



Marine
Management
Organisation

ANNUAL REPORT AND ACCOUNTS

2023/24

HC 615



Marine Management Organisation

Annual report and accounts 2023-2024
For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to Schedule 1, Paragraphs 26,
27 and 28 of the Marine and Coastal Access Act 2009

Ordered by the House of Commons to be printed on
28 January 2025

HC 615



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ISBN: 978-1-5286-4934-6

E03131389 01/25

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by the HH Associated Ltd. on behalf of the Controller of His Majesty's Stationery Office

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More information on our work can be found at www.gov.uk/mmo



1. Performance report

1.1 Overview

The overview should help you understand the Marine Management Organisation (MMO), our purpose, the risks that MMO face in achieving our objectives, and how MMO has performed.

1.1.1 Statement from the Chair of the MMO Board

2023/24 has been a transformative year for MMO, characterised by significant strategic achievements and unwavering commitment to our mission. Throughout this period the organisation led with confidence, maintaining a clear focus on improving and enhancing our precious marine environment while adapting to a shift in leadership and navigating complex delivery demands.

MMO has leveraged expertise from within and externally to pioneer initiatives that have strengthened the resilience of our marine ecosystems, bolstered sustainable fisheries and cemented our position as a global leader in marine management. MMO is uniquely placed to grasp the diverse needs of all marine users, enabling economic growth and enhancing nature recovery by advocating for the health of our seas and oceans. The work done this year underscores MMO's commitment to listening and working in collaboration with our partners and stakeholders.

On behalf of the Department for Environment, Food and Rural Affairs (Defra), MMO started the implementation of Fisheries Management Plans and the expansion of Marine Protected Areas. These initiatives reflect a broader commitment to improving and growing critical marine habitats and ensuring that the UK's seas continue to thrive for future generations.

Through the review of the Inshore Vessel Monitoring System (I-VMS) project, MMO has demonstrated its appetite for continuous improvement leading to strengthened governance and an increased capacity to innovate. This has resulted in a sharpened strategic focus, enhancing MMO's ability to support the fishing sector to modernise.

Looking ahead, MMO continue to be ambitious about the future. A new Chair will take on MMO's leadership from November 2024, and emphasis will be placed on the importance of becoming an even more intelligence-led, data-driven organisation to enhance our capacity to deliver informed, evidenced-based decisions that serve our industries and our marine environment.

The challenges ahead are substantial, but so are the opportunities. This year has demonstrated MMO's resilience, adaptability and focus on delivering meaningful outcomes.

Our vision for the future continues to centre on evolving as a trusted marine manager, leveraging strengths from within and across government and working collaboratively across sectors to achieve our shared goals.

Hilary Florek

Hilary Florek
Chair
Marine Management Organisation



1.1.2 Statement from the Acting Chief Executive Officer of MMO

I am pleased to present this year's annual report, reflecting on a period of significant achievement for MMO. MMO has successfully scaled its capacity and capability to deliver an expanding range of Government priorities, demonstrating flexibility and innovation across a broad and ambitious remit.

During 2023/24 MMO reached key milestones, launched industry trials, delivered on a variety of ambitious programmes, implemented internal changes and gained recognition through awards, all while navigating challenges.

The **Fish Export Service** continues to successfully operate and has been providing validated catch certificates this reporting year, helping to facilitate continuous (and permissive) trade of UK fish to the EU. As a Top 75 service, the Fish Export Service adopts the highest standards of user inputs to meet customer needs, with ongoing investment to continually improve over the forthcoming year, to become a 'Great' service.

MMO have drafted and delivered three of the frontrunner **Fisheries Management Plans (FMPs)** to Defra and have been commissioned to develop three more. This achievement reflects MMO's confidence in collaborating with fishers to drive innovation and shape the future of fisheries management.

The accelerated **Marine Protected Areas (MPAs)** programme has made significant progress to protect sensitive habitats and species, improving nature resilience in the marine environment, underpinning the Governments commitments to the Environmental Improvement Plan 2023.

The MMO's role as England's principal marine manager positions the organisation at the heart of current and future strategic challenges in marine management. MMO provides leadership by identifying strategic solutions, for instance through **marine spatial prioritisation**, where MMO harnesses its expertise to offer collaboration with other Government Departments, informing co-existence options to support Offshore Wind, mitigate the impacts of climate change and support economic growth through the **marine licensing** of nationally significant infrastructure projects (NSIPs) and port infrastructure.

The MMO continues to support and champion coastal communities and fishers by administering vital **funding schemes**. These schemes provide crucial investments to the fishing industry, the broader supply chain and infrastructure, resulting in a diverse range of projects that deliver a real and lasting impact. The MMO's grant service is exemplary, consistently receiving positive feedback for the dedicated support teams provide to applicants throughout the project lifetime. MMO recognises the importance of facing issues and challenges by being open, transparent and accountable. While implementing new, niche technology is not without risk, MMO have resolved issues hampering the delivery of the I-VMS Programme. A strong focus on concluding the **roll out of Inshore Vessel Monitoring Systems (I-VMS)** has resulted in 88% of the under 12-metre fleet securing a grant funded device.

Looking ahead, the MMO remains committed to being **fit for the future** – adapting, innovating and collaborating with stakeholders to achieve better outcomes for the marine environment. By engaging positively with Government and delivery partners, the MMO aims to enhance nature resilience, enable economic growth and support the achievement of clean energy ambitions. In tandem with this, MMO will continue to leverage data and evidence to simplify our complex regulatory landscape, strengthen service delivery and expand its expertise to a growing global audience.

I am immensely proud of the MMO's achievements, which are made possible by its passionate, talented people who consistently deliver expert services and positive outcomes for Government. Increasingly recognised as a **trusted marine manager**, the MMO is well positioned to build on its successes during the year ahead.

M Willis.

Michelle Willis
Acting Chief Executive Officer and Accounting Officer
Marine Management Organisation



1.1.3 Purpose and activities of the organisation

About the Marine Management Organisation (MMO)

MMO is responsible for regulating activities in the seas around England and Wales, with a clear vision for healthy and productive seas and coasts. It is an Executive Non-Departmental Public Body (NDPB) established in April 2010, with duties and powers set out in the Marine and Coastal Access Act 2009, and the Fisheries Act 2020. MMO is accountable to the Secretary of State for the Environment, Food and Rural Affairs (Defra) and delivers a range of functions on behalf the Department for Transport (DfT), the Foreign, Commonwealth and Development Office (FCDO), UK Devolved Administrations and Crown Dependencies.

MMO delivers its statutory functions through six core services:

- Enabling sustainable **marine development**
- Delivering **sustainable fishing** opportunities
- Protecting marine **habitats and wildlife**
- Administering **marine support** funds
- Providing regulatory **support and assurance**
- Supporting **global marine protection**.

MMO is a place-based organisation, enabling local marine management decision-making across 15 coastal locations, supported by four national strategic hubs in York, Bristol, Preston and London, and its head office in Newcastle upon Tyne.

MMO employed 517 people over the year, a growth of 17%, with a 4% reduction in attrition. Recognising the importance and value of our people MMO is fully committed to improving capability and culture through its Three Cs Programme (Culture, Capability and Capacity).

The Department for Environment, Food and Rural Affairs (Defra), as MMO's sponsoring department, is responsible for setting our priorities and provides funding for MMO's activities to achieve those priorities and statutory duties. MMO annual total expenditure for the year was £54.0m, with £44.7m Defra funded expenditure, £5.1m income, and £4.2m from other government departments in support of global marine programmes.

What MMO does

This is MMO's second year in delivering its commitments described in the MMO Corporate Plan (2022–2025) and achieving its Goals described in **MMO2030: Healthy, Productive Seas and Coasts**, both of which underpin how MMO contributes to the outcomes described in Governments Environment Improvement Plan 2023 (EIP23) to protect and enhance our natural environment. MMO works in partnership with Defra, Other Government Departments, industry Non-Governmental Organisations and local communities to achieve ministerial priorities.

The MMO Corporate Plan provides the basis for performance reporting and informs decision making on priorities and resourcing to maintain our delivery of ministerial priorities. Through 2023/24, the Secretary of State provided MMO with five delivery priorities, these were:

1. Develop and maintain all systems necessary for fisheries trade with the EU and elsewhere.
2. Enable fishing activity in UK waters whilst supporting the effective management of fisheries.

