Maritime Directorate to Director General Aviation, Maritime and Security. I am responsible to the Secretary of State as detailed in the Agency's Framework Document.

All our work contributes to our vision of being the world's best maritime safety organisation, committed to Safer Lives, Safer Ships, and Cleaner Seas. To deliver this, I am supported by two principal management groups: the Maritime & Coastguard Agency Board and the Executive Team.

This Governance Statement details the arrangements in place for the year 1 April 2023 to 31 March 2024. Specifically, it focuses on internal controls, risk management and the wider risk environment. Progress with the Agency's major change programmes and other commitments in its 2023-24 Business Plan are captured elsewhere in the Annual Report & Accounts.

## Agency Management

The Agency's governance framework is designed to comply with the guidance laid down in HM Treasury Corporate Governance in Central Government Departments: Code of Good Practice 2017. An external Governance review of compliance against the Code was not conducted within this reporting period.

The Agency's accountability to the Secretary of State for Transport is exercised through a Sponsorship Board, which meets quarterly under the chairmanship of the Director General Aviation, Maritime and Security. A representative of the Scottish Government attends this Board to contribute on strategic issues of specific relevance to Scotland. Internally, the Agency is managed by its Board and an Executive Team. A register of private interests is maintained for members and a standing agenda item at meetings allows members to declare any private interests which may conflict, or may be perceived to conflict, with their public duties. The Agency Board is chaired by the Non-Executive Chairman and has both strategic and business oversight responsibilities supported by the Executive Team who meet monthly to make decisions on strategic issues. Directors may also directly raise issues emanating from their own Management Boards which focus on the management of the Agency.



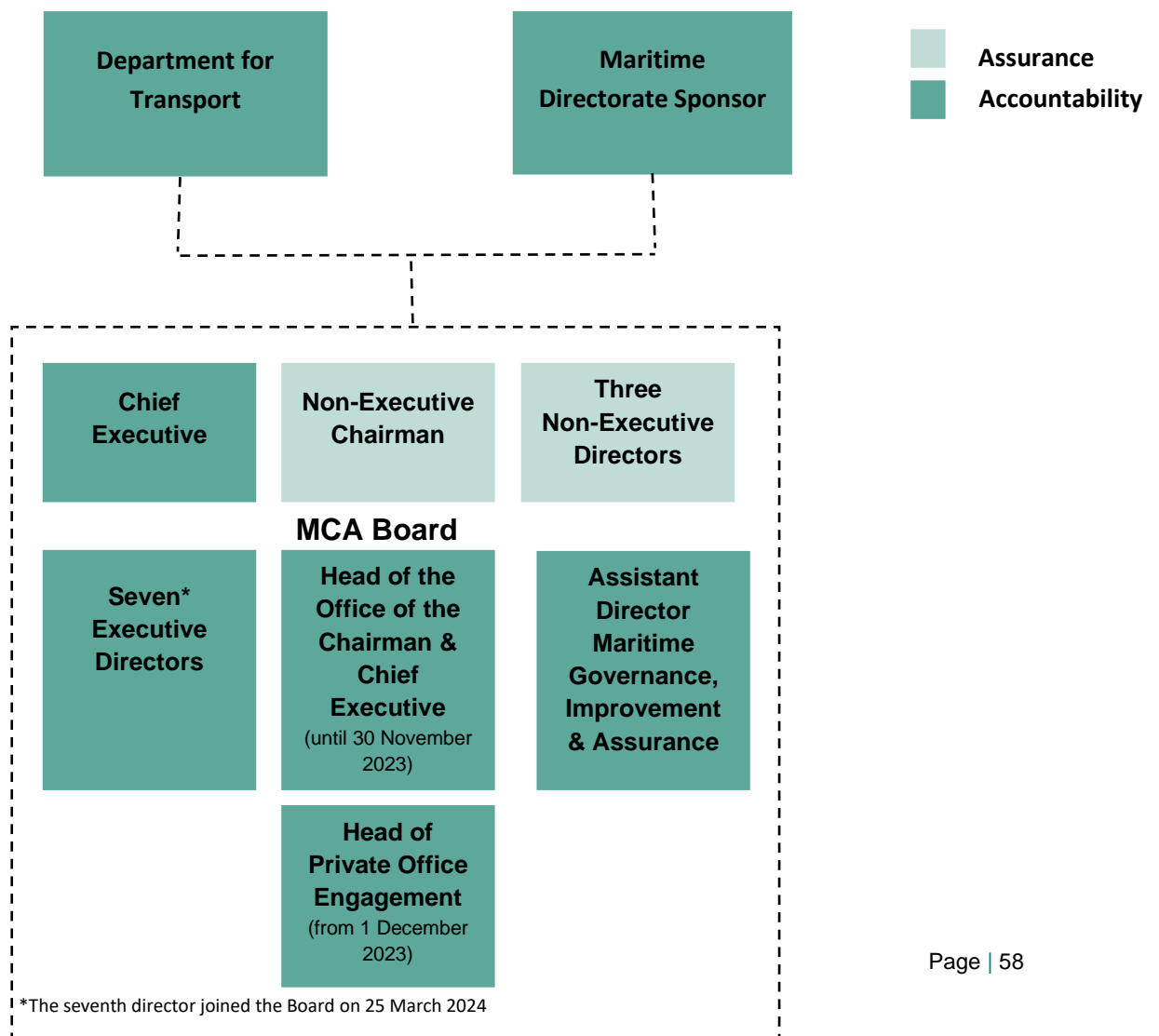
The table below provides details of outside interest of the MCA Board, Executive Team and those with significant influence.

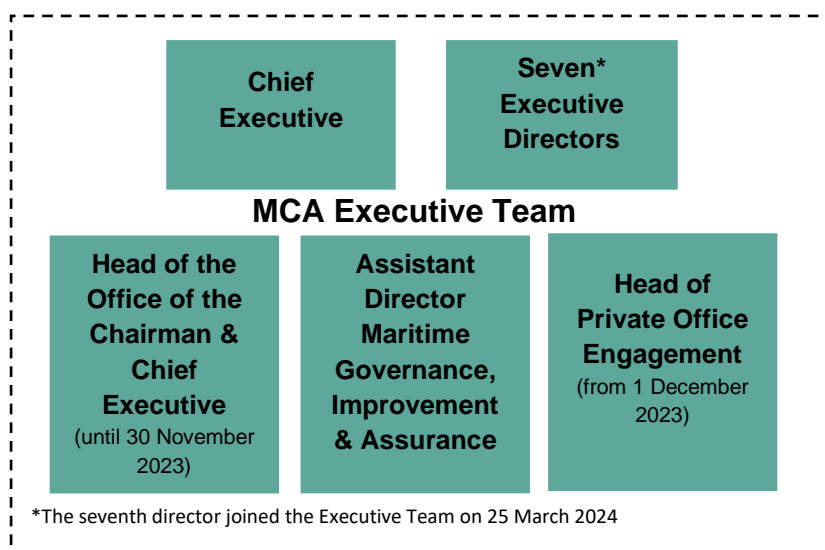
Name	Position	Interests
Virginia McVea	Chief Executive	None
Damien Oliver	Interim Chief Executive and Director for the Great British Maritime Economy Programme	None
Katy Ware	Director of UK Maritime Services	None
Claire Hughes	Director of HM Coastguard	None
Matthew Briggs	Director of People, Safety and Communications	None
Oliver Poxon	Interim Director of Finance, Compliance and Estates	None
Chole Bowes	Director of Corporate Services	None
Steve Mulcahy	Director of Information Technology	None
Richard Pellew	Assistant Director Maritime Governance, Improvement & Assurance	None
Jonny Lloyd Davidson	Head of the Office of the Chairman & Chief Executive	None
Karen McNeil	Head of Private Office Engagement	None
Lars Lippuner	Director of UK Customer Maritime Services	None
Christopher Rodrigues	Non-Executive Chairman	None
Nigel Pusey	Non-Executive Director	CEO position with Container Trade Statistics
Sarah Davies	Non-Executive Director	Finance Director of the Navy – The MCA acts as the regulator for some aspects of the Royal Navy's operations, and there is a Memorandum of Understanding in place between the two organisations that governs the relationship.
Noel Shanahan	Non-Executive Director	None

Name	Position	Interests
Dave Whyte	Deputy Director, DfT Maritime and Head of Maritime People, Resilience, Safety and Sponsorship	None
Jonathan Mitchell	Deputy Head, Maritime People, Resilience, Safety and Sponsorship, DfT Maritime	None
Lisa Gilmour	Head of Sponsorship Team, DfT Maritime	None

In terms of information assurance and data control, the Security Working Group is a quarterly Board and is chaired by the Senior Information Risk Owner. The Senior Information Risk Owner is responsible for assuring the maintenance of a culture of good information management and continuous review of the effectiveness of extant security policy. They are also charged with the application of security controls to mitigate risks to our core information technology assets, which include data, information, equipment, people, premises, third parties and technology.

The Agency's high-level management structure is set out as follows:





## MCA Board attendance

Board Attendance	Title	Number of meetings attended (attended/available)
Christopher Rodrigues	Non-Executive Chairman	6/6
Noel Shanahan	Non-Executive Director	2/2
Nigel Pusey	Non-Executive Director	6/6
Sarah Davies	Non-Executive Director	6/6
Virginia McVea	Chief Executive	5/6
Damien Oliver	Interim Chief Executive and Director	2/2
Katy Ware	Director of UK Maritime Services	6/6
Claire Hughes	Director of HM Coastguard	5/6
Oliver Poxon	Director of Finance, Compliance and Estates	6/6
Chloe Bowes	Director of Corporate Services	0/0
Steve Mulcahy	Director of Information Technology	5/6
Matthew Briggs	Director of People, Safety and Communications	5/6
Jonny Lloyd Davidson	Head of the Office of the Chairman and Chief Executive	4/4
Richard Pellew	Assistant Director Maritime Governance, Improvement and Assurance	3/4
Lars Lippuner	Director of UK Maritime Customer Services	0/0
Karen McNeill	Head of Private Office Engagement	3/3
Jonathan Mitchell	DfT Maritime Sponsorship	3/4
David Whyte	DfT Maritime Sponsorship	5/6
Lisa Gilmour	DfT Maritime Sponsorship	1/1

## Risk Management and Governance

I am responsible for the effective management of corporate risk in accordance with Treasury Guidance (the Orange Book), and the Department for Transport Departmental Risk Policy and Guidance. Escalation processes are in place within

our management structures (Executive Team and Directorate Management Boards) to identify, manage and mitigate risks appropriately. I am also supported and advised by the Audit & Risk Assurance Committee (ARAC).

## Principal Risks in 2023-24

At the end of 2023-24, fifteen risks were being actively managed on the corporate risk register. Of these, one on the HM Revenue & Customs investigation into historic IR35 practices was added in February 2024. Three risks were added in March 2024 following a detailed review of risk by the Executive Team at their February 2024 meeting. These risks encompassed the risk of a small number of companies making up much of the tonnage on the UK flag, that posed as a result of lack of available accepted equipment following the UK's exit from the European Union and the recruitment and retention of surveyors to meet current and future demand.

The remaining eleven risks included three-part risk relating to small boat crossings of the English Channel, failure to deliver the agreed safety legislation due to lack of legal resource and the loss of critical Coastguard systems and impacts from a cyber-attack or other event causing loss of business systems which are detailed in the Priority Concerns section below.

Other key risks were:

- **Not enough focus on safety behaviours resulting in potential for serious accidents to occur** – the behavioural safety programme continues to drive the embedding of safety behaviours in the Agency, but the risk remains. Work has been undertaken on the spheres of education and culture with workplans developed for key areas such as HM Coastguard and inclusion in audit plans to assess progress towards mitigating associated risks.
- **Two risks on the provision of MCA's Enterprise Resource Planning (ERP) under the Unity Shared Services cluster;** issues may arise meaning the current legacy solution is no longer fit for purpose, the planned replacement system fails to meet MCA needs and/or deliver anticipated business benefits. The MCA continues to play an active part in the Unity Cluster Programme to ensure our business needs are fully represented and considered and that risks associated with the legacy system are mitigated.
- **Funding pressures** – the impact of the global economic climate and associated rise in inflation continue to impact MCA funding. The Agency continue to actively manage financial risks, and drive Value for Money to ensure core functions can be delivered. The funding situation is subject to regular assessment and preparatory work has been undertaken in anticipation of an upcoming Government Spending Review.
- **HM Coastguard recruitment and retention** – additional measures have been implemented to mitigate challenges to the recruitment and retention of talented people to manage operational demands. These include enhanced

engagement and development plans as well as submission to the DfT on pay awards. Mitigation success is being closely monitored.