3. Enabling the achievement of Government 30x30 ocean protection commitments and our new domestic legal target for Marine Protected Areas (MPAs).
4. Facilitating domestic implementation of marine commitments whilst contributing to wider policy development concerning marine spatial prioritisation and implementation of the Offshore Wind Environmental Improvement Package being introduced through the Energy Bill and associated secondary legislation.
5. Effective administration of funding schemes in support of fishing industry.

How MMO's Corporate Plan aligns and delivers ministerial priorities is shown in Table 1.

Table 1: Alignment of MMO Corporate Plan commitments to ministerial priorities

Ministerial Priorities	Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
Enabling Sustainable Marine Development				✓	
Delivering Sustainable Fishing Opportunities	✓	✓			
Protecting Marine Habitats & Wildlife			✓		
Administering Marine Support Funds					✓
Providing Regulatory Support & Assurance	✓	✓			
Supporting Global Marine Protection			✓		

MMO's strategic focus is to transform regulation through co-management, simplification, and innovation, supported by improved data and evidence. Increasing pressures on marine space means MMO's role as an influential and trusted marine manager is vital in achieving clean, home-grown energy production to support the Energy Security Strategy; ensuring long term food security; enabling nature recovery through considered, plan-led licensing; and supporting economic growth in coastal communities, the marine sector and other sectors through supporting the supply chain.

How MMO fulfils its role

[The UK Marine Policy Statement \(2011\)](#) provides a framework for MMO's activities in the marine area. This national policy sits alongside important legislation. Following the UK leaving the EU, new legislation has been developed to set out the Government's ambitions for [Fisheries](#) and for the [Environment](#) that help direct and shape how MMO performs its duties. National policy statements for ports, energy, renewable energy, gas supply infrastructure and oil pipelines, electricity networks infrastructure and nuclear power are also considered when decisions are made.

MMO works in a collaborative, open and transparent manner, meeting legislative and service delivery obligations, in accordance with the principles of better regulation and following Government's statutory guidance on sustainable development.

1.1.4 Going concern statement

MMO's accounts have been prepared on a going concern basis. In common with other Non-Departmental Public Bodies (NDPBs) within the Defra Group, the future financing of MMO's liabilities is to be met by future supplies of Grant in Aid and the application of future income, both to be approved annually by Parliament. MMO received approval for funding for the three years commencing 2022/23, as part of the Spending Review 2021 settlement agreement. The public services provided by MMO are anticipated to continue in the future and there is no reason to believe that future approvals will not be forthcoming.

1.1.5 Performance Summary

MMO Ministerial Performance Summary

Throughout 2023/24, MMO delivered impactful results against priorities set by Ministers, driving innovation and strengthening its role as a trusted regulator and partner. Notable achievements include the Inshore Vessel Monitoring System (I-VMS) rollout, with over 1,700 devices installed on board the English under 12-metre fleet to allow monitoring of inshore fishing activities, securing essential investment for the development of the Fish Export Service (FES) to support trade and regulatory compliance and the continued outstanding administration of structural funding schemes to industry.

MMO demonstrated exceptional service delivery across regulatory assurance and grants administration. The European Maritime and Fisheries Fund (EMFF) Grant Scheme closed in December 2023 having supported over 1,500 projects in England, optimising over 98% of the €96m allocation. The programme generated transformative investments in data and enforcement, such as Catch Recording and Mobile Working, to support regulation reform and ways of working. The UK Seafood Scheme, administered by the MMO, saw a further 113 projects valued at £72m and the Fisheries and Seafood Scheme (FaSS) distributed £9.4m across 295 projects.

Quota and vessel management added £279m in direct economic contributions through English administered vessel landings, which also stimulates economic activity in other sectors and has a multiplier effect on regional economic growth. Key policy initiatives have progressed, including starting the implementation of the first front runner Fisheries Management Plans (FMPs) and informed engagement as part of development for two further plans for 2024/25. Engagement with stakeholders through Regional Fisheries Groups has significantly strengthened industry relationships, enabling co-management efforts and responsive regulation, such as crawfish interventions and measures to address declining pollack stocks.

Marine licence approvals contributed £1.7bn to the economy. With increasingly complex and novel applications being received, including seaweed aquaculture, MMO have recognised the need for support in improving the marine consenting process to reduce regulatory burden to industry; this is particularly important to MMO's contribution to the British Energy Security Strategy in unlocking of associated investment opportunity.

MMO advanced marine protection through the accelerated Marine Protected Areas (MPAs) programme and in launching consultations on the management of Highly Protected Marine Areas (HPMAs) to protect diverse ecosystems, safeguard vital habitats and help mitigate climate change through carbon capture. Collaboration with The Crown Estate on marine spatial prioritisation (MSPri) will support integrated marine planning, contributing to essential renewable energy developments such as offshore wind.

Globally, MMO expanded its influence through the Blue Belt and Ocean Country Partnership Programme (OCP), supporting marine protection via satellite surveillance and MPA management.

The principal challenges to MMO have included building capability while retaining expertise, maintaining delivery of change initiatives to improve effectiveness and efficiency, and maintaining effective industry relationships following intensive consultation periods.

To drive forward high-quality delivery improvements, MMO undertook a re-prioritisation exercise with a view to managing delivery expectations for the remainder of 2023/24 and in preparation for 2024/25 business planning. In delivering its successes and managing its challenges, MMO has advanced its credibility, emphasising its position as a regulator, partner and collaborator with responsibility for services that are integral to the health of our seas, coasts and coastal communities.

MMO has gained valuable insights in relation to programme delivery by obtaining an independent, objective view of its programme governance, triggered by technical challenges encountered during the I-VMS rollout. New project governance is being embedded to generate substantial cultural change and bolster MMO's ability to deliver complex change. As a result of this, the I-VMS programme was promptly recovered, and lessons learned have been taken forward across the delivery of major change initiatives.

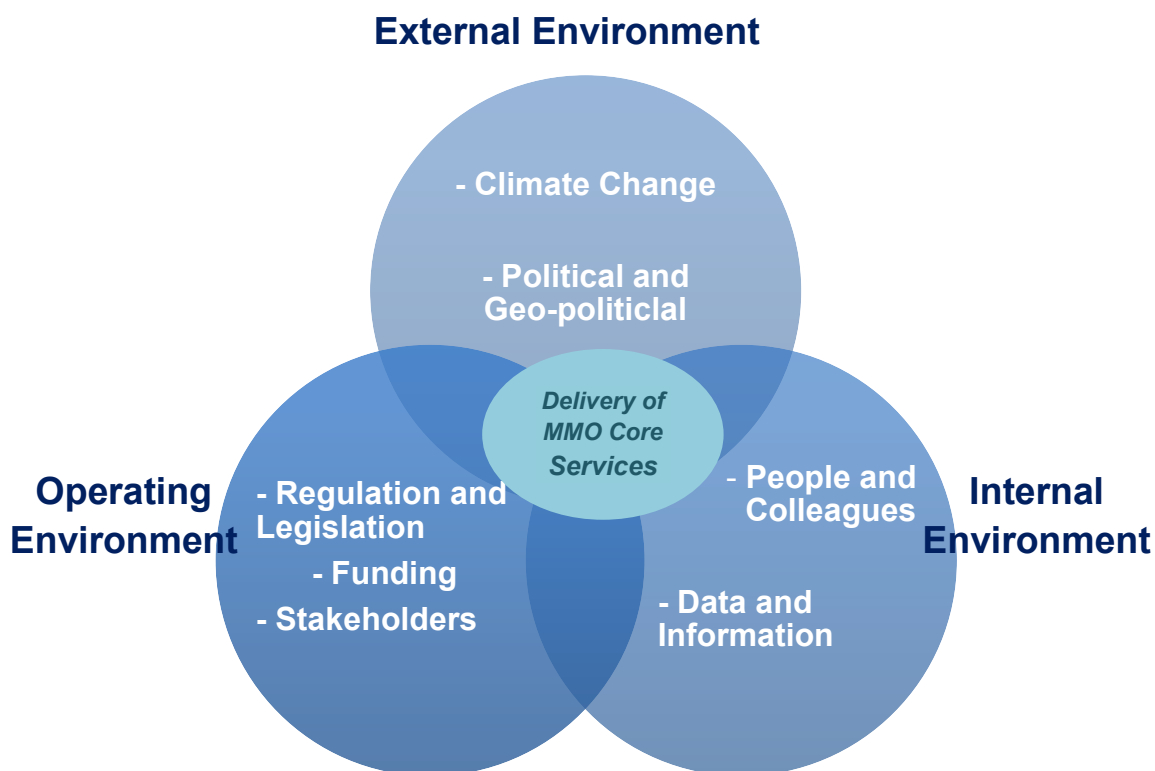
The Fish Export Service (FES) has been continuously improved, gaining recognition as one of Central Digital and Data Office's (CDDO) top 75 services; the service has provided validated catch certificates to facilitate continuous, permissive trade of UK fish to the EU. The investment MMO secured in 2023/24 will support critical improvements to remove the risk of non-compliance with EU Illegal Unreported and Unregulated (IUU) Regulations following the conclusion of the Trade and Cooperation Agreement in 2026. MMO have prioritised service improvements, and initiated a project "pause and reset" to agree a clear programme vision, and transition to an agile delivery approach which appropriately supports the baseline technology architecture.

By adapting priorities mid-year to address capacity pressures, MMO maintained its service targets and delivered a foundation for continued transformation in regulatory frameworks and service delivery. Its 2023/24 performance underscores its commitment to safeguarding the marine environment while enabling economic growth and supporting coastal communities.

Principal risks

The principal risks that have the potential to have a serious effect on delivery of MMOs core services and reputation are presented in Figure 1. These risks arise from causes from across the external environment, the operating environment and the internal environment. Individually and collectively, recognising the interdependency across the risks faced and their collective impact on MMO delivery, these have required proactive management over the year.

Figure 1: MMO principal risks categorised by environment



Further information on the nature of these risks is set out in the Table 2 below. The impacts on performance during the year are reflected in the delivery challenges and mitigating actions outlined in the performance summary (section 1.1.5) and the performance analysis (section 1.2). The governance statement (section 2.1.3) provides more detail as to how risks are managed as part of the governance, risk and control framework.

Table 2: MMO principal risks managed during 2023/24

Principal risk number	Principal risk	Principal risk description
Risk 1	Regulation and legislation	Risk that regulation and legislation required to deliver our goals cannot be achieved, due to challenges of complex illegal activities and legislative environment.
Risk 2	Data and information	Risk of data not being used effectively, due to MMO being unable to utilise its data appropriately, the required pace of change, risk of cyber-attack, and our ability to utilise novel and complex ways of integrating AI into our activities.
Risk 3	Political	Risk of political and geopolitical change, due to uncertainty around continuity of UK political landscape and direction, the impact of international geopolitical instability, and changes in political views of environmental and climate matters.

Principal risk number	Principal risk	Principal risk description
Risk 4	People and Colleagues	Risk of sustaining the capacity, capability and culture of the organisation, due to the complexity of the employment environment and getting people into the organisation, securing long term funding for roles, training colleagues effectively and then retaining them, and creating a truly inclusive and people first culture.
Risk 5	Climate change	Risk of not keeping pace with the changing climate and environmental incidents, due to the impacts of climate change causing the marine environment to change and be negatively impacted at a rate that MMO is not able to manage the effects of, and water quality being negatively impacted by human activities.
Risk 6	Funding	Risk of insufficient funding to deliver objectives, due to over reliance on Grant in Aid funding, the availability and reliability of government funding linked to economic growth requirements, and internal competition for what funding does come into the organisation.
Risk 7	Stakeholders	Risk of ability to effectively engage stakeholders to share and understand views, needed to support delivery of objectives, due to pressure from key stakeholder groups.

1.2 Performance analysis

This section provides a more detailed analysis of our service performance against commitments made in our Corporate Plan (2022-2025). This includes performance against service Key Performance Indicators (KPIs) and delivery of key initiatives for each of our services. Performance is reported monthly to MMO Executive Leadership Team (ELT) as part of an integrated reporting cycle that brings together operational activity, risk, and finance and then quarterly to MMO Board and Defra.

1.2.1 Detailed performance analysis

Enabling Sustainable Marine Development

Marine Licensing



MMO Supports sustainable marine development through licensing and permitting of a range of key activities that contribute to economic growth, such as new developments (including enabling activities for offshore wind farms), subsea cabling for telecommunications and power, ports, and quay constructions, dredging and extracting aggregates for construction and transport infrastructure.



MMO also has a key role as a statutory consultee for 62 nationally significant infrastructure projects (NSIPs) including major port development and new nuclear power plants at Hinkley Point and Sizewell.

Marine Licensing performance

563 marine licenses and license variations were issued for development activities with an estimated value of **£1.7bn** (see Figure 1 & 2 for full breakdown of license bands and three-year trend in applications). This includes licensing the Dogger Bank Wind Farm that will have an installed capacity of 3.6GW and will be capable of powering up to six million homes annually.

41 licence applications were rejected/withdrawn due to the applicant being unable to demonstrate to MMO and other statutory consultees that the activity could be undertaken within acceptable risks to the marine environment and coastal communities.

Figure 1: Licensing decision making – 1 April 2023 to 31 March 2024

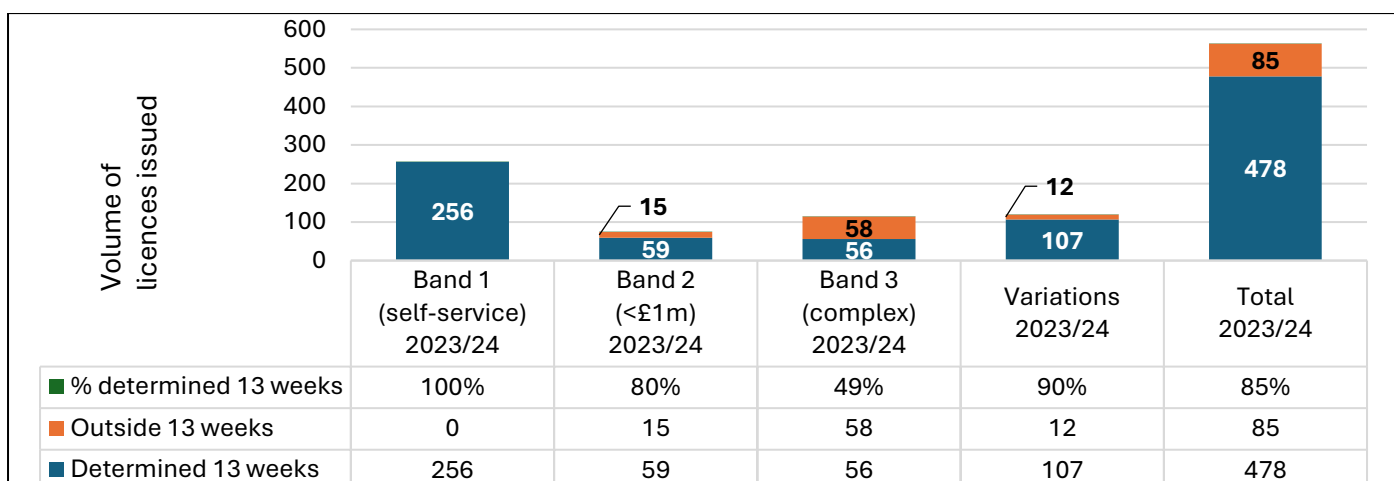
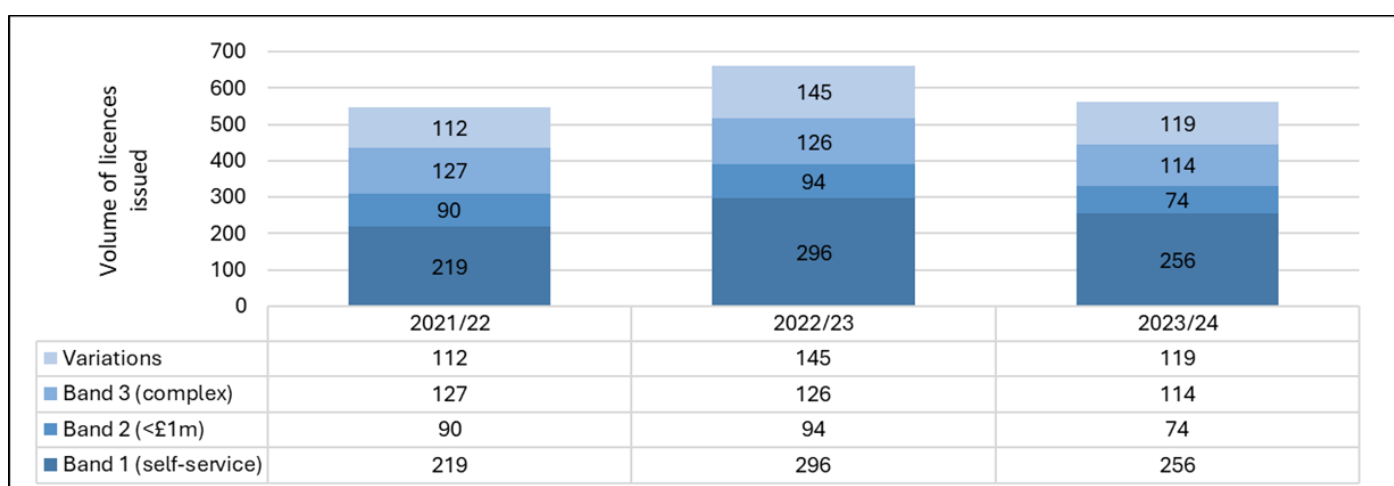