- **Estate condition** – the MCA estate is critical to our operational activity, failure to adequately maintain the estate creates risks to operation and of legal action. Planned mitigations are being enacted to minimise the risk.
- **Counter pollution supplies** – the potential for MCA to use dedicated counter pollution stockpiles to aid the resolution of incidents of pollution from historic wrecks may lead to resources being unavailable in the event of a pollution incident for which they are retained. MCA is in active discussions across government to seek an appropriate solution to potentially polluting wrecks and has attended a workshop seeking to establish global standards for managing aging wrecks where a risk of pollution exists.

## Priority Concerns in 2023-24

As Accounting Officer, I consider the concerns listed below to be the Agency's higher priority concerns:

- **The safety of small boats crossing the English Channel to the UK and associated risks** – A significant risk to life is posed by unseaworthy or overloaded small boats being used to traverse the English Channel to the UK. We are committed to safeguarding life around the seas and coastal areas of the UK. HM Coastguard will rescue those in trouble and bring them safely to shore where they will be handed over to the relevant partner emergency services or authorities. HM Coastguard continually works with UK government and French counterparts to mitigate risks and has delivered enhanced surveillance capability in The Channel In recognition of the complexity of the risk this risk is managed in three parts to allow consideration of individual elements.
- **Loss of critical coastguard services through a cyber incident or infrastructure failure** – there is a risk that critical Coastguard services may be lost due to a cyber-attack or infrastructure failure. This could result in various levels of operational impact, some of which would be serious. Threats are continually monitored, with cyber security interventions evolving to meet threat levels. A program of work ensures HM Coastguard and wider systems are maintained to mitigate risk and business continuity plans are exercised regularly to offer further assurance that the potential impacts are minimised.
- **Disruption of wider MCA activities through a cyber incident or infrastructure failure** – similar to the risk above but recognising the difference in impact, this risk is managed separately. The Agency is continually reviewing and updating risk mitigations to provide assurance on risk minimisation.
- **Lack of lawyer resources to implement legislative change** – the ability to bring about legislative change hinges on the availability of scarce lawyer resource. The Agency continues to work with the Department for Transport

Legal Team to ensure that it can access necessary resource. Additional mitigations include the use of ambulatory referencing to streamline process, forward planning, the extension of contracted legal resource and prioritisation of resources. Progress is being made but the risk remains current.

## Audit and Risk Assurance Committee (ARAC)

I seek independent advice and assurance on the processes for risk management, governance, assurance and internal control, including reliability and integrity, through the Agency’s ARAC. This committee meets quarterly with an additional supplementary accounts only meeting held prior to my signing of the accounts. The ARAC comprises of the Agency’s Non-Executive Directors, one of whom is appointed as Chair. The Director of Finance, Compliance & Estates, Assistant Director Financial Controls and I also attend.

During the year, the Committee has concentrated on the following:

- External surveillance visit findings,
- Internal audit programmes and findings,
- Key judgements and accounting policies
- The Annual Report & Accounts
- The submission of the Agency’s Management Assurance return to the Department for Transport, and
- Cyber Security.

Attendance by Audit & Risk Assurance Committee members in 2023-24 was as follows:

Committee Member	Number of meetings attended
Noel Shanahan (Chair of ARAC to 27 June 2023)	2/2
Sarah Davies (Chair of ARAC from 28 June 2023)	5/5
Nigel Pusey	4/5

## Fraud, Bribery and Whistleblowing

The Agency is committed to reducing the incidence of fraud. When identified, investigations are carried out and lessons extracted to strengthen the control environment and reduce the likelihood of recurrence. Fraud, bribery and whistleblowing are discussed monthly at the Executive Team meeting and at the ARAC quarterly. During 2023-24 £80 was lost to fraud (2022-23 Nil)

The MCA adopted the Cabinet Office Counter Fraud Functional Standard in 2018 and continues to meet the requirements of the standard.

## Internal Audit and Assurance

Our Quality Management System (QMS) remains in place having been verified by our ISO9001:2015 certification body, Lloyd's Register Quality Assurance Limited (LRQA), in November 2023. A recertification audit, (part of a 3-yearly cycle) is due in 2024-25. The requirements of the standard are applied to all business processes and activities. The Agency is also subject to international requirements, most notably the IMO Instruments Implementation Code which requires Port, Flag and Coastal states to have a QMS in place.

LRQA's 'surveillance' audit in October and November 2023 was successful and concluded:

*'Operational functions reviewed across the business were seen performed to high levels of consistency and compliant with the MCA's Standard Operating Procedures. Incident response and reporting was also to a high standard' and 'A clear commitment to continuous improvement was demonstrated throughout the visit'. As a result, ongoing approval against ISO9001:2015 was recommended'.*

The Agency's annual Internal Quality Audit Programme supports its continuing certification to ISO 9001:2015. The 2023-24 audit plan was effectively delivered throughout the year. Due to changes in circumstances, one Coastguard audit (technical training) and one HR related audit (safeguarding procedures) were deferred until 2024-25. Nineteen audits were undertaken during the year by the MCA's Internal Audit and Assurance Team. These audits resulted in one 'audit opinion' of 'limited', ten 'moderate' and eight 'substantial'. This compares to three 'limited', 11 'moderate' and three 'substantial' for the 2022-23 audit programme.

MCA's Internal Audit service is provided by the Government Internal Audit Agency (GIAA), an Executive Agency of HM Treasury. GIAA operates to standards defined in the Government's Public Sector Internal Audit Standards. Its annual programme of work is based on the analysis of risks to which the Agency is exposed and by key risks identified by the Audit & Risk Assurance Committee and Executive Team.

Thirteen GIAA audit engagements were conducted in 2023-24, eleven have been completed, the remaining two are at draft report stage. Of those completed assurance reviews, one provided 'limited assurance, seven 'moderate' and three 'substantial.'

The GIAA Head of Internal Audit's annual opinion provides 'moderate' assurance regarding the overall adequacy and effectiveness of corporate governance, risk management and internal control arrangements at the MCA in 2023-2024. This opinion is the same as for 2022-2023.

The MCA Board, Executive Team and local Management Boards monitor progress on management actions agreed for internal and external audits at their monthly meetings. Progress is also monitored by the ARAC at quarterly meetings.

## Health and Safety

The MCA Health and Safety (H&S) Team continues to engage directly with internal and external stakeholders to ensure the MCA's Health and Safety policies, plans and arrangements remain fit for purpose, support the delivery of the overall business plans and to work continually to improve the safety culture across the Agency.

The introduction of a Health and Safety Steering Group in 2023 has been the foundation for the introduction of further working groups to focus on health, wellbeing and safeguarding. These working groups have involved collaborative working between HR and individual Directorates to identify gaps, establish plans and deliver solutions for progressing wellbeing across the MCA. They focus on the tactical delivery of strategic aims and objectives and Unions are actively encouraged to participate in them.

A monthly Health and Safety report is circulated and reviewed at the HM Coastguard's Senior Officers Group, Survey and Inspection National Management Group, Directorate Management Boards, with the Assistant Director Health and Safety attending the Executive Team and Agency Board meetings to provide further clarification of key issues arising. In addition, Health and Safety is an item at all team management meetings. Business as usual systems are now well established to continue to monitor infections such as coronavirus, norovirus and influenza and to ensure a proactive response should any new threat become apparent and create a risk to health and operational capability of the MCA. The Agency continues the best practice of providing sanitiser and encouraging high standards of personal hygiene at work.

The Agency's safety management system performance continues to be assessed using a variety of tools including internal and external audits, the analysis of accidents and near misses, and sickness absence statistics. Any material changes in performance have been highlighted to the Executive Team, MCA Board and at Directorate Management Boards, together with risk based corrective actions being taken to prevent a reoccurrence.

The Agency's incident reporting system was launched in April 2023 and has created an improvement in engagement with staff and volunteers, resulting in improved incident, near miss and hazard reporting across the business. This new system is available on all MCA provided mobile devices for improved access, both in offices and out in operational environments.

The H&S team continue to be active members of the DfT Safety Forum. Through the forum, we have worked with other Agency health and safety colleagues to ensure



consistency with current and developing initiatives, including the development of a central DfT strategy and approach to behavioural safety.

The agreed three-year H&S Strategic Improvement Plan has been reviewed with members of the Executive Team and Board members to ensure it is updated for release during 2024-25 reporting year, taking into account changes needed to support the updated MCA business plan. Other achievements included:

- Development of the Basic Health and Safety induction training for HMCG and UKMS new starters/foundation course to reflect the behavioural elements of safety,
- Maintaining the Behavioural Safety Network to develop the plans for rolling out the next phases of the H&S cultural change programme,
- Further improve the visual appearance of the H&S monthly reports using incident reporting data,
- Completion of the supplier assessment of the Total Facilities Management (TFM) contract tenders to ensure H&S needs were covered,
- Continuing to work with the HM Coastguard to support elements of the road risk management programme,
- Working with the Estates Team to ensure H&S specific element of TFM activities are delivered in a risk based and prioritised manner, and
- Initiated and completed the first round of a programme of Organisational Stress Risk Assessments for HM Coastguard.

Overall serious injury performance for staff and volunteers under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) was eight reports in 2023-24, an increase on the six reports in 2022-23. All RIDDOR injuries were investigated by local and headquarters management and any lessons identified were integrated into the Agency's safe operating procedures. Serious injuries or those with high potential for such have been subject to detailed investigation, reporting and actioning. All other incident and near miss summaries are discussed at headquarters and local management meetings.

## Information Assurance and Data Handling

As mandated by the Cabinet Office the Agency has appointed Information Asset Owners to manage and protect business-critical operational and information assets. Information Asset Owners continue to have a responsibility on behalf of the Accounting Officer to understand what information is held and how it is used, and for reviewing risks to the confidentiality, integrity and availability of their information assets, including those in their delivery chain. At each financial year end Agency practices are assessed against the Government Security Functional Standard and expected security outcomes against the corresponding minimum security standards.

An exercise was completed to test the Agency's ability to respond to a Cyber related incident, using the National Cyber Security Centre (NCSC) exercise. The outcomes enabled process changes to close identified gaps, improve incident response and facilitate better alignment between security and IT operations teams.

In year, a new Data Protection Manager (DPM) took up post reviewed and updated systems and processes to strengthen compliance and mitigate risk. The DPM ensures compliance with mandated data protection requirements contained within the General Data Protection Regulation, the Data Protection Act 2018. They also provide oversight and advice on compliance with the Freedom of Information Act (Fol). A change to SIRO took place in December 2023 following the departure of the incumbent post holder.

To support the SIRO, we delivered a Data Conference for Information Asset Owners and Asset Managers highlighting the role and associated responsibilities.

Data Protection Impact Assessments are carried out in all instances where processing of personal data is of sufficient risk. Where new systems are proposed, early engagement is carried out prior to the procurement stage, to agree specific data governance and security requirements. Data Protection Impact Assessments are also undertaken and reviewed when major changes are implemented on systems.

The MCA have ensured the implementation the requirements of the EU Artificial Intelligence Act where there is any processing of European Citizen data. Plans to implement the changes required as a result of the Data Protection and Digital Information Bill have been made with support from DfT to ensure the MCA's compliance with Data Protection legislations continues as the bill progresses.

The Agency has a duty to investigate incidents involving potential breaches of personal data and where appropriate to report these to the Information Commissioner's Office (ICO). There were 43 incidents investigated during the year. One data breach was referred to the ICO in April 2023 who, on review, was satisfied that the Agency's actions were mitigated, and no further action was required. Some recommendations were made and have been implemented.

The MCA has engaged with DfT to understand the changes taking place to National Security Vetting levels; publication of guidance and changes is awaited from central government. Once available, we will deliver a programme of training to our hiring managers, to understand their obligations to review role profiles and take appropriate action to ensure the correct level of assurance is being provided at the point of recruitment, to manage the threat of Insider risk.

During the reporting period, the Agency has progressed a suite of programmes to decommission legacy equipment and systems, to reduce the risk of exposure to data loss and/or leakage as well as several improvement projects aimed at improving its cyber defences, including a full re-deployment/re-configuration of its vulnerability management systems and associated business processes.