Figure 2: Licensing decision making – three years from 1 April 2021 to 31 March 2024



85% of marine licenses and variations were completed within the statutory 13-week target. This shows a continuation of the upward trend since 2021/22 (See table 1 below). Marine Licensing approvals are still below the 90% target but performance reflects the increasingly complex and novel applications MMO receive that take longer to assess (Risk 1 and 4). MMO will initiate a change programme in 2024/25 that will review and identify opportunities to improve the way MMO manage and engage marine licensing customers (Risk 7). This will bring forward significant improvements to services provided to customers.

Table 1: Marine License and Development Consent Order (DCO) KPI performance 2021/22-2023/24

Service Measure Description	Target	2021/22	2022/23	2023/24
Development Licensing completed within 13 weeks	90%	67%	80%	85%
NSIPs - % of Development Consent Orders cleared within Statutory deadlines	90%	100%	100%	95%

95% of the 62 DCO responses were provided to statutory deadlines. This includes **Hinkley Point C Nuclear New Build (NNB)** - projected to provide low-carbon electricity for around six million

homes and create thousands of jobs in the local area, and the **Sizewell C NNB (SZC)**. MMO has been working closely with SZC and Defra partners to agree ways of working in anticipation of the project entering the pre-construction phase (Risk 7).

Four Harbour Orders were completed, two of which simplified harbour regulation for several Cornish ports and brought them under the jurisdiction of a single authority – Cornwall Council.

Marine Planning and marine spatial prioritisation



Six integrated Marine Plans covering **all of England's seas and coasts, approx. 230,00 km²**

MMO leads the implementation, monitoring and update of marine plans around the English coast that deliver environmental protection and recovery for around 230,000 km² of English seas and coasts covering the North West, North East, South West, South, South East and East areas. This is helping to secure wider environmental, economic, and social benefits for coastal communities and wider society.

Marine plans must be used in all planning decisions for the sea, coast, estuaries and tidal waters. During 2023/24 MMO introduced a new measure to monitor this, which confirmed that **100% of marine licence applications** considered the correct and relevant aspects of the marine plans (Risk 2). The launch of the updated **Explore Marine Plans service** in March 2024 will help to ensure that developers continue to consider the relevant aspects of marine plans, helping to maintain the quality of applications and the efficiency of MMO in processing them.

2023/24, was the three-year reporting year for five of the marine plans (North East, North West, South East, South West and South). These were completed and submitted to Defra in March 2024 well ahead of schedule. Replacement for the East Marine Plan is also underway with Secretary of State approval for the statement of public participation, submitted to Defra in March 2024, marking the official start of the East marine plan replacement. This is expected to be completed in Autumn 2026 (Risk 3).

MMO Strategic Renewables delivery contributed to the Defra-led scope and design of Offshore Wind Environmental Standards. These are mitigation measures which are designed to speed up consenting for offshore wind development whilst protecting the marine environment (Risk 1) and critical to future ambitions for clean energy.

Marine Spatial Prioritisation Programme completed Phase 2 of the modelling project to identify potential suitable areas for future offshore wind, taking account of fisheries mapping to inform Defra's Marine Spatial Prioritisation Programme. A report with analysis and maps was delivered at pace in partnership with The Crown Estate, Cefas, Natural England and others, and through engagement with stakeholders such as those with fishing interests.

Protecting marine habitats and wildlife



52 MPAs protected on completion of our offshore MPA programme **helping protect approx. 73,544 km² of English offshore waters**

MMO is delivering a programme to assess and manage fishing in the 52 Marine Protected Areas (MPAs) in English waters, offshore of six nautical miles (nm). MMO are also responsible for managing the impact of other activities, which do not require a marine licence, such as anchoring in those MPAs inshore of 12 nm, and advise Defra on the designation of Highly Protected Marine Areas (HPMAs) in English waters. Completion of the programme, set out across four stages, will protect key marine wildlife and habitats and contribute to delivery of Government targets to ensure 42% of features in MPAs are in favourable condition by 2028 and 70% by 2042, with the remainder in recovering condition.



22 wildlife licenses issued
14 IFCA byelaws reviewed
377 marine pollution incidents monitored

MMO is the licensing authority for marine wildlife licenses in England that protect important coastal marine wildlife and habitats. MMO support Inshore Fisheries Conservation Authorities (IFCAs) to manage fisheries inshore of 6 nm through advice and quality assurance of IFCA byelaws. MMO also plays a national role in protecting our coasts and seas from marine pollution incidents.

Protecting marine habitats performance

Marine Protected Areas (MPA) Programme: MMO continued to progress stages two and three of the MPA programme. MMO launched **The Stage Two consultation** on a draft byelaw to reduce the impacts of bottom towed fishing gear on all rock and reef MP features in 13 MPAs, which closed on the 28 March 2024.

The results from the **Stage Three** call for evidence held between January and March 2024 have been analysed, covering the impacts of fishing (anchored nets and lines, bottom towed gears, and traps) on seabed features in the remaining 43 MPAs not already covered in Stage One or Stage Two. The evidence will be used to produce site level assessments and to propose potential management measures for consultation.

Whilst good progress has been made, the overall programme is off track as a consequence of the pre-election pause and subsequent delays in sign off of the **Stage Three** consultation on management proposals and the **Stage Four** call for evidence (Risk 3).

Highly Protected Marine Areas (HPMA): MMO supported the identification and designation of three HPMAs at Allonby Bay, North East of Farnes Deep and Dolphin Head and launched a consultation on byelaws to manage fishing activity within these HPMAs, which closed in September 2023. Programme status for HPMAs is amber at year end due to ongoing work to assess the impact of marine licensing assessments (as per the regulatory framework) on HPMAs (Risk 1).

Wildlife Licences and IFCA Byelaws

MMO issued 22 wildlife licences in 2023/24 (2022/23: 24), with 50% of wildlife licenses issued outside target (see Table 2); however, they were still issued in time for customers to start activities. The majority of those that missed target were due to complex & novel cases requiring Habitat Regulations Assessments (HRAs) and consultations with other ALBs. Ten out of 14 rounds of IFCA byelaw quality assurance were completed on time, with four missing the 45-day response target. In both cases (Habitats licensing and IFCA byelaws quality assurance), delays were due to complex legal issues or where further technical expertise was required to assess wider policy considerations (Risk 4). As the inshore elements of the wider MPA programme start to progress, it is anticipated that there will be a significant increase in the number of IFCA byelaws that MMO are asked to quality assure, which may have an impact on MMO capacity (Risk 4).

Table 2: Protecting Marine Habitats – Service measure performance summary:

Service Measure Description	Target	2021/22	2022/23	2023/24
% of wildlife licences and variations issued within 8 weeks	90%	100%	88%	50%
% of inshore byelaws (IFCA) quality assured within 45 days	90%	100%	68%	71%

Supporting global marine protection

MMO global work is delivered in partnership through international programmes such as the Blue Belt Programme and Ocean Country Partnership Programme (OCP), which is funded through the Blue Planet Fund (Risk 3 and 6).



11 UK Overseas Territories

supported by the Blue Belt programme – helping protect 5m km² of international waters

[The Blue Belt programme](#) is central to the UK Government’s ambition of leading global action to tackle the serious problems of overfishing, species extinction and climate change and plays a key role in supporting the UK Government’s work to protect 30% of the world’s oceans by 2030. The Programme supports UK Overseas Territories (UKOTs) to enhance marine protection over 5 million km² of marine environment across every major ocean.



10 countries

supported by the Ocean Country Partnership programme – helping protect 4.9m km² of international waters

The OCP is a UK Government-led programme delivered under the UK’s £500m Blue Planet Fund. Through this programme MMO, in partnership with Centre for Environment, Fisheries and Aquaculture Science (Cefas) and Joint Nature Conservation Council (JNCC), provides technical assistance to support countries to tackle marine pollution, counter Illegal, Unreported and Unregulated (IUU) fishing, support sustainable seafood practices, and help protect and enhance marine biodiversity including through designated, well-managed and enforced Marine Protected Areas (MPAs).

Global Marine Protection performance

Blue Belt

The Blue Belt Programme works closely with UK Overseas Territories (UKOTs) in protecting and maintaining healthy and productive marine ecosystems. MMO has provided advice to UKOTs in relation to daily satellite surveillance checks, of which **99%** of daily surveillance checks were completed against a target of 90%. This supports daily risk-based remote surveillance of the 4.4 million km² of ocean surrounding the Blue Belt UKOTs, providing intelligence across UKOT waters and supporting UKOTs where vessel activity requires further investigation.

The group of Territories included in the programme, currently protects over 4.4 million km² of marine environment across almost every major ocean, making it the largest network of Marine Protected Areas (MPAs) on the planet. The Cayman Islands were added as the newest UKOT to join the Blue Belt Programme during the year, helping to protect and enhance ocean health around Cayman.

OCP

MMO has provided support in a number of key areas including the provision of satellite imagery to Belize, Ghana and Mozambique, the provision of Vessel Traffic Analysis outputs to support emergency response mitigation planning for Sri Lanka and Solomon Islands and the delivery of national and locally specific Marine Protected Area management plans for the Maldives.

Delivering sustainable fishing opportunities



MMO supports the fishing industry with negotiations on quota allocation, issuing fishing vessel licences to fish in English waters, and facilitating licence transactions and other fisheries data services. MMO manages fishing opportunities both through assuring Producer Organisations (POs) and directly, by managing both quota and effort management primarily for the inshore (non-sector) fleet. For 2023/24 MMO also introduced a small-scale trial commercial bluefin tuna fishery.



MMO fulfils a UK wide fisheries role as the Single Issuing Authority (SIA) that licenses all UK vessels fishing in other European (EU and Non-EU) territorial waters and non-UK vessels fishing in UK waters.



Six FMPs published October 2023. **Total 15 FMPs** planned over next four years in English waters

MMO supports Defra in the development of Fisheries Management Plans (FMPs) in English Waters. This includes specific development of plans for the Channel demersal non-quota species FMP (published in December 2023), the Southern North Sea and Channel skates and rays FMP and the Southern North Sea Non-Quota Demersal FMP. MMO provide advice to partners developing other FMPs. MMO will be responsible for implementing and monitoring many of the FMPs for English seas once developed.

Delivering sustainable fishing opportunities performance

Fisheries Management Plans: Drafts of the Southern North Sea Non-Quota Demersal FMP and the Southern North Sea & Channel Skates & Rays FMPs were developed and submitted to Defra, ready for consultation in 2024/25. This followed extensive engagement with the fishing industry, in collaboration with other partners in Defra and with Seafish and extensive evidence gathering by the MMO Evidence and Evaluation team (Risk 2).

Blue Fin Tuna Fishery: MMO allocated 39 tonnes of quota to a small-scale trial commercial fishery, as endorsed by the International Commission for the Conservation of Atlantic Tunas (ICCAT) fishing plan for 2023. This quota was allocated to 10 vessels that met strict criteria and will be closely monitored.

Catch recording: MMO continues to modernise fisheries management and to improve functionality of the under 10m catch app, which makes it easier for fishers to record their catch and reduce administrative burden. The under 10m Catch Recording App has 1,804 users and over 89,000 catch records have been raised in the last 12 months. MMO have also delivered improvements to the Industry Web Portal (Fish Hub) that reduce administrative burden by making it easier for users to manage sales notes and takeover declarations.

Quota and vessel management

Provisional statistics for the calendar year to December 2023 show total landings by English administered vessels worth £279m and 149,000 tonnes. **95%** of allocated stocks were within quota or effort limits at the end of the year after flexibility adjustments were taken into account against a target of 90% and all administrative processes associated with managing allocated quota were delivered at or above target, see Table 3 on the next page.

Table 3: Delivering sustainable fishing opportunities – Service measure performance summary:

Service Measure Description	Target	2021/22	2022/23	2023/24
No. exceedance of adjusted TAC/Effort limits	90%	96%	96%	95%
% of UK domestic swaps processed within 5 working days	95%	100%	99%	100%
% of International quota swaps processed within 5 working days of agreement with EU	95%	100%	100%	100%
% of vessel licensing customer requests issued within 5 working days	90%	93%	82%	97%

A total of 16 stocks have an uptake lower than predicted based on previous years and changes in available quota. A number of these have uptake consistently below available quota which suggests that there are environmental or market influences impacting uptake that are beyond MMO’s control. Importantly, MMO engagement with Regional Fisheries Groups highlighted that their observed stocks of pollack were lower than quota and explained why this stock appeared to be under-fished. This provided evidence for MMO to initiate discussions with Defra on the need for stricter management of pollack stocks and the introduction of a compensation scheme for fishers affected (Risk 1).

Through MMO’s role as the UK Single Issuing Authority (SIA) 2,587 licenses were issued in 2023/24 with the breakdown:

- 928 licences issued to UK vessels for EU waters access.
- 1,409 licences issued to EU vessels for UK waters access.
- 92 licences issued to UK vessels for Norwegian & Svalbard waters.
- 158 licences issued to Norwegian vessels for access to UK waters.

Administering marine support funds



£33m grant funding payments made in 2023/24, supporting **427 projects**

MMO administers funds on behalf of Defra to protect the marine environment and its natural resources through the European Maritime and Fisheries Fund (EMFF), Fisheries and Seafood Scheme (FaSS) and the UK Seafood Fund (UKSF). The fishing and seafood processing industry is a vital part of our food supply chain directly supporting over 29,000 jobs and generates in the region of £10bn every year. The industry is also key to the sustainability of many of our coastal communities. Over £33m of grant funding was paid out to the industry through these grant schemes in 2023/24.

Administering Marine Support Funds performance

EMFF: The scheme closed to new applications in December 2023. During 2023/24 there were **37** projects approved with a total project cost of **£7.0m** and an approved grant value totalling **£4.1m**. At the end of March 2023, 1,578 projects had been approved, since the fund's launch in 2016, with a value of **€94m** – 98% of the original budget of **€96m**.

FASS: Relaunched in April 2022 with a budget of £20.3m over three years to 31 March 2025 with the aim of supporting development of the fishing, processing and aquaculture sectors. This budget was increased in 2023/24 to £23.6m. During 2023/24 there were **277** projects approved with a total project cost of **£8.8m** and an approved grant value totalling **£6.0m**.

UKSF: Rounds 1 and 2 of the UKSF Infrastructure pillar focussed on grants for organisations to improve capability in ports, harbours, onshore processing facilities and aquaculture capability. Round 3 focussed on grants for vessel modifications. During 2023/24 there were **113** projects approved with a total project cost of **£72.0m** and an approved grant value totalling **£42.5m**.