## Management Assurance

The information reported in the Management Assurance exercise was scrutinised by the Audit and Risk Assurance Committee which agreed the overall assessment of 'substantial' against the controls assessed.

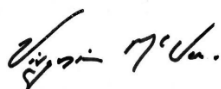
## Control Systems

The Agency's system of internal controls is monitored in accordance with Department for Transport guidance and is regularly reviewed by the Executive Team, Agency Board and the Audit & Risk Assurance Committee.

## Signatory

The MCA Board operated throughout the year under direction of The Chair supported by the Non-Executive Directors. An assessment of the effectiveness of the Board was carried out using the National Audit Office Board Evaluation Questionnaire. Based on this assessment, and having received management and other assurances, the Audit & Risk Assurance Committee, comprising of the Non-Executive Directors, has approved the content of this Governance Statement and endorses the opinion of the Head of Government Internal Audit and Assurance.

These meetings and assessments have provided me with assurance of the governance and control environment enabling me to be confident in signing this Annual Report and Accounts.



**Virginia McVea**  
**Chief Executive**

**10 January 2025**



# Remuneration and Staff Report

# Remuneration and Staff Report

## Remuneration policy

The remuneration of Senior Civil Servants (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body.

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 on [www.gov.uk](http://www.gov.uk) under Office of Manpower Economics.

Executive Directors of the MCA who are Senior Civil Servants may be on fixed term contracts, including the MCA Chief Executive. The contracts may provide for the individual to receive standard SCS remuneration arrangements or individual pay arrangements linked to delivery against predetermined objectives.

Executive Team Members of the MCA who were not Senior Civil Servants received pay awards and performance related pay awards linked to the annual performance appraisal process, in common with other employees of the Agency.

Fees for the Non-Executive Chairman and Non-Executive Directors are negotiated under the terms of their appointment, as approved by the Department for Transport and the MCA Chief Executive respectively.

## Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are or were open-ended. 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 Commission can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk).

## Remuneration and pension entitlements of senior management (audited)

The following sections provide details of the remuneration and pension interests of senior management (i.e. Executive Team members) of the Agency:

### Single total figure of remuneration

	2023-24					2022-23				
	Salary (£000) <sup>4</sup>	Bonus payments (£000)	Benefits in kind (nearest £100)	Pension benefits (£)	Total benefits (£000)	Salary (£000)	Bonus payments (£000)	Benefits in kind (nearest £100)	Pension benefits (£)	Total benefits (£000)
<b>Virginia McVea</b> <i>Chief Executive</i>	125-130 (130-135)	-	-	50,000	175-180	-	-	-	-	-
<b>Damien Oliver</b> <i>Interim Chief Executive/ Director</i>	30-35 (85-90)	-	-	51,000	80-85	85-90	5-10	-	19,000	95-100
<b>Brian Johnson</b> <i>Chief Executive</i>	-	-	-	-	-	80-85 (150-155)	-	1,300	29,000	110-115
<b>Katy Ware</b> <i>Director</i>	95-100	5-10	18,700	61,000	180-185	90-95	15-20	8,500	4,000	120-125
<b>Claire Hughes</b> <i>Director</i>	95-100	10-15	300	39,000	145-150	90-95	5-10	-	12,000	105-110
<b>Chloe Bowes<sup>5</sup></b> <i>Director</i>	75-80	-	-	41,000	115-120	95-100	-	-	49,000	145-150
<b>Matthew Briggs</b> <i>Director</i>	75-80	0-5	-	37,000	115-120	70-75	0-5	-	-17,000	55-60
<b>Steve Mulcahy</b> <i>Director</i>	95-100	-	-	8,000	100-105	85-90	5-10	-	32,000	125-130
<b>Lars Lippuner</b> <i>Director</i>	0-5 (95-100)	-	-	1,000	0-5	-	-	-	-	-
<b>Neil Grant</b> <i>Director</i>	40-45 (75-80)	0-5	-	39,000	80-85	35-40 (75-80)	0-5	-	2,000	40-45
<b>Oliver Poxon</b> <i>Director</i>	75-80	-	-	55,000	130-135	-	-	-	-	-
<b>Richard Pellew</b> <i>Assistant Director</i>	60-65 (90-95)	-	-	-13,000	50-55	-	-	-	-	-
<b>Karen McNeill</b> <i>OCCE</i>	25-30 (80-85)	-	-	42,000	65-70	-	-	-	-	-
<b>Phil London</b> <i>Assistant Director</i>	35-40 (75-80)	0-5	-	62,000	100-105	-	-	-	-	-
<b>Jonny Lloyd Davidson</b> <i>OCCE</i>	155-160 (170-175)	-	-	23,000	180-185	20-25 (65-70)	-	-	8,000	30-35
<b>Richard Wilson</b> <i>OCCE</i>	-	-	-	-	-	55-60 (65-70)	0-5	-	-30,000	25-30

Jonny Lloyd Davidson received a redundancy payment of £87k paid during 2023-24 which is included within the salary disclosure. The salary only disclosure is 60-65 (Full Year 70-75).

<sup>4</sup> Full Year Equivalent shown in brackets.

<sup>5</sup> The 23-24 disclosure includes a period of maternity leave. Excluding the period of maternity leave, the Full Year Equivalent would be £100-105k.

## Single total figure of remuneration (continued)

	2023-24			2022-23		
	Salary (£000)	Benefits in kind (to nearest £100)	Total benefits (£000)	Salary (£000)	Benefits in kind (to nearest £)	Total benefits (£000)
<b>Non-Executive board members</b>						
<b>Christopher Rodrigues</b> <i>Non-Executive Chair</i>	5-10	-	5-10	20-25	0	20-25
<b>Noel Shanahan</b> <i>Non-Executive Director</i>	0-5 (15-20)	-	0-5	15-20	300	15-20
<b>Sarah Davies</b> <i>Non-Executive Director</i>	0-5	100	5-10	0-5 (0-5)	0	0-5
<b>Nigel Pusey</b> <i>Non-Executive Director</i>	10-15	2,600	15-20	10-15	1,800	10-15

## Salary

'Salary' includes gross salary and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Agency and thus recorded in these accounts.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Agency and treated by HM Revenue and Customs as a taxable emolument. The amounts disclosed represent only the value of travel to assessed second workplaces.

## Bonuses

Bonuses are based on performance levels attained and relate to the relevant performance year. Under SCS pay guidance we are permitted to pay in-year awards related to recognise in-year performance as well as end-year bonuses to those determined 'Exceeding' through the SCS appraisal process which are paid in arrears in the next financial year. The bonuses reported in 2023-24 relate to in-year performance during the 2023-24 performance year and end-year performance for the 2022-23 performance year.

In-Year Reward schemes are also available via a Corporate Recognition Scheme and in-year contribution for up to 20% of staff.

'Pivotal Role' payments may be available to Senior Civil Servants (SCS) and are linked to a role not an individual. The scheme is controlled by the Cabinet Office and designed to recruit and retain SCS staff in the most critical Civil Service roles, or for key responsibility during fixed-length pivotal periods or projects. Payments are non-consolidated and non-pensionable and may be paid either in full upon delivery or in instalments linked to achievement of key milestones.



## Pension Benefits<sup>6</sup>

The pension details of members of the MCA Board, in their capacity as Directors/Executive Team of the MCA, were as set out below. None of the non-executive directors had a pension in their capacity as non-executive director of the MCA. No member of the Executive Board had a Partnership Pension.

	Accrued pension at pension age as at 31/03/24 and related lump sum (£000)	Real increase in pension and related lump sum at pension age (£000)	CETV at 31/03/2024 (£000)	CETV at 31/03/2023 (£000) <sup>7</sup>	Real increase in CETV (£000)
<b>Virginia McVea</b> <i>Chief Executive</i>	0-5	2.5-5	44	0	35
<b>Damien Oliver</b> <i>Interim Chief Executive/ Director</i>	30-35	2.5-5	521	469	31
<b>Brian Johnson</b> <i>Chief Executive</i>	-	-	-	196	-
<b>Katy Ware</b> <i>Director</i>	40-45	2.5-5	768	659	46
<b>Claire Hughes</b> <i>Director</i>	30-35 plus a lump sum of 75-80	0-2.5 plus a lump sum of 0-2.5	622	544	25
<b>Chloe Bowes</b> <i>Director</i>	20-25	0-2.5	252	200	21
<b>Matthew Briggs</b> <i>Director</i>	35-40	0-2.5	784	691	29
<b>Steve Mulcahy</b> <i>Director</i>	0-5	0-2.5	71	58	6
<b>Lars Lippuner</b> <i>Director</i>	0-5	0-2.5	1	0	1
<b>Neil Grant</b> <i>Director</i>	25-30 plus a lump sum of 70-75	0-2.5 plus a lump sum of 2.5-5	520	463	29
<b>Oliver Poxon</b> <i>Director</i>	15-20	2.5-5	196	158	30
<b>Richard Pellew</b> <i>Assistant Director</i>	40-45 plus a lump sum of 25-30	0 plus a lump sum of 0	931	910	-22
<b>Karen McNeill</b> <i>OCCE</i>	25-30	0-2.5	423	381	33
<b>Phil London</b> <i>Assistant Director</i>	25-30	2.5-5	481	411	49
<b>Jonny Lloyd Davidson</b> <i>OCCE</i>	15-20	0-2.5	228	190	11
<b>Richard Wilson</b> <i>OCCE</i>	-	-	-	770	-

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates. HM Treasury published updated guidance on 27 April 2023; this guidance has been used in the calculation of 2023-24 CETV figures.

<sup>6</sup> Values are rounded to the nearest thousand, with a minimum of zero. Any real increases less than £500 will show as zero.

<sup>7</sup> The CETV at 31/03/2023 have been restated based on information provided by MyCSP.

Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23, but are reported in the legacy scheme for the same period in 2023-24.

## 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 figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include 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.

## Civil Service Pensions

Pension benefits are provided through the Civil Service Pensions. In 2015 the government introduced reforms to public service pensions. Most public sector workers were moved into reformed career average pension schemes and for the Civil Service this was into the scheme known as alpha.

From 1 April 2015 the alpha pension scheme for civil servants was introduced providing benefits on a career average basis with a normal pension age equal to the member's State Pension Age. From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants

participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS had four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

In 2018, the Court of Appeal found that the rules put in place in 2015 to protect older workers by allowing them to remain in their original scheme were discriminatory on the basis of age. As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. Some active members will have seen changes from April 2022. The remedy is made up of two parts. The first part provided equal treatment for all active pension scheme members and was completed in 2021-22. The second part is to put right, 'remedy,' the discrimination that has happened between 2015 and 2022. Remedy legislation was introduced in October 2023 through the Public Service Pensions & Judicial Offices Act to complete the second part.

To address the discrimination identified by the courts, eligible members who were moved to the alpha in 2015 (or later if they had tapered protection) have been moved back into their legacy pension scheme for the period during which the discrimination occurred, between 1 April 2015 and 31 March 2022. When members, or members who were originally protected, near retirement, they will receive a choice of which pension scheme benefits they would prefer to take for the period. This is called a 'deferred choice.' The choice will be between the member's Legacy (classic, classic plus, premium and nuvos) pension scheme benefits and their reformed pension scheme benefits.

Employee contributions are salary-related and range between 4.6% and 8.05% for members of alpha. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.32% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. 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).

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

## Fair Pay Disclosures (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest paid executive board member in the Agency, for the financial year 2023-24, was £130,000-135,000 (2022-23 £115,000-120,000). This increase in remuneration was due to a change in personnel. This was 3.40 times (2022-23, 3.30) the median remuneration of the workforce, which was £39,023 (2022-23 £35,663). The increase in median remuneration in 2023-24 was due to increase in remuneration paid to staff in the 2023 pay award, and with the change in highest paid director, has resulted in an increase in pay multiple from 3.30 to 3.33.

In 2023-24, remuneration ranged from £20,000-25,000 to £130,000-135,000 (2022-23: £15,000-20,000 to £115,000-120,000). Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

A change in personnel meant the highest-paid director salary and allowances saw an increase by 43% in financial year 2023-24 (2022-23: -30%). No performance or bonus payment was paid to the highest paid director in 2023-24, so a 100% decrease was seen (2022-23: 124%).

Financial year 2023-24 for all employees (excluding the highest-paid director) saw an increase in average salary and allowance by 6.43%, with performance and bonus pay decreasing by 9.56% in comparison to the previous year. The 2023 Pay Award meant eligible employees received a minimum of 4.5% pay award. Coastguard Allowances were revalorised following the Pay Award, which, along with the need to bring in skills and knowledge into specialist areas accounts for the increase in average salary and allowances.

Pay ratios for the mid-point of the banded remuneration (excluding pension benefits) of the highest paid director to the Median, 25th and 75th Percentiles for the current and previous financial year have been set out below:

Year	25 <sup>th</sup> Percentile Pay	Median Pay	75 <sup>th</sup> Percentile Pay
<b>2023-24</b>			
<b>Total Pay &amp; Benefits</b>	132,500 / 31,208	132,500 / 39,023	132,500 / 47,852
Total Pay & Benefits Ratio	4.25 : 1	3.40 : 1	2.77 : 1
<b>Salary Component</b>	132,500 / 28,119	132,500 / 33,310	132,500 / 42,855
Salary Component Ratio	4.71 : 1	3.98 : 1	3.09 : 1

Year	25 <sup>th</sup> Percentile Pay	Median Pay	75 <sup>th</sup> Percentile Pay
<b>2022-23</b>			
<b>Total Pay &amp; Benefits</b>	117,500 / 28,087	117,500 / 35,663	117,500 / 45,208
Total Pay & Benefits Ratio	4.18 : 1	3.29 : 1	2.60 : 1
<b>Salary Component</b>			
<b>Salary Component</b>	92,500 / 26,962	92,500 / 31,663	92,500 / 41,128
Salary Component Ratio	3.43 : 1	2.92 : 1	2.25 : 1

Financial year 2023-24 saw an increase in Median Pay for Total Pay and Benefits, and in Salary. The increase in the Median Pay for Salary is attributable to the Pay Award which equated to 4.5% for eligible employees. The Agency continued to encourage the use of the In Year Reward scheme, which alongside business transformational activities and allowance review accounts for the increase in the Median Pay for Total Pay and Benefits.

The increase in median salary ratio is attributable to the Highest-Paid Director for 2023-24 being higher than 2022-23.

## Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes but the MCA is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016

Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservice.gov.uk/pensions>).

For 2023-24, employer contributions of £12,005,830 were payable to the PCSPS (2022-23: £11,234,296) at one of four rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands (2022-23: 26.6% to 30.3%). The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The MCA is not aware at this time whether rates may or may not vary in the next accounting period. The contribution rates are set to meet the cost of the benefits accruing during 2023-24 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 £112,267 (2022-23: £106,567) were paid to one appointed stakeholder pension provider. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. No employer contributions were payable to the PCSPS to cover the cost of the future

provision of lump sum benefits on death in service or ill health retirement of these employees (2022-23: None).

Contributions due to the partnership pension providers at the balance sheet date were £18,874 (2022-23: £12,073). Contributions prepaid at that date were £Nil.

## Expenditure on consultancy and temporary staff

Agency expenditure on consultancy in 2023-24 was £1,132,562 (2022-23 £1,227,199). This was primarily in support of the radio network infrastructure replacement programme and aviation activity associated with the Search and Rescue Second Generation Helicopter contract. These activities were also the main areas of expenditure in the prior year

Agency expenditure on temporary staff in 2023-24 was £1,391,707 (2022-23 £2,119,157). The reduction was primarily due to appointment of permanent employees rather than reliance on short term temporary contracts.

## Off-payroll Engagements

All off-payroll engagements were subject to a risk-based assessment to determine whether the activity undertaken was deemed to be a “resource” or a contracted-out service and whether any tax and national insurance contributions were correctly paid. During 2023-24 enhancements were made to the engagement process for activities that were off payroll, including an Audit undertaken by the Government Internal Audit Agency.

The number of off-payroll engagements for IR35 assessments under off-payroll legislation as required by Chapter 10 Income Tax (Earnings and Pensions) Act 2003 are reported in the following tables.

Temporary off-payroll worker engagements costing the Agency more than £245 per day at period end:

2023-24	
Total number of existing engagements as of 31 March 2024	
<b>Number of engagements which at time of reporting have existed for:</b>	
Less than one year	4
Between one and two years	2
Between two and three years	1
Between three and four years	0
Four or more years	3

Temporary off-payroll appointments engaged at any point during the year ended March 2024 and earning at least £245 per day:

	2023-24
Number of off-payroll workers engaged at any point during the year ended 31 March 2024	13
Number of engagements to which the off-payroll legislation does not apply	8
<b>Number of engagements to which the off-payroll legislation does apply:</b>	
Number of which were determined as being in scope of IR35	3
Number of which were determined as being out of scope of IR35	2
<b>Number of off-payroll workers engagements which:</b>	
Were reassessed for compliance or assurance purposes during the year	0
Saw a change to IR35 status following review	0

Temporary off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024:

	2023-24
Number of off-payroll engagement of board members, and/or, senior official with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed "board members and/or senior official with significant financial responsibility," during the financial year. This figure should include both on payroll and off-payroll engagements.	18

During the financial year, there were no off-payroll engagements of board members and/ or senior officials with significant financial responsibility. A robust engagement process was instigated in year to review and challenge the need for off-payroll engagements with hiring managers considering alternative resourcing options prior to approval of off-payroll engagements.

Seven individuals were identified from previous financial years who saw a change to the initial determination status; this has resulted in a disclosure being made to HMRC.



## Staff costs (audited)

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

	Permanently employed staff	Other employed staff	Agency/ Temporary staff	2023-24	2022-23
	£000	£000	£000	£000	£000
Wages and salaries	52,674	754	1,392	54,820	48,992
Social security costs	5,609	80	-	5,689	5,256
Other pension costs	11,945	171	-	12,116	11,338
<b>Total net costs</b>	<b>70,228</b>	<b>1,005</b>	<b>1,392</b>	<b>72,625</b>	<b>65,586</b>
Staff costs expensed	-	-	-	72,382	65,357
Staff costs capitalised	-	-	-	243	229

## Staff numbers (audited)

Average number of full-time equivalent persons employed during the years ending 31 March were:

	Permanently employed staff	Others	31 March 2024	31 March 2023
Direct service delivery and support	954	9	963	931
Corporate support	224	9	233	233
Board members	9	-	9	8
Directly employed	1,187	18	1,205	1,172
Others – temporary	-	24	24	38
<b>Total</b>	<b>1,187</b>	<b>42</b>	<b>1,229</b>	<b>1,210</b>

There was 1 early retirement in the year caused by ill health (2022-23: 1). The Agency's Coastguard Rescue Service comprises over 3,500 volunteers.

## Staff composition

Male and female employees by number for the year ending 31 March 2024 were:

	Male	Female	2023-24
Senior Civil Service – Band 2	-	1	1
Senior Civil Service – Band 1	3	4	7
Other Board Members	2	1	3
Board members and Senior Civil Service	5	6	11
All other employees	773	484	1,257
<b>Total</b>	<b>778</b>	<b>490</b>	<b>1,268</b>

## Sickness absence data

	2023-24	2022-23
Working days taken as sickness absence	7,166	7,342
Average number of days lost per employee	5.95	6.26

The 2022-23 data has been restated to reflect the actual position once all sickness absence returns were recorded.

## Staff turnover

The staff turnover rate for the year ending 31 March 2024 was:

	2023-24
Turnover	9.80%
Departmental Turnover	12.29%

## Staff policies for disabled persons applied during the financial year

As an Equal Opportunities employer, the Agency actively encourages applications from people with disabilities. Where such individual candidates can demonstrate that they meet the essential requirements of the role the MCA will guarantee them an interview under the Disability Confident Scheme.

The continued employment of, and appropriate training for, employees who may be disabled is promoted by applying the MCA's policy of making reasonable adjustments throughout any individual's employment to enable them to work, develop and progress.

## Business Appointment Rules (BAR)

Any employee of the MCA who intends to take up an outside appointment or employment after leaving the Civil Service must comply with the government's 'Business appointment rules for crown servants' and any measures put in place to manage interests. Guidance is published within the relevant leaver processes of employee's responsibilities towards Business Appointment Rules.

In compliance with Business Appointment Rules (BARs), the department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on [GOV.UK](https://www.gov.uk).

## The Trade Union (Facility Time Publication Requirements) Regulations 2017

Disclosures required under the Trade Union (Facility Time Publication Requirements) Regulations 2017 which came into force on 1 April 2017 are shown in the table below:

Relevant Union Officials	2023-24
Number of employees who were relevant union officials during the relevant period	22
Full-time equivalent employee number	1,204
Percentage of time spent on facility time	
1-50%	1-50%
Percentage of pay bill spent on facility time	
Total cost of facility time	24,220
Total pay bill	72,625,128
Percentage of the total pay bill spent on facility time	0%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours (no paid activities in year)	0%

## Exit packages (audited)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
<£10,000	-	-	2	2	2	2
£10,000 - £25,000	-	-	3	-	3	-
£25,000 - £50,000	-	-	2	1	2	1
£50,000 - £100,000	-	-	2	3	2	3
£100,000 - £150,000	-	-	-	-	-	-
<b>Total number of exit packages</b>	-	-	9	6	9	6
<b>Total resource cost (£)</b>	-	-	279,373	296,325	279,373	296,325

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Agency has agreed early retirements, the additional costs are met by the Agency and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

## Diversity and Inclusion

The Agency continues to embed the MCA Way as a foundation for good behaviours to create a safe and inclusive culture. The MCA Way was designed with seven pillars that reflect the culture the Agency is collectively building: Safe, Inclusive, Innovative, Just & Fair, Sustainable, Ethical and Diverse. The agency has seen an 8% increase in LGBTQ+ employees, though recruiting a socio-demographic workforce remains a barrier for the Agency, especially in some of the remote coastal locations. We are continuing to use data and analytics to better understand the socio-demographic constraints in those locations and ensuring that language used in job adverts is inclusive. The Agency has continued to create an equal opportunities culture, with financial year of 2023-24 seeing an increase of 4% in females in Senior Management roles (Senior Executive Officer and higher).

With due regard to the public sector equality duty, independent panel members continue to be appointed to represent the Agency as impartial representatives on assessment boards, having all received in-depth awareness workshops on ensuring equality of opportunity for all applicants. The Agency has a range of Networks set up across the organisation that work collaboratively to share knowledge and experiences across all protected characteristics, including;

- Women's Network;
- Carers Network;
- LGBTQ+ Network;
- Positive Support Network;
- Mental Wellbeing Support Network; and
- Multifaith Chaplaincy

The Women's Network continue to make great strides in raising awareness and helping women achieve their potential. Facilitating important discussions about women specific issues and working collaboratively across the MCA and wider government to support initiatives for gender equality.

The LGBTQ+ Network continues to ensure that LGBTQ+ staff feel safe, supported, and listened to. Creating an open and honest place to discuss LGBTQ+ experiences

that embodies the culture of openness and quality within the MCA. This is achieved through use of social media and other platforms to reach out and attract LGBTQ+ candidates to apply for roles within the MCA. Making real and tangible changes in the workplace to enable individuals from the LGBTQ+ community to succeed and excel in the MCA.



# Parliamentary accountability disclosures



# Parliamentary Accountability Disclosures (Audited)

## Regularity of Expenditure

### Losses and Special Payments

Losses incurred in 2023-24 were £183,742. (2022–23 £650). The Agency made no special payments exceeding £300,000 in 2023–24 (2021–22: none).

### Remote Contingent Liabilities

There was one remote contingent liability in year (£30,000,000). (2022-23 none)

As part of the MCA’s role as advisor to the marine licencing regime, a legal challenge has been lodged attempting to pass liability to the MCA from a third party. Liability is potential damages if the MCA loses the case.

### Fees and Charges

The Agency is required to disclose performance results for the areas of its activities where fees and charges income is received for the provision of statutory services. The analysis is not intended to meet the requirements of IFRS 8 (Operating Segments).

	2023-24			2022-23 (Restated)		
	Income £000	Expense £000	Net £000	Income £000	Expense £000	Net £000
<b>Statutory Services</b>						
Marine surveys	6,399	7,193	(794)	5,712	6,179	(467)
Registration of ships	2,083	2,422	(339)	2,143	1,968	175
Seafarers’ examinations and certification	2,387	3,495	(1,108)	1,202	3,765	(2,563)
<b>Total</b>	<b>10,869</b>	<b>13,110</b>	<b>(2,241)</b>	<b>9,057</b>	<b>11,912</b>	<b>(2,855)</b>

A new fees and charges cost methodology has been used to allocate both direct and indirect overhead costs in 2023-24. In prior years, expenses exclude indirect overheads; to ensure a consistent approach 2022-23 has been restated to include

full costs. The financial objective of each service is full recovery of service costs in accordance with HM Treasury's 'Managing Public Money.'