The total value of payments made to applicants during 2023/24 is shown in Table 4.

Table 4: Value of payments made by Fund in 2023/24:

Grant Scheme	Total
EMFF (EU Funded)	£5,756,397
EMFF (National Funded)	£1,171,680
FaSS	£9,373,869
UKSF	£16,692,094

Marine funds processing as shown in Table 5, all grant funds and application administered by MMO achieved 100% against a target of 95%.

Table 5: Administering Marine Support Funds – Service measure performance summary:

Service Measure Description	Target	2021/22	2022/23	2023/24
UKSF - % of application processed within target for each funding round	95%	-	100%	100%
UKSF - % of claims processed within 8 weeks	95%	-	100%	100%
FaSS - % of applications processed within 8 weeks	95%	100%	100%	100%
FaSS - % of claims processed within 8 weeks	95%	100%	100%	100%

Providing regulatory support and assurance



3590 assurance inspections

completed every year (fisheries, grants,
licenses & protection)

MMO has lead responsibility for ensuring compliance with the national and international marine regulations in English waters and operates a range of assurance activities including: guidance and support, remote surveillance (including the development of the Inshore Vessel Monitoring System – I-VMS) and physical patrols and inspections around our coasts, in-port and at-sea. MMO also assures the Fish Export Service (FES) and tackles illegal, unreported and unregulated fishing (IUU) activity.

Providing regulatory support and assurance performance

The Fish Export Service (FES) has been further developed during the year and selected as one of Central Digital and Data Office’s (CDDO) Top 75 services (also selected as one of Defra’s Top Nine Services). The Top 75 services were chosen across Government based upon, priority for citizens, their importance, frequency of use and volume of users. CDDO have applied a series of key performance indicators to assess services, initially rating FES as a ‘good’ service. CDDO have a target to get 50 of the Top 75 services to a ‘great’ standard by 2025.

Continuous improvements to FES in this period have led to significantly reduced validation processing times and attained 99.5% service availability facilitating 360,000 tonnes worth £1.7bn and in fish exports. MMO have also worked with internal and external users to improve user experience (Risk 2 and 7).

Inshore Vessel Monitoring System (I-VMS): Significant progress has been made relating to the rollout of I-VMS, with 88% of qualifying inshore vessels now fitted with a grant funded I-VMS device (Risk 2). Fishers were supported with the purchase of these devices with £1.56m of EMFF grant funding which was administered by dedicated MMO grants team. Once fully implemented, I-VMS will improve the management and sustainability of the marine environment, facilitating more efficient decisions on local and national management measures and helping protect the livelihoods of fishers.

Assurance inspections

Table 6: Regulatory Support & Assurance – Service measure performance summary:

Service Measure Description	Target	2021/22	2022/23	2023/24
Complete inspections (against planned profile) of marine licences, vessels at sea, port, RBS merchants and markets	90%	110%	107%	91%

Table 6 shows the cumulative performance across all inspection types, including In port vessels, premises /markets, marine licences, Marine Protected Areas (MPAs), transport, grants and fishing vessels at sea. 37% of inspections at sea were conducted on non-UK vessels, 63% conducted within the UK domestic fleet (Risk 1).

Some assurance inspections required further actions and a total 1,822 regulatory enforcement actions were undertaken, including:

- **1,237** written advisory letters
- **418** verbal rebriefs
- **68** official written warnings
- **8** fixed administrative penalties
- **91** became an investigation

Six prosecutions were carried out in 2023/24, all of which were successful, with the intent to support the MMO in improving regulatory compliance. The fines delivered by the Courts for marine related offences as a result of MMO’s successful prosecutions for the 2023/24 financial year was **£0.15m**.

For 2024/25 MMO plan to review and update the planning and targeting of our assurance inspection to ensure MMO are more risk based in our approach in order to increase our effectiveness in achieving regulatory outcomes. The increasing use of remote monitoring, such as through vessel monitoring systems for the inshore and offshore fleet will also in allow us to understand patterns of behaviour and improve our understanding and targeting of risk.

Customer requests and complaints



196 FoI and EIR requests and **197 complaints** were received in 2023/24

MMO is required to respond to complaints and requests for environmental information and organisational information under the Freedom of Information Act (FOI) and Environmental Information Regulations (EIR) within timescales set out in government guidelines.

Customer engagement and complaints: As shown in Table 7, all customer complaints and FOI and EIR responses were made to statutory timescales. One complaint was referred to the Parliamentary and Health Ombudsman (PHSO) over this period, see Table 8 on the next page.

Table 7: Customers – Service measure performance summary:

Service Measure Description	Target	2021/22	2022/23	2023/24
Customer complaints responded to within 20 days	90%	99%	97%	99%
Freedom of Information (FoI) and Environmental Impact Requests (EIR) were responded to within statutory timescales	95%	100%	100%	98%

Table 8: Complaints received that were referred to the PHSO in 2023/24

Cases referred to the PHSO in 2023/24	
Number of cases referred	1
Number of cases accepted for investigation	1
Number of cases with decisions	1 (found in MMO's favour)
Number of recommendations complied with	n/a

1.2.2 Financial review

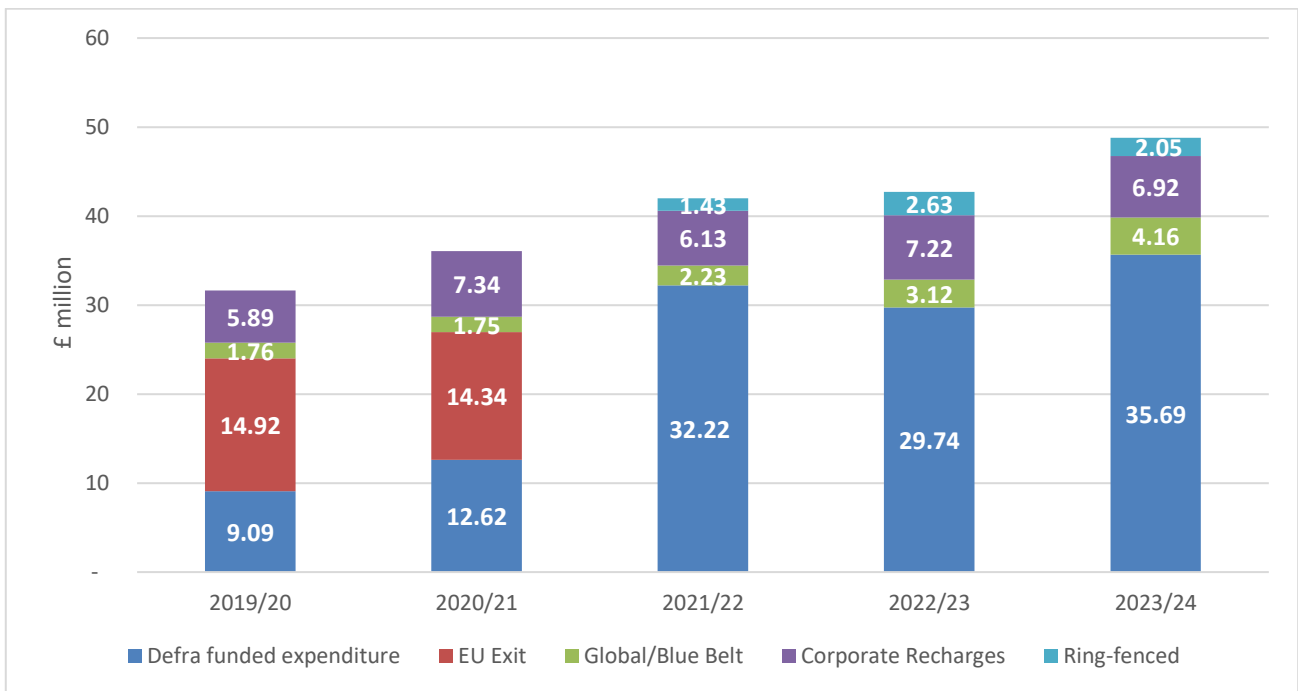
Expenditure

MMO’s level of delivery activity in 2023/24, has substantially increased compared to prior year, this is reflected in the Comprehensive Net Expenditure for 2023/24 of £48.8m, an increase of 14% from previous year (2022/23: £42.7m).