Income disclosed above has also been disaggregated for IFRS 15 in Note 3.



**Virginia McVea**  
**Chief Executive**

**10 January 2025**

# Comptroller and Auditor General's report and certificate

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

## Opinion on financial statements

I certify that I have audited the financial statements of the Maritime and Coastguard Agency for year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Maritime and Coastguard Agency's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Maritime and Coastguard Agency's affairs as at 31 March 2024 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities

under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Maritime and Coastguard Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Maritime and Coastguard Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Maritime and Coastguard Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Maritime and Coastguard Agency is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## **Other information**

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Opinion on other matters**

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## **Matters on which I report by exception**

In the light of the knowledge and understanding of the Maritime and Coastguard Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Maritime and Coastguard Agency or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Maritime and Coastguard Agency from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Maritime and Coastguard Agency's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Maritime and Coastguard Agency will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Maritime and Coastguard Agency's accounting policies, key performance indicators and performance incentives.
- Inquired of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Maritime and Coastguard Agency's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risk of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Maritime and Coastguard Agency's controls relating to the Maritime and Coastguard Agency's compliance with the Government Resources and Accounts Act 2000, Managing Public Money, tax legislation, employment law and the relevant statutes pertaining to the delivery of services.
- inquired of management, internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud.
- discussed with the engagement regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Maritime and Coastguard Agency for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, bias in management estimates. In common with all audits



under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Maritime and Coastguard Agency's framework of authority and other legal and regulatory frameworks in which the Maritime and Coastguard Agency operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Maritime and Coastguard Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, employment law, and tax legislation and the relevant statutes pertaining to the delivery of services.

### **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This forms part of my certificate.

### **Other auditor's responsibilities**

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial

transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

## **Report**

I have no observations to make on these financial statements.

**Gareth Davies**

**16 January 2025**

### **Comptroller and Auditor General**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# Financial Statements



## Statement of Comprehensive Net Expenditure

For the period ended 31 March 2024

		2023-24	2022-23
	Note	£000	£000
Revenue from contracts with customers	[3]	(16,531)	(14,477)
Other income	[3]	(3,085)	(3,238)
<b>Total income</b>		<b>(19,616)</b>	<b>(17,715)</b>
Staff costs	[2]	72,382	65,357
Purchase of goods and services	[2]	303,342	299,080
Grant in kind	[2]	-	10,550
Depreciation and impairment charges	[2]	63,821	60,870
Net provision expense	[2]	(241)	(648)
Other operating expenditure	[2]	(817)	32
<b>Total operating expenditure</b>		<b>438,487</b>	<b>435,241</b>
<b>Net operating expenditure for the year</b>		<b>418,871</b>	<b>417,526</b>
Finance expense	[13]	2,460	3,155
<b>Net expenditure for the year</b>		<b>421,331</b>	<b>420,681</b>
<b>Other comprehensive net expenditure</b>			
Items which will not be reclassified to net operating expenditure:			
<b>Net (gain)/loss on:</b>			
Revaluation of property, plant and equipment		(6,482)	(3,086)
Revaluation of intangible assets		(462)	(237)
Revaluation of right of use assets		-	(97)
Revaluation of inventories		(72)	(754)
<b>Total net revaluation (gains) and losses</b>		<b>(7,016)</b>	<b>(4,174)</b>
<b>Comprehensive net expenditure for the year</b>		<b>414,315</b>	<b>416,507</b>


The notes on pages 104 to 131 form part of these accounts.

## Statement of Financial Position

		31 March 2024		31 March 2023	
	Note	£000	£000	£000	£000
<b>Non-current assets</b>					
Property, plant and equipment	[5]	115,470		101,584	
Right of use assets	[6]	95,245		135,739	
Intangible assets	[7]	13,579		16,078	
Inventories	[8]	7,036		6,988	
Trade and other receivables	[10]	87		116	
<b>Total non-current assets</b>			<b>231,417</b>		<b>260,505</b>
<b>Current assets</b>					
Assets held for sale	[9]	617		-	
Trade and other receivables	[10]	13,075		12,908	
Cash	[11]	9,940		1,576	
<b>Total current assets</b>			<b>23,632</b>		<b>14,484</b>
<b>Total assets</b>			<b>255,049</b>		<b>274,989</b>
<b>Current liabilities</b>					
Trade and other payables	[12]	(69,640)		(68,655)	
Lease liabilities	[13]	(50,918)		(51,232)	
Provisions	[14]	(879)		(1,070)	
<b>Total current liabilities</b>			<b>(121,437)</b>		<b>(120,957)</b>
<b>Total assets less current liabilities</b>			<b>133,612</b>		<b>154,032</b>
<b>Non-current liabilities</b>					
Lease liabilities	[13]	(49,862)		(90,925)	
Provisions	[14]	(2,069)		(2,402)	
<b>Total non-current liabilities</b>			<b>(51,931)</b>		<b>(93,327)</b>
<b>Total assets less total liabilities</b>			<b>81,681</b>		<b>60,705</b>
<b>Taxpayers' equity and reserves</b>					
General fund		58,338		42,576	
Revaluation reserve		23,343		18,129	
<b>Total equity and reserves</b>			<b>81,681</b>		<b>60,705</b>

The notes on pages 104 to 131 form part of these accounts.

Virginia McVea  
Chief Executive



10 January 2025

## Statement of Cash Flows

For the period ended 31 March 2024

		2023-24	2022-23
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Net operating expenditure for the year		(418,871)	(417,526)
Adjustments for non-cash transactions	[2]	63,143	70,539
(Increase)/decrease in inventories	[8]	(47)	(658)
less movements in inventories relating to items not passing through the Statement of Comprehensive Net Expenditure		72	754
(Increase)/decrease in trade & other receivables	[10]	(138)	(2,052)
less movements in trade and other receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		14	(49)
Increase/(decrease) in trade and other liabilities	[12]	985	5,229
less movements in trade and other liabilities relating to items not passing through the Statement of Comprehensive Net Expenditure		6,333	(1,715)
Use of provisions	[14]	(297)	(75)
<b>Net cash outflow from operating activities</b>		<b>(348,806)</b>	<b>(345,553)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	[5]	(18,100)	(15,584)
(add)/less movements in capital accruals		(7,892)	2,653
Purchase of intangible assets	[7]	(1,276)	(1,791)
(add)/less movements in capital accruals		849	(939)
Proceeds of disposals of property, plant and equipment		945	103
<b>Net cash outflow from investing activities</b>		<b>(25,474)</b>	<b>(15,558)</b>
<b>Cash flows from financing activities</b>			
Current year consolidated fund (supply)		435,600	408,800
Repayment of lease liability principals	[13]	(50,496)	(47,784)
Interest paid on lease liabilities		(2,460)	(3,155)
<b>Net financing</b>		<b>382,644</b>	<b>357,861</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>8,364</b>	<b>(3,250)</b>
Payment of amounts due to the consolidated fund		-	-
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>8,364</b>	<b>(3,250)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	[11]	<b>1,576</b>	<b>4,826</b>
<b>Cash and cash equivalents at the end of the period</b>	[11]	<b>9,940</b>	<b>1,576</b>

The notes on pages 104 to 131 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

As at 31 March 2024

	Note	General Reserve £000	Revaluation Reserve £000	Total Reserves £000
<b>Balance at 1 April 2022</b>		<b>53,305</b>	<b>15,018</b>	<b>68,323</b>
Net parliamentary funding		408,800	-	408,800
Non-cash charges: auditor's remuneration	[2]	105	-	105
Net expenditure for the year		(420,681)	-	(420,681)
Revaluation gains and (losses)		-	4,174	4,174
Transfers between reserves		1,063	(1,063)	-
Other reserves movements		(16)	-	(16)
<b>Changes in taxpayers' equity for 2022-23</b>		<b>(10,729)</b>	<b>3,111</b>	<b>(7,618)</b>
<b>Balance at 31 March 2023</b>		<b>42,576</b>	<b>18,129</b>	<b>60,705</b>
Net parliamentary funding		435,600	-	435,600
Non-cash charges: auditor's remuneration	[2]	155	-	155
Net expenditure for the year		(421,331)	-	(421,331)
Revaluation gains and (losses)		-	7,262	7,262
Transfers between reserves		2,048	(2,048)	-
CFERS payable to the Consolidated Fund		(710)	-	(710)
<b>Changes in taxpayers' equity for 2023-24</b>		<b>15,762</b>	<b>5,214</b>	<b>20,976</b>
<b>Balance at 31 March 2024</b>		<b>58,338</b>	<b>23,343</b>	<b>81,681</b>

The notes on pages 104 to 131 form part of these accounts.

# Notes to the Agency's accounts



# 1. Statement of Material Accounting Policies

This Note sets out the accounting policies determining the recognition and valuation of material assets, liabilities, income and expenditure. Critical judgements, accounting estimates and sources of estimation uncertainty are disclosed within each accounting policy note.

As the Statement of Financial Position and Note 6 indicate, the Agency's most material assets are Right of Use Search and Rescue Helicopters. The related depreciation costs, disclosed in Note 3, are also material.

## 1.01 Basis of preparation

The financial statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by HM Treasury (HMT). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Maritime and Coastguard Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the MCA are described below. They have been applied consistently to items considered material to the financial statements.

The statements cover the period 1 April 2023 to 31 March 2024 and 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.

## 1.02 Accounting convention

The accounts are prepared on a going concern basis under the historical cost convention, modified by the revaluation of certain non-current assets categories.

## 1.03 Adoption of new and revised standards

IFRS 17 Insurance Contracts becomes effective in the corporate sector for accounting periods commencing on, or after, 1 January 2023. HM Treasury's consultation on the adoption of IFRS 17 in central government is currently ongoing: it is anticipated that adoption of IFRS 17 in central government is likely to be deferred, with a proposed application date of 1 April 2025. The standard covers all enforceable arrangements under which an entity accepts a non-financial risk from a third party, with the option to exclude arrangements whose primary purpose is the provision of services for a fixed fee, which may be accounted for under IFRS 15. It requires an expected present value approach to measuring insurance liabilities, with an incremental amount to reflect the cost of uncertainty. The Agency is monitoring its contingent liabilities and similar arrangements to identify any that meet the definition

of insurance contracts. The Agency considers that it has no contracts which meet the definition of insurance contracts as set out in the standard.

## 1.04 Estimation of accrued liabilities

The recognition and valuation of accrued liabilities for work done by its principal service contractors are based on the Agency's best estimates of the work done at the end of the reporting period. The value of work done is certified, invoiced and paid only when all valuation issues have been resolved to the Agency's satisfaction. Accruals are based on assessments by the Agency's project management teams of work done by the contractors. When accruing the Agency takes a view of any disputed amounts.

## 1.05 Property, plant and equipment

### Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis.

Additions are valued using estimates of the cost of work done in the year to 31 March 2024. To the extent that estimates are greater than amounts invoiced, amounts expected to be required to settle contractual obligations are recognised as PPE additions and corresponding accruals in Trade and other payables (Note 12). Cost estimates are based on information readily available to project managers on the status of works, but some estimation uncertainty is involved in measuring the value of works performed at the year-end date.

### Valuation

Property, plant and equipment are carried in the statement of financial position at current value in existing use or fair value as described below:

- Property is valued by the Agency's external property consultants at Existing Use Value (EUV) where a market for such property is established. Where no such market exists and it is impracticable to ascertain the EUV then Depreciated Replacement Cost (DRC) is used.
- Valuations of property are carried out every five years, most recently at 31 March 2024. The five yearly valuation is supplemented by annual indexation for intervening years in line with the direction in the FReM. Revaluation indices are supplied by external property consultants.
- Plant and equipment are revalued annually using appropriate price indices published by the Office for National Statistics.
- Revaluation surpluses on property, plant and equipment are taken to the revaluation reserve. Revaluation deficits are written off against any revaluation

surplus for the asset concerned and otherwise to the Statement of Comprehensive Net Expenditure.

- Surplus assets, if any, are valued at current value in existing use or fair value.

## Depreciation

The Agency categorises property, plant and equipment disclosures in Note 5 into the following

- Land and Buildings which include operational bases for HM Coastguard and Marine Offices
- IT and Telecoms which include Radios, Masts, Radio Network, IT Hardware
- Other – Vehicles and Rescue equipment for HM Coastguard, Pollution Control equipment, equipment for use in aircraft and furniture and fittings
- Assets under construction – Radio network and building and IT projects.

Depreciation is not charged on freehold land and assets under construction. Other assets are depreciated on a straight-line basis over their estimated useful economic lives as follows:

- Freehold buildings - up to a maximum of 50 years,
- Leasehold buildings - over the lower of the lease term and the estimated remaining life,
- Leasehold improvements –over the lower of the lease term or the estimated remaining life,
- Plant and equipment - over the following standard lives:
  - Information Technology 3-15 years
  - Transport Equipment 3-10 years
  - Plant and Machinery 5-15 years
  - Furniture and Fittings 3-10 years

Specific individual assets may be depreciated on an ad hoc basis outside of these limits where management believes that this is appropriate.

## 1.06 Intangible assets

Intangible 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 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, or
- They comprise applications software with a cost of £20,000 or more.

Intangible assets are amortised typically over 3-10 years or over the useful economic life of an item in property, plant and equipment with which the useful economic life of the intangible asset is closely associated.

Intangible assets are revalued annually using appropriate price indices published by the Office for National Statistics (ONS). Amortisation is not charged on intangible

assets under development.

Operating software essential to the running of hardware is capitalised with the associated hardware as property, plant and equipment where it is not possible to separate the costs.

Intellectual property rights to data which is not freely available for download under Open Government Licence on government websites are not capitalised.

## 1.07 Assets held for sale

Assets held for sale are available for immediate sale in their present condition and are being actively marketed for sale. They are valued at the lower of their carrying amount at the point of transfer and fair value (market value) less material selling costs. Depreciation is not applied.

## 1.08 Inventories - stockpile goods

Stockpile goods are chemical goods for use in national emergencies held at strategic locations in the UK. They are maintained at a fixed level and not normally consumed in the year. As such they are deemed to be non-current assets by the FReM and are valued at net replacement cost rather than net realisable value. Revaluation surpluses are taken to the revaluation reserve.

## 1.09 Leases

### Scope and classification

The Agency classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are assessed to determine whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use. In such cases, the relevant part is treated as a lease. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration.

The Agency excludes contracts for low-value items, defined as items that cost less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and contracts with a term shorter than twelve months (comprising the non-cancellable period together with any extension options that the Agency is reasonably certain to exercise and any termination options that the Group is reasonably certain not to exercise).

### Initial recognition

At the commencement of a lease the Agency recognises a right-of-use asset and a lease liability.

The lease liability is measured as the payments for the remaining lease term (as

defined above), discounted either by the rate implicit in the lease, or, where this cannot be determined, by the Agency's incremental cost of borrowing. The payments included in the liability are those that are fixed or in-substance fixed, and excludes, for example, changes arising from future rent reviews or changes in an index. For most agencies, including the MCA, the incremental cost of borrowing is the rate advised annually by HM Treasury.

The right-of-use asset is measured at the value of the liability, adjusted for: any payments made before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs, which will be required to be paid at the end of the lease. However, where the lease requires nominal consideration (a type of arrangement often described as a "peppercorn" lease), the FReM requires that the asset be measured at its current value in existing use.

### Subsequent measurement

The leased asset is subsequently measured using the fair value model. The Agency considers that the cost model is a reasonable proxy for leased asset values except for assets held under leases with no regular rent review, which will be assessed for revaluation in line with IAS16. Leased assets with nominal or nil-consideration (peppercorn leases) have been valued using market rentals, provided by external property consultants.

The lease liability is subsequently remeasured for the accrual of interest, repayments, re-assessments and modifications. Re-assessments and modifications are measured by re-discounting the revised cash flows; the impact is reflected in the liability and either in the asset valuation or expenditure.

### Lease expenditure

Expenditure includes interest, straight-line depreciation and any asset impairments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or for those shorter than twelve months are expensed.

### Estimates and judgements

For embedded leases, the Agency determines the amounts to be recognised as the right-of-use asset and lease liability based on the stand-alone price of the lease component and the non-lease component or components. This determination reflects the prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components.

The FReM requires that right-of-use assets held under "peppercorn" leases should be measured at current value in existing use. These leases include historic, long-

term leases as well as more recent arrangements. To identify such leases, the Agency has distinguished consideration that is nominal from consideration that is low, but proportionate to the asset's value (for example, the lease of a small area of land with few alternative uses). This distinction reflects, so far as possible, recent, observable market arrangements for comparable assets (for example, current rentals); otherwise, based on the Agency's own arrangements.

Where, for peppercorn leases, existing use value is required, this is calculated using market value rentals provided by external property consultants, over the lease term. Market value rentals will be provided on a yearly basis.

## 1.10 Provisions for liabilities and charges

The Agency maintains several provisions. These provisions are reviewed annually as at the balance sheet date and are adjusted to reflect the latest best estimate of the liability. Provisioning is made when the tests of IAS 37 have been passed in that there is a legal or constructive obligation arising from past events; it is more likely than not there will be an outflow of economic benefits; and the amount can be estimated reliably. These adjustments are reflected in the Statement of Comprehensive Net Expenditure for the year. Where the time value of money is material, the future estimated cash flows are discounted to present values using the appropriate discount rate set by HM Treasury.

## 1.11 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits for which the agency is unable to identify its share of underlying liabilities. The Agency therefore 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 schemes, the Agency recognises the contributions payable for the year.

Additional details relating to the PCSPS are included within the Remunerations and Staff Report under Pensions.

## 1.12 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 VAT rules for central government bodies differ from those for companies. Government bodies may recover VAT on specified goods and services only. These accounts include irrecoverable VAT where applicable.

## 1.13 Recognition of revenues from contracts with customers

Revenue from contracts with customers relates to revenue received directly from the operating activities of the Agency. The FReM has adapted the definition of a contract in IFRS 15 to include legislation and regulations which enable an entity to obtain revenue not classified as a tax.

Revenue principally comprises fees and charges for goods or services provided, on a full cost basis, to external customers. Most of the Agency's revenue is received in advance of goods or service provision and is recognised as deferred income until the performance obligation has been met. Revenue is stated after deduction of Value Added Tax.

## 1.14 Contingent liabilities

The Agency has legal claims and challenges made against it from time to time in carrying out its duties as a regulator. In accordance with IAS 37, the Agency discloses as contingent liabilities potential future discounted obligations arising from past obligating events, where the existence of such obligations remains uncertain pending the outcome of future events outside of the Agency's control, unless their likelihood is considered to be remote.

## 1.15 Critical judgements

Contracts for services have been evaluated under IFRS 16 to determine whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use, over the contractual term. In such cases, the relevant part is treated as a lease.

The Agency considers that the cost model is a reasonable proxy for leased asset values as all leases, except peppercorn leases, are at market value and, where relevant, subject to regular rent review.

### **Search & Rescue Second Generation (SAR2G)**

The SAR2G contract consists of aircraft assets (helicopters, fixed wing aircraft and unmanned aircraft (drones)), which are assessed as in scope of IFRS16 and base assets (hangars and equipment), which are in scope of IFRIC12.

For the aircraft assets, these will be accounted for on their respective service commencement dates in line with IFRS 16.

For the base assets, as the costs cannot be measured reliably and there is a lack of certainty around economic benefit, the Agency has assessed that at 31<sup>st</sup> March 2024 there are no work in progress service concession assets for the new bases, as described in the FReM and they will therefore have no impact on the 2023-2024 accounts.

The first base and associated aircraft will be operational from October 2024.

## **Search & Rescue Helicopters (SAR-H)**

The SAR-H contract is made up of SAR helicopters accounted under IFRS 16 and hangars, with hangar costs charged to expenditure.

Periodically the use of cost proxy is reviewed to ensure it is still relevant, and, specifically for the SAR helicopters. The possible increase in replacement costs of the helicopter assets, from inception to current date, cannot be measured with any reliability; the cost by proxy continues to be used.

## **Property**

The Agency signed a twenty-five-year lease agreement for our Headquarters office. In accordance with IFRS 16, the lease length of five years is accounted for, as both the Lessor and the Lessee have the right to break on each fifth anniversary.



## 2. Operating Expenditure

### 2.1 Staff Costs

	2023-24		2022-23	
	£000	£000	£000	£000
Wages and salaries	53,184		46,644	
Agency staff	1,392		2,119	
Wages and salaries – total	54,576		48,763	
Social security costs	5,689		5,256	
Other pension costs	12,117		11,338	
	<b>72,382</b>		<b>65,357</b>	

### 2.2 Purchase of Goods and Services

	2023-24		2022-23	
	£000	£000	£000	£000
<b>Purchase of goods and services – cash items</b>				
UK SAR helicopter service	170,666		172,637	
Aerial surveillance & spraying	21,969		23,224	
Support for maritime training	17,183		16,998	
Civil hydrography & navigation safety	8,266		6,635	
Information technology and telecommunications	29,323		25,989	
Accommodation	15,810		13,490	
Pollution response and emergency towing vessels	7,459		10,863	
Coastguard volunteers	5,151		4,501	
Subscriptions to IMO and other international bodies	1,307		1,338	
Staffing, travel and subsistence	8,996		7,700	
Administration and professional	11,129		10,173	
Service and technical advice	5,928		5,427	
Sub-total: cash items	303,187		298,975	
<b>Purchase of goods and services - non-cash items</b>				
Auditors' remuneration and expenses	155		105	
<b>Purchase of goods and services</b>	<b>303,342</b>		<b>299,080</b>	

## 2.3 Grants

	2023-24		2022-23	
	£000	£000	£000	£000
Grant in kind	-		10,550	
		-		10,550

## 2.4 Depreciation and Impairment Charges

	2023-24		2022-23	
	£000	£000	£000	£000
<b>Non-cash items:</b>				
Depreciation – owned assets	11,847		9,938	
Depreciation – right of use assets	49,633		47,777	
Amortisation – owned assets	4,241		3,635	
Impairment	64		-	
Net revaluation (gains)/losses	(1,964)		(480)	
		63,821		60,870

## 2.5 Provision Expenses

	2023-24		2022-23	
	£000	£000	£000	£000
<b>Non-cash items:</b>				
Provisions provided in year (net)	(254)		(675)	
Unwinding of discount on provisions	27		(22)	
Impairment (gains)/losses – trade receivables	(14)		49	
		(241)		(648)

## 2.6 Other Operating Expenditure

	2023-24		2022-23	
	£000	£000	£000	£000
<b>Non-cash items:</b>				
(Profit)/loss on disposal of property, plant and equipment	(818)		30	
(Gain)/loss on re-measurement of right-of-use assets	1		2	
		(817)		32

## SAR Helicopters

The MCA provides all search and rescue helicopter services in the UK from ten bases operating solely under the UK Search and Rescue Helicopter Service (UK SAR-H) contract.

The costs for this contract are included in operating expenditure and finance expense as described in the table below:

	2023-24	2022-23
	£000	£000
<b>SAR-H contract costs</b>		
UK SAR Helicopter service	170,666	172,637
Purchases of goods and services	170,666	172,637
Depreciation – right of use assets	38,683	39,708
Operating expenditure	209,349	212,345
Finance expense	1,933	2,632
Search and rescue helicopters	<b>211,282</b>	<b>214,977</b>

On 21 July 2022, the MCA awarded the new contract for the UK Second-Generation Search and Rescue Aviation programme, known as UKSAR2G. The contract is worth £1.8 billion and will last for 10 years, using a fleet of state-of-the-art helicopters, aeroplanes and unmanned aircraft (drones).

The existing SAR-H contract will phase out in 2024-25 through to 2025-26 as the UKSAR2G contract comes online throughout that period.

## Services to the Shipping Industry

Total shipping industry support and services expenditure was £25,449,000 (2022-23: £23,633,000).

The Agency operates the Support for Maritime Training Scheme (SMarT) for maritime officer trainees. The Agency provided funding after costs in 2023-24 of £17,183,000 (2022-23: £16,998,000).

The Agency provided further services to the shipping industry as required by Merchant Shipping Acts and international conventions costing £8,266,000 in 2023-24 (2022-23: £6,635,000). These services included civil hydrographic surveys, weather bulletins and navigational warnings, seafarer safety and medical services.