Comprehensive Net Expenditure of £48.8m included:

- £37.7m of Defra funded expenditure to support the delivery of its statutory duties. This is the net expenditure less income of £5.1m and includes £2.1m of HM Treasury ring-fenced funding, including the administration of the domestic grant schemes.
- £6.9m in notional Defra corporate recharges.
- £4.2m to support the provision of advice to specific Global Marine Programmes including the CSSF Blue Belt Programme and the Ocean Country Partnership Programme.

Figure 1: Five-year summary of MMO’s comprehensive net expenditure by funding category



The increase in Defra funded expenditure and associated increase in FTE and staff costs is directly linked to the delivery of new and expanded operational and policy priorities. As part of the SR21 settlement agreement MMO is committed to deliver a three-year efficiency saving plan linked to its ‘core’/business-as-usual activity. The financial pressure remains challenging as MMO focuses on efficient delivery, impacted by inflation.

The most significant increases in comprehensive net expenditure for 2023/24 include:

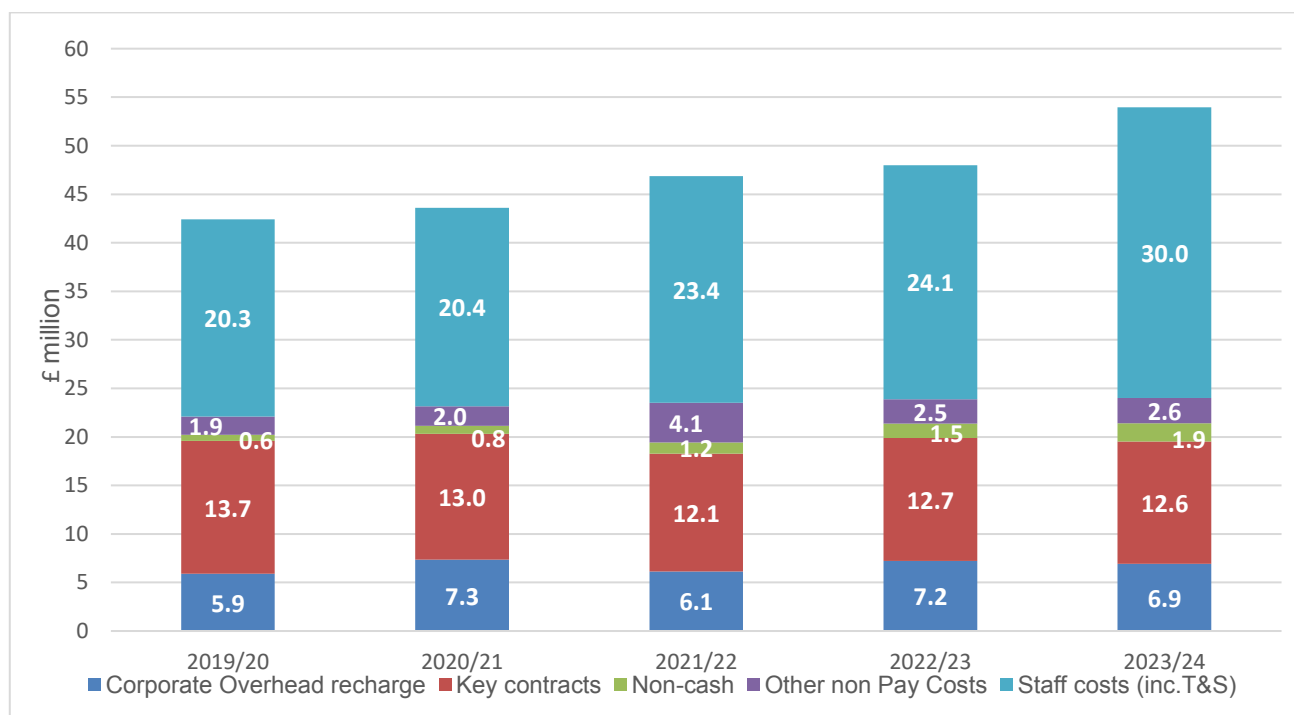
- A 20% increase in Defra funded expenditure to £35.69m (2022/23: £29.74m). MMO committed to the delivery of new and expanded operational and policy priorities such

Fisheries Management Plans, Marine Protected Areas (MPAs), marine spatial planning and administration of domestic marine grant schemes.

- A 33% increase in Global Marine Programme expenditure to £4.16m (2022/23: £3.12m). This reflects the increased programme commitments in support of both the FCDO Blue Belt and OCPP global programmes.

The breakdown of gross expenditure over the last five years is shown in figure two below. Gross expenditure increased to £54.0m (2022/23: £48.0m), due to a £5.9m increase in staff costs, including Travel and Subsistence (T&S) to £30.0m (2022/23: £24.1m) in line with new and expanded operational and policy priorities agreed as part of SR21 delivery.

Figure 2: Five-year summary of gross expenditure as reported in the financial statements



Expenditure by strategic objective

MMO’s regulatory and support services contribute towards Defra Outcome Delivery Plan priorities. Figure three below sets out MMO’s Comprehensive Net Expenditure for 2023/24 by MMO service and Defra Outcome Delivery Plan priority.

Figure 3: MMO comprehensive net expenditure for 2023/24 by Defra Outcome Delivery Plan Priority

Defra Outcome Delivery Plan priority	MMO service	Net comprehensive expenditure 2023/24 £'000	Net comprehensive expenditure 2023/24 £'000
Improve the environment through cleaner air and water, minimised waste, and thriving plants and terrestrial and marine wildlife	Enabling sustainable marine development	5,798	15,512
	Protecting marine habitats and wildlife	2,552	
	Supporting global marine protection	7,162	
Increase the sustainability, productivity and resilience of the agriculture, fishing, food, and drink sectors, enhance biosecurity at the border and raise animal welfare standards	Delivering sustainable fishing opportunities	4,807	33,302
	Administering marine support funds	2,411	
	Providing regulatory support and assurance	26,084	
Total		48,814	48,814

Income

MMO receives income classified as 'revenue from contracts with customers' (see note 1.14 for detail) through fees and charges for the delivery of its Marine Licensing service and income from devolved administrations in respect of cost recovery for shared fisheries IT infrastructure. Other operating income is received from the EMFF to support the administration of the fund and specific measures of funding support to enhance its regulatory capability for fisheries.

Marine Licensing fees and charges continue to be set in line with the fees and charges instrument implemented on the 1 September 2018, with income broadly consistent with prior year at £3.3m (2022/23: £3.4m). Overall fees and charges cost recovery has reduced to 55% (2022/23: 67%) as the full cost of the Marine Licensing service has increased to £6.1m (2022/23: £5.0m). This primarily reflects an increase in Marine Licensing costs relating to an increase in resources to deliver Energy Security Strategy, particularly in relation to Nationally Significant Infrastructure Projects. New charging powers were introduced on the 1 May 2024 under the Levelling Up and Regeneration Act which will enable MMO to increase cost recovery once the applications are determined and move to post consent activity.

EMFF funding has remained at similar levels in 2023/24 at £1.2m (2022/23: £1.2m) but overall, there is a downward trend from 2020/21 (£2.9m) as the EMFF scheme ended in December 2023.

Full details are provided in Note 4 to the Financial Statements.

Grants

MMO is designated by the Secretary of State as the administrator of the Fisheries and Seafood Scheme (FaSS), elements of the UK Seafood Fund (UKSF) and UK European Maritime Fisheries Fund (EMFF) Managing Authority, Certifying Authority, and the Intermediate Body for England. Through the operational delivery of these funds MMO will carry out duties in its capacity as an Agent of Defra, with Defra as the Principal for all transactions under FaSS and UKSF. Defra as the Principal retain oversight and decision-making for these schemes. Defra own the budgets and

associated financial risk, with grant expenditure transactions recorded in Defra's Resource Accounts and not in MMO's financial statements. MMO administered grants in 2023/24, with the following total values, as set out in figure four below.