The United Kingdom Hydrographic Office (UKHO) holds in its database the results of civil hydrographic surveys performed by private firms under contract to the Maritime and Coastguard Agency. The data is freely available from the UKHO for download under the Open Government Licence. The MCA bears the cost of obtaining UK civil hydrographic survey data and holds the crown copyright.

## Other purchases of goods and services

Administration and professional expenditure includes items such as consultancy, legal and audit fees.

Service and technical advice expenditure includes items such as Coastguard equipment and maintenance, technical advice and shipwreck monitoring.

## Grant in kind

The ownership of MCA's headquarters property in Southampton has been transferred to the Government Property Agency. The transfer, by grant in kind of £10,550,000, took place on 1 April 2022, after which date the MCA began to pay rent to occupy the building. This transfer took place one year later than had previously been expected.

## 3. Income

	2023-24	2022-23
	£000	£000
Statutory services	10,869	9,057
Operational services	3,047	3,196
Other services	836	797
Other income (costs recharged)	1,779	1,427
<b>Total revenue from contracts with customers</b>	<b>16,531</b>	<b>14,477</b>
Other receipts	3,085	3,238
<b>Total other income</b>	<b>3,085</b>	<b>3,238</b>
<b>Total Income</b>	<b>19,616</b>	<b>17,715</b>

The Agency receives income mainly from fees and charges for the delivery of front-line services provided on a full cost basis to external customers as part of its operating activities.

Income Segment	Goods or Services	Nature, timing and satisfaction of performance obligation
Statutory Services	Ship Surveys	Undertaken when a fee is received in advance. Surveyor time is spent surveying and income is recognised as time is charged.
	Registration of Shipping & Seafarers	Fee is received in advance for vessel registration documentation and is recognised when documentation issued. Seafarer records are updated with time at sea. Income is recognised once document issued.
	Seafarer Training & Certification	Fee is received in advance for exams, certification & postage. Income is recognised in stages; when an exam is taken, certificates are issued when exam is passed and posted.
Operational Services	Emergency helicopter flights	Local NHS trusts request use of Agency helicopter assets and recharge of costs are invoiced in line with an agreed schedule.
Other Services	Wider Market Initiatives – Large Yacht Surveys	Undertaken when a fee is received in advance. Surveyor time is spent surveying and income is recognised as time is charged.

All income was recognised at a point in time apart from £92,453 in Other Receipts recognised over time.

### Disaggregation

The disclosures below are shown by revenue category in line with IFRS 15 requirements.

Deposits are received as an estimated amount for an agreed service, primarily ship survey work.

Revenue from contracts with customers by directorate received as:	Fee in advance	Deposit	Invoiced	Total Revenue
	£000	£000	£000	£000
Statutory Services	4,083	6,696	90	10,869
Operational Services	-	-	3,047	3,047
Other Services	-	836	-	836
Other Income	-	-	1,779	1,779
<b>Total Revenue</b>	<b>4,083</b>	<b>7,532</b>	<b>4,916</b>	<b>16,531</b>

## 4. Operating Segments

It is not necessary for the Agency to provide segmental reporting under IFRS 8 because it operates as a single entity. An analysis of income and expenditure for key activities is provided in Note 2. An analysis of assets and liabilities by activity is not provided since these are not reported internally.

## 5. Property, Plant and Equipment

2023-24	Land	Buildings	IT & Telecommunication	Other equipment	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>						
As at 1 April 2023	3,319	29,644	55,569	44,955	26,256	159,743
Additions	51	334	7,820	1,786	8,109	18,100
Disposals	(32)	(97)	(645)	(130)	-	(904)
Reclassification	-	(671)	15,840	91	(15,877)	(617)
Revaluation	1,817	4,645	657	725	-	7,844
Impairment	-	(66)	-	-	-	(66)
<b>As at 31 March 2024</b>	<b>5,155</b>	<b>33,789</b>	<b>79,241</b>	<b>47,427</b>	<b>18,488</b>	<b>184,100</b>
Fully depreciated	-	1,860	20,309	10,053	-	32,222
<b>Depreciation</b>						
As at 1 April 2023	-	4,999	29,626	23,534	-	58,159
Charged in year	-	1,366	5,858	4,623	-	11,847
Disposals	-	(15)	(645)	(117)	-	(777)
Reclassification	-	(32)	(1)	33	-	-
Revaluation	-	(1,294)	294	403	-	(597)
Impairment	-	(2)	-	-	-	(2)
<b>As at 31 March 2024</b>	<b>-</b>	<b>5,022</b>	<b>35,132</b>	<b>28,476</b>	<b>-</b>	<b>68,630</b>
<b>Net Book Value</b>						
As at 1 April 2023	3,319	24,645	25,943	21,421	26,526	101,584
<b>As at 31 March 2024</b>	<b>5,155</b>	<b>28,767</b>	<b>44,109</b>	<b>18,951</b>	<b>18,488</b>	<b>115,470</b>

Buildings includes freehold buildings, owned buildings on leased land and improvements to leased buildings. Information technology includes communications and related assets as well as IT hardware.

Other equipment includes equipment for use in aircraft, pollution response and rescue together with furniture and fittings. Assets under construction includes work on the Agency's new radio network infrastructure at £15,303,000.

A professional, independent valuation on 31 March 2024 of the Agency's land and buildings was made by W Freston MRICS, RICS Registered Valuer and other staff of

Hartnell Taylor Cook of Clifton, Bristol, in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Global Standards 2021 and the RICS Valuation - UK National Supplement.

On 1 April 2022, the MCA transferred its HQ property in Southampton by grant in kind to the Government Property Agency and then began to lease the property which it has retained as a right of use asset.

<b>Analysis of net book value of buildings</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>£000</b>	<b>£000</b>
Freehold buildings	19,874	15,274
Buildings on leased land and improvements on properties occupied under:		
Leases more than 50 years	3,634	2,514
Leases less than 50 years	5,259	6,856
<b>Total buildings</b>	<b>28,767</b>	<b>24,644</b>

## Property, Plant and Equipment (continued)

<b>2022-23</b>	<b>Land</b>	<b>Buildings</b>	<b>IT &amp; Telecommunications</b>	<b>Other equipment</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or Valuation</b>						
As at 1 April 2022	7,373	37,680	53,095	36,185	25,130	159,463
Additions		1,589	7,124	4,156	2,715	15,584
Disposals	(8)	(451)	(7,918)	(549)	-	(8,926)
Transfers	(3,165)	(7,385)	-	-	-	(10,550)
Reclassification	-	220	(649)	805	(1,589)	(1,213)
Revaluation	(881)	(2,009)	3,917	4,358	-	5,385
<b>As at 31 March 2023</b>	<b>3,319</b>	<b>29,644</b>	<b>55,569</b>	<b>44,955</b>	<b>26,256</b>	<b>159,743</b>
<i>Fully depreciated</i>	-	1,584	7,065	7,940	-	16,589
<b>Depreciation</b>						
As at 1 April 2022	-	6,276	31,888	18,068	-	56,232
Charged in year	-	1,419	4,670	3,855	-	9,944
Disposals	-	(326)	(7,918)	(549)	-	(8,793)
Reclassification	-	-	(1,042)	-	-	(1,042)
Revaluation	-	(2,370)	2,028	2,160	-	1,818
<b>As at 31 March 2023</b>	<b>-</b>	<b>4,999</b>	<b>29,626</b>	<b>23,534</b>	<b>-</b>	<b>58,159</b>
<b>Net Book Value</b>						
As at 1 April 2022	7,373	31,404	21,207	18,117	25,130	103,231
<b>As at 31 March 2023</b>	<b>3,319</b>	<b>24,645</b>	<b>25,943</b>	<b>21,421</b>	<b>26,256</b>	<b>101,584</b>

## 6. Right of Use Assets

2023-24	Search & Rescue Helicopters	Surveillance Aircraft	Emergency Towing Vessel	Land & Buildings	Total
<i>Valuation</i>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at 1 April 2023	266,972	12,868	7,962	27,582	315,384
Additions	-	7,078	5,088	1,062	13,228
De-recognition	-	-	(7,932)	(5,353)	(13,285)
Revaluation	-	-	-	199	199
Remeasurement	(2,399)	-	(30)	2,320	(109)
<b>As at 31 Mar 2024</b>	<b>264,573</b>	<b>19,946</b>	<b>5,088</b>	<b>25,810</b>	<b>315,417</b>
<i>Depreciation</i>					
As at 1 April 2023	159,205	5,449	7,487	7,504	179,645
Charged in year	38,684	7,378	1,208	2,363	49,633
De-recognition	-	-	(7,932)	(1,125)	(9,057)
Revaluation	-	-	-	(49)	(49)
<b>As at 31 Mar 2024</b>	<b>197,889</b>	<b>12,827</b>	<b>763</b>	<b>8,693</b>	<b>220,172</b>
<i>Net Book Value</i>					
As at 1 April 2023	107,767	7,419	475	20,078	135,739
<b>As at 31 Mar 2024</b>	<b>66,684</b>	<b>7,119</b>	<b>4,325</b>	<b>17,117</b>	<b>95,245</b>

A Search & Rescue Helicopter ROU asset was remeasured, to account for a change in consideration following an agreed loan-back to the supplier.

The Agency reassessed the contractual arrangements for radio mast sites which were previously treated as being leases of land and buildings and in-scope of IFRS16. Most of these have been reassessed as either short term leases or licences giving permission to use assets, rather than rights to use assets and are therefore no longer in-scope of IFRS16 and so have been de-recognised.



2022-23	Search & Rescue Helicopters	Surveillance Aircraft	Emergency Towing Vessel	Land & Buildings	Total
<i>Valuation</i>	£000	£000	£000	£000	£000
As at 1 April 2022	267,698	7,469	7,012	19,326	301,505
Additions	-	6,835	-	8,357	15,192
De-recognition	-	(1,553)	-	(486)	(2,039)
Revaluation	-	-	-	18	18
Remeasurement	(726)	117	950	367	708
<b>As at 31 March 2023</b>	<b>266,972</b>	<b>12,868</b>	<b>7,962</b>	<b>27,582</b>	<b>315,384</b>
<i>Depreciation</i>					
As at 1 April 2022	119,498	3,644	5,591	5,252	133,985
Charged in year	39,707	3,358	1,896	2,816	47,777
De-recognition	-	(1,553)	-	(486)	(2,039)
Revaluation	-	-	-	(78)	(78)
<b>As at 31 March 2023</b>	<b>159,205</b>	<b>5,449</b>	<b>7,487</b>	<b>7,504</b>	<b>179,645</b>
<i>Net Book Value</i>					
As at 1 April 2022	148,200	3,825	1,421	14,074	167,520
<b>As at 31 March 2023</b>	<b>107,767</b>	<b>7,419</b>	<b>475</b>	<b>20,078</b>	<b>135,739</b>

## 7. Intangible Assets

2023-24	Software developments	Software licences	Intellectual property rights	Under development	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
As at 1 April 2023	21,961	1,282	8,160	1,342	32,745
Additions	973	25	-	278	1,276
Reclassification	890	-	-	(890)	-
Disposals	(940)	(51)	-	-	(991)
Revaluation	1,254	70	-	-	1,324
<b>As at 31 Mar 2024</b>	<b>24,138</b>	<b>1,326</b>	<b>8,160</b>	<b>730</b>	<b>34,354</b>
Fully amortised	2,184	195	-	-	2,379
<b>Amortisation</b>					
As at 1 April 2023	12,196	837	3,634	-	16,667
Charged in year	3,221	197	823	-	4,241
Reclassification	-	-	-	-	-
Disposals	(940)	(51)	-	-	(991)
Revaluation	803	55	-	-	858
<b>As at 31 Mar 2024</b>	<b>15,280</b>	<b>1,038</b>	<b>4,457</b>	<b>-</b>	<b>20,775</b>
Net book value at 1 April 2023	9,765	445	4,526	1,342	16,078
<b>Net book value at 31 Mar 2024</b>	<b>8,858</b>	<b>288</b>	<b>3,703</b>	<b>730</b>	<b>13,579</b>

The most significant assets by value reported are intellectual property rights valued at £3,703,000 and software assets for UK Ship Registration valued at £2,244,000.

2022-23	Software developments	Software licences	Intellectual property rights	Under development	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
As at 1 April 2022	18,253	1,057	8,160	1,734	29,204
Additions	986	111	-	693	1,790
Reclassification	2,214	84	-	(1,085)	1,213
Revaluation	508	30	-	-	538
<b>As at 31 March 2023</b>	<b>21,961</b>	<b>1,282</b>	<b>8,160</b>	<b>1,342</b>	<b>32,745</b>
<i>Fully amortised</i>	1,770	51	-	-	1,821
<b>Amortisation</b>					
As at 1 April 2022	8,243	641	2,811	-	11,695
Charged in year	2,630	176	823	-	3,629
Reclassification	1,042	-	-	-	1,042
Revaluation	281	20	-	-	301
<b>As at 31 March 2023</b>	<b>12,196</b>	<b>837</b>	<b>3,634</b>	<b>-</b>	<b>16,667</b>
Net book value at 1 April 2022	10,010	416	5,349	1,734	17,509
<b>Net book value at 31 March 2023</b>	<b>9,765</b>	<b>445</b>	<b>4,526</b>	<b>1,342</b>	<b>16,078</b>

## 8. Inventories

	31 Mar 2024	31 March 2023
	£000	£000
<b>Stockpile goods</b>		
Balance at 1 April	6,988	6,330
Stocktake corrections	13	(187)
Purchases	120	29
Write down (loss of efficacy)	(157)	(90)
Net gain/(loss) on revaluation	72	906
<b>Balance at 31 March</b>	<b>7,036</b>	<b>6,988</b>

## 9. Assets Classified as Held for Sale

	31 March 2024	31 March 2023
	£000	£000
Balance at 1 April	-	-
Re-classifications	617	-
<b>Balance at 31 March</b>	<b>617</b>	<b>-</b>

## 10. Trade Receivables and Other Assets

	31 Mar 2024	31 March 2023
	£000	£000
<b>Amounts falling due within one year</b>		
Trade receivables	3,995	1,937
VAT receivables	1,814	1,978
Other receivables	572	359
Prepayments	4,580	7,500
Accrued income	2,114	1,134
<b>Total current</b>	<b>13,075</b>	<b>12,908</b>
<b>Amounts falling due after more than one year</b>		
Other receivables	87	116
<b>Total non-current</b>	<b>87</b>	<b>116</b>
<b>Total current and non-current</b>	<b>13,162</b>	<b>13,024</b>

## 11. Cash

	2023-24	2022-23
	£000	£000
Balance at 1 April	1,576	4,826
Net change in cash balances	8,364	(3,250)
<b>Balance at 31 March</b>	<b>9,940</b>	<b>1,576</b>

The following balances were held at:

	31 March 2024	31 March 2023
	£000	£000
Government Banking Service	9,940	1,576
<b>Total balances at 31 March</b>	<b>9,940</b>	<b>1,576</b>

## 12. Trade Payables and Other Liabilities

	31 March 2024	31 March 2023
	£000	£000
<b>Amounts falling due within one year</b>		
Trade payables	1,802	4,214
Other payables	2,755	1,208
Accruals	57,302	56,992
Deferred income	7,071	6,241
<b>Total current</b>	<b>68,930</b>	<b>68,655</b>

### Balances where movement does not pass through the Statement of Comprehensive Net Expenditure:

Consolidated fund extra receipts	710	-
	<b>710</b>	<b>-</b>
<b>Total current</b>	<b>69,640</b>	<b>68,655</b>

## 13. Lease Liabilities

2023-24	Search & Rescue Helicopters	Surveillance Aircraft	Emergency Towing Vessel	Land & Buildings	Total
	£000	£000	£000	£000	£000
As at 1 April 2023	115,649	7,348	633	18,527	142,157
Additions	-	7,079	5,088	964	13,131
Interest	1,933	172	128	227	2,460
Payments	(40,388)	(8,718)	(1,374)	(2,476)	(52,956)
Derecognition	-	-	-	(4,234)	(4,234)
Remeasurement	(2,068)	-	(30)	2,320	222
<b>As at 31 Mar 2024</b>	<b>75,126</b>	<b>5,881</b>	<b>4,445</b>	<b>15,328</b>	<b>100,780</b>
Current portion	41,678	5,881	1,048	2,311	50,918
Non-current portion	33,448	-	3,397	13,017	49,862
<b>As at 31 Mar 2024</b>	<b>75,126</b>	<b>5,881</b>	<b>4,445</b>	<b>15,328</b>	<b>100,780</b>

Leases are discounted using the rate implicit in the lease. Where that rate cannot be readily determined, leases are discounted at the Agency's incremental borrowing rate.

The Search and Rescue helicopter contract is assessed annually for probability of activating lease extension options and lease breaks in line with IFRS16.

A Search & Rescue Helicopter ROU asset was remeasured, to account for a change in consideration following an agreed loan-back to the supplier.

The Agency reassessed the contractual arrangements for radio mast sites which were previously treated as being leases of land and buildings and in-scope of IFRS16. Most of these have been reassessed as either short term leases or licences giving permission to use assets, rather than rights to use assets and are therefore no longer in-scope of IFRS16 and so have been de-recognised.

2022-23	Search & Rescue Helicopters	Surveillance Aircraft	Emergency Towing Vessel	Land & Buildings	Total
	£000	£000	£000	£000	£000
As at 1 April 2022	156,155	4,255	1,583	12,402	174,395
Additions	-	6,834	-	8,342	15,176
Interest	2,632	234	7	282	3,155
Payments	(42,081)	(4,091)	(1,907)	(2,859)	(50,938)
Remeasurement	(1,057)	116	950	360	369
<b>As at 31 Mar 2023</b>	<b>115,649</b>	<b>7,348</b>	<b>633</b>	<b>18,527</b>	<b>142,157</b>
Current portion	43,653	4,165	633	2,781	51,232
Non-current portion	71,996	3,183	-	15,746	90,925
<b>As at 31 Mar 2023</b>	<b>115,649</b>	<b>7,348</b>	<b>633</b>	<b>18,527</b>	<b>142,157</b>

## Obligations under Leases

2023-24	Search & Rescue Helicopters	Surveillance Aircraft	Emergency Towing Vessel	Land & Buildings	Total
	£000	£000	£000	£000	£000
<b>Obligations</b>					
Not later than one year	42,801	5,925	1,185	2,379	52,290
Later than one year and not later than five years	33,916	-	3,603	7,899	45,418
Later than five years	-	-	-	10,486	10,486
	76,717	5,925	4,788	20,764	108,194
Less Interest	(1,591)	(44)	(343)	(5,436)	(7,414)
Present value of obligations	<b>75,126</b>	<b>5,881</b>	<b>4,445</b>	<b>15,328</b>	<b>100,780</b>

## UK Second Generation Search and Rescue Aviation Programme (UKSAR2G)

The Agency awarded the SAR2G contract in July 2022 which will be phased in from October 2024 through to 2026. The Agency is committed to future lease cashflows of £349,400,000 under this contract.

### Lease Charges within Statement of Comprehensive Net Expenditure

	2023-24	2022-23
	£000	£000
Expense relating to VAT	9,964	9,455

### Cash Outflow for Leases

	2023-24	2022-23
	£000	£000
Total Cash outflow for leases	52,956	50,939

### SAR helicopter & other contracts

Helicopter search and rescue services managed by the MCA are provided under SAR Helicopter contracts which include arrangements treated as lease obligations. Further details of these arrangements are disclosed at Note 2 Operating expenditure. Other arrangements under contracts for Emergency Towing Vessels (ETV) and Aerial Surveillance (ASV) services are treated in the same way.

## 14. Provisions for Liabilities and Charges

	Leasehold dilapidations	Other	Total
	£000	£000	£000
As at 1 April 2023	3,004	468	3,472
Provided in the year	72	141	213
Not required written back	(434)	(33)	(467)
Utilised during year	-	(297)	(297)
Unwinding of discount	27	-	27
<b>Balance at 31 March 2024</b>	<b>2,669</b>	<b>279</b>	<b>2,948</b>
Current liability	600	279	879
Non-current liability	2,069	-	2,069
<b>Balance at 31 March 2024</b>	<b>2,669</b>	<b>279</b>	<b>2,948</b>

Analysis of expected timing of discounted cash flows:

	<b>Leasehold dilapidations £000</b>	<b>Other £000</b>	<b>Total £000</b>
Within 1 year	600	279	879
2-5 years	1,198	-	1,198
6-10 years	593	-	593
Over 10 years	278	-	278
<b>Balance at 31 March 2024</b>	<b>2,669</b>	<b>279</b>	<b>2,948</b>

Future estimated costs have been discounted, where the effect of discounting is significant, at rates announced by HM Treasury. Leasehold dilapidations cash flows over 10 years include £194,000 expected to be called within 50 years, £65,000 after more than 50 years and £19,000 after more than 75 years.

### Leasehold dilapidations

The provision for leasehold dilapidations represents the estimated expenditure required to return leasehold rental properties to their original condition if this is a requirement of the lease which the lessor may choose to exercise. The estimates are subject to uncertainty regarding timing and the extent of works required.

### Other

Other provisions have been made against a variety of claims by third parties.

## 15. Capital Commitments

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
Property, plant and equipment	5,674	17,292
Intangible assets	142	2
<b>Total</b>	<b>5,816</b>	<b>17,294</b>

The Radio Network Infrastructure Replacement programme accounts for £4,545,000 of the capital commitment in property, plant and equipment.



## 16. Other Financial Commitments

The MCA has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements). The payments to which the Agency is committed and which have not been provided for in these accounts are as follows:

	31 March 2024	31 March 2023 restated
	£000	£000
Not later than one year	204,715	184,895
Later than one year and not later than five years	754,686	761,455
Later than five years	1,174,967	1,344,402
<b>Total</b>	<b>2,134,368</b>	<b>2,290,752</b>

The Search and Rescue Second Generation Helicopter (SAR2G) contract, which commences October 2024 until expires December 2036, and accounts for £1,788,000,000 of the total. Within these values there are estimates and assumptions made for inflation, the number of helicopter flying hours and fuel charges.

The remainder includes contracts for operational communications (radio networks, mast, transmitters), managed IT services and occupational health services.

## 17. Contingent Assets

The Agency seeks to recover costs from counter pollution incidents. In some cases, it may take several years before cost recovery claims are settled and the Agency holds contingent assets pertaining to the future value of such claims. Due to the nature of the claims it is not practicable to estimate the future financial effect as the timing and value are unknown and there is no guarantee of the claims being successful. In 2023-24, the MCA recovered £140,582 from claims made against the owners of pipelines from which oil had leaked (2022-23: nil).

## 18. Contingent Liabilities

The Agency has legal claims and challenges made against it from time to time in carrying out its duties as a regulator. The total of such claims at 31 March 2024 has been estimated to be £30,000,000 (31 March 2023: none) as a result of the MCA's

role as advisor to the marine licencing regime. A legal challenge has been lodged attempting to pass the liability to the MCA from a third party. The likelihood of any liability arising is deemed possible but not likely and any such claims will be defended against vigorously.

## 19. Related Party Transactions

The Maritime and Coastguard Agency (MCA) is an Executive Agency of the Department for Transport (DfT). The DfT is regarded as a related party. During the year, there were material transactions of £435.6million between the MCA and the DfT for Net Parliamentary Supply as per the Statement of Changes in Taxpayer's Equity, and minor transactions with other entities for which the DfT is regarded as the parent department. In addition, the MCA had transactions with the Ministry of Defence, The Royal Navy, Meteorological Office, Government Property Agency, Government Legal Department and the Cabinet Office. During the year no Board member, key manager or other related party have undertaken any material transactions with the MCA.

## 20. Financial Instruments

As the cash requirements of the MCA are met through the estimate process and funded largely by Treasury drawdown, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements. There are no contracts containing embedded derivatives. The Agency is exposed to little credit, liquidity, or market risk or risks arising from interest rate fluctuations. The Agency has limited exposure to risks arising from foreign currency fluctuations and currently there are no receivable accounts or bank accounts held in currency other than £ sterling.

## 21. Events After the Reporting Period

The MCA has been added to the High Court claim as a named defendant in relation to the remote contingent liability identified in Note 18; this is not considered to change the accounting judgment. There have been no other significant events between the reporting period close and the date of these Financial Statements. These Financial Statements are laid before the House of Commons by the Secretary

of State for Transport. IAS 10 requires the MCA to disclose the date on which the accounts are authorised for issue. This is the date on which the accounts are certified by the Comptroller and Auditor General.



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