Figure 4: Total value of grant payments administered by MMO in 2023/24

Grant Scheme	Total
EMFF (EU Funded)	£5,756,397
EMFF (National Funded)	£1,171,680
FaSS	£9,373,869
UKSF	£16,692,094

Statement of Financial Position

The significant movement in the Statement of Financial Position as at the 31 March 2024, in comparison to the prior year, as detailed in the Statement of Financial Position, page 80, relates to a movement in Intangible Assets.

The Intangible Assets balance of £1.8m at 31 March 2024 has decreased by 52% (31 March 2023: £3.7m). This decrease primarily related to amortisation of assets in use of £1.3m, and the impairment of the mobile working system (£0.5m) due to its reclassification as software as a service.

Long term expenditure trends

Over the thirteen years since vesting, MMO's net expenditure has increased from £29m in 2010/11 to £48.8m in 2023/24 (including the notional corporate recharge). Expenditure has increased in both preparation for EU Exit and the subsequent repatriation of sovereign functions and funds following EU Exit, commitment to new and expanded activities during the SR21 settlement period and the addition of funding to support global marine programmes.

The overall level of expenditure is expected to continue into 2024/25 which is the final year of 2021 Spending Review Settlement. Over this period repatriated sovereign functions and SR21 activities have become part of core delivery and MMO's role in delivery of a number of global marine programmes has grown. As described above, MMO is committed to a deliver a three-year efficiency saving plan linked to its 'core'/business-as-usual activity, with 2024/25 being the final year. Financial pressure remains challenging as the Spending Review 2025/26 is expected to focus on delivery of further savings.

Delivery of MMO's three-year strategy is encapsulated in the MMO Corporate Plan (2022-2025).

1.2.3 Sustainability report

MMO has a significant role to play in ensuring the sustainable future of our seas through its core duties and is committed to minimising the impacts of its delivery activities on the environment.

Climate Change impact

The use of commercial vessels continues to play a critical role for MMO in fulfilling its control and enforcement responsibilities at sea. However, MMO surface surveillance activities result in the most material greenhouse gas emissions and cost to MMO budget, beyond its people costs. The efficient and effective deployment of these vessels is a key focus of operational tasking and commercial approach.

Data available from the commercial supplier enables MMO to measure and report the impact of these operations. Information on nautical miles covered and emissions are shown in Table 1 for the two commercial vessels used in the period and compared to previous year. These estimates have been calculated by the supplier based on technical vessel data, fuel consumption, vessel load of 25%-50% and relevant conversion factors.

Table 1: Emissions from Commercial vessels

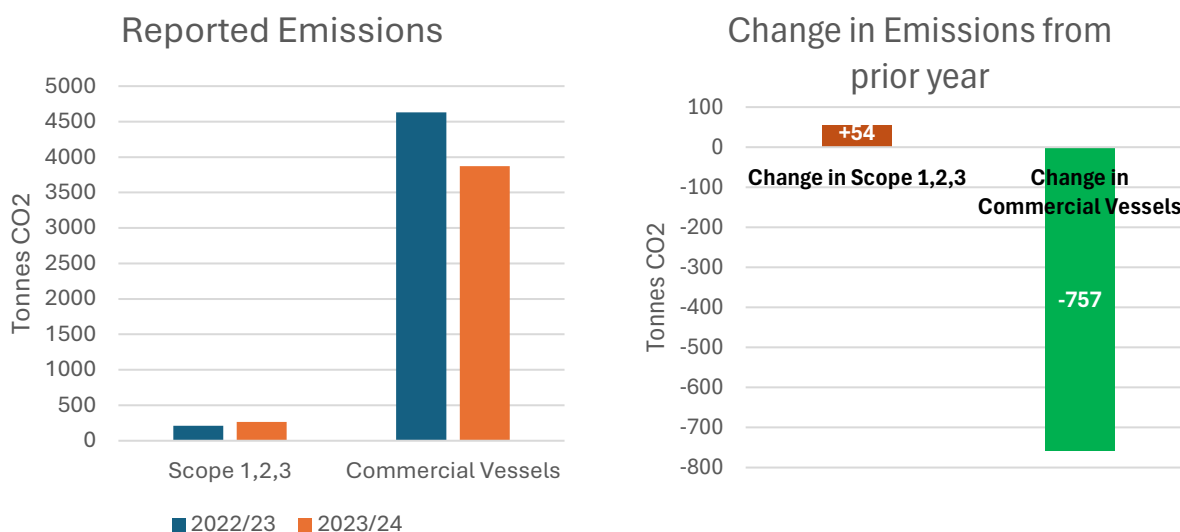
Vessel	2023/24 Nautical miles	2023/24 tCO ₂ e	2022/23 Nautical miles	2022/23 tCO ₂ e
1 st Commercial Vessel	-	-	9,247	938
2 nd Commercial Vessel	-	-	12,507	1,462
3 rd Commercial Vessel	29,083	2,061	18,746	1,548
4 th Commercial Vessel	21,331	1,810	6,428*	680*
Total	50,414	3,871	46,928	4,628

*Prior year 2022/23 comparative figures for the 4th commercial vessel have been restated to add an additional 1,150 nautical miles and an associated 83 tCO₂e. This is due to the availability of additional part-month information relating to October 2022 when the commercial vessel was substituted.

Vessels one and two were replaced by vessels three and four in June 2022 and October 2022 respectively. Replacement vessels are newer with greater fuel efficiency. This has resulted in 16% reduction in CO₂e emissions, despite 7% increase in nautical miles. This is an improved environmental performance with CO₂e emissions per nautical mile reducing by 22% year-on-year.

These upstream supply chain emissions from commercial vessels are significant (14 times greater) when compared to emissions reported under the Greening Government Commitments (GGC) framework. This comparison is shown in the chart below and further information on emissions included in the scope of GGC reporting can be found later in the sustainability report.

Figure 1: MMO reported carbon emissions for Scope 1, 2, 3 (business travel only) as detailed in Table 2, against Scope 3 commercial vessel carbon emissions for 2023/24 against prior year



*To note, the minimum requirement for public sector emissions accounting under Scope 3 are emissions resulting from staff travel on official business. Therefore, 'Scope 3' emissions referenced above relates to MMO business travel only. Emissions arising from commercial vessels are significant and as part of MMOs value change are also reported separately, in line with best practice reporting guidance.

Climate Change Adaptation

MMO has produced its second [MMO Climate Change Adaptation Report](#); which sets out how MMO and its services are likely to be affected by climate change impacts, how MMO can address and reduce climate-related risks over the next five years to 2030.

This reports progress on climate adaptation actions and identified:

- Climate change is already leading to impacts in coastal and marine environments. The speed and scale of this change is expected to increase in the coming decades. Marine ecosystems will change, offshore activity may become more hazardous and changes to species distribution will occur.
- Scientific evidence on the direct and indirect implications of climate change is continually emerging and understanding continues to evolve. However, meaningful progress can still be made using a combination of robust current evidence, future climate projections, expert knowledge and judgement, and good risk management.
- The UK Climate Change Risk Assessment and MMO climate change risks identified have the potential to impact on the quality and effectiveness of the MMO's services and operations, MMO's ability to support government policy objectives, and the value of MMO's contribution to the marine environment and broader environmental goals.
- MMO had already taken meaningful steps towards adapting to climate change. Environmental integrity underlies the MMO's key functions of marine planning, licensing, conservation and fisheries management. Actions include climate change considerations in marine plan policies; ensuring that relevant licensing projects consider the impact that they will have on climate and the vulnerability of the project to climate change; changes in fishing practices to reflect changes in the distribution of species; and considering climate change in the designation and functionality of Marine Protected Areas (MPAs) and Highly Protected Marine Areas (HPMAs).

MMO has an opportunity to become a leading and trusted national expert on climate change in the marine environment and can help the UK to achieve a ‘triple win’ for environment, economy and society in a complex and challenging space.

To help realise our ambitions on climate change MMO must:

- Ensure awareness and inclusion of climate change risks at a strategic level
- Provide assurance that the development of MMO activities consider climate change adaptation and mitigation risk
- Include climate change considerations into internal and external stakeholder engagement.

Task Force on Climate-Related Financial Disclosures (TCFD)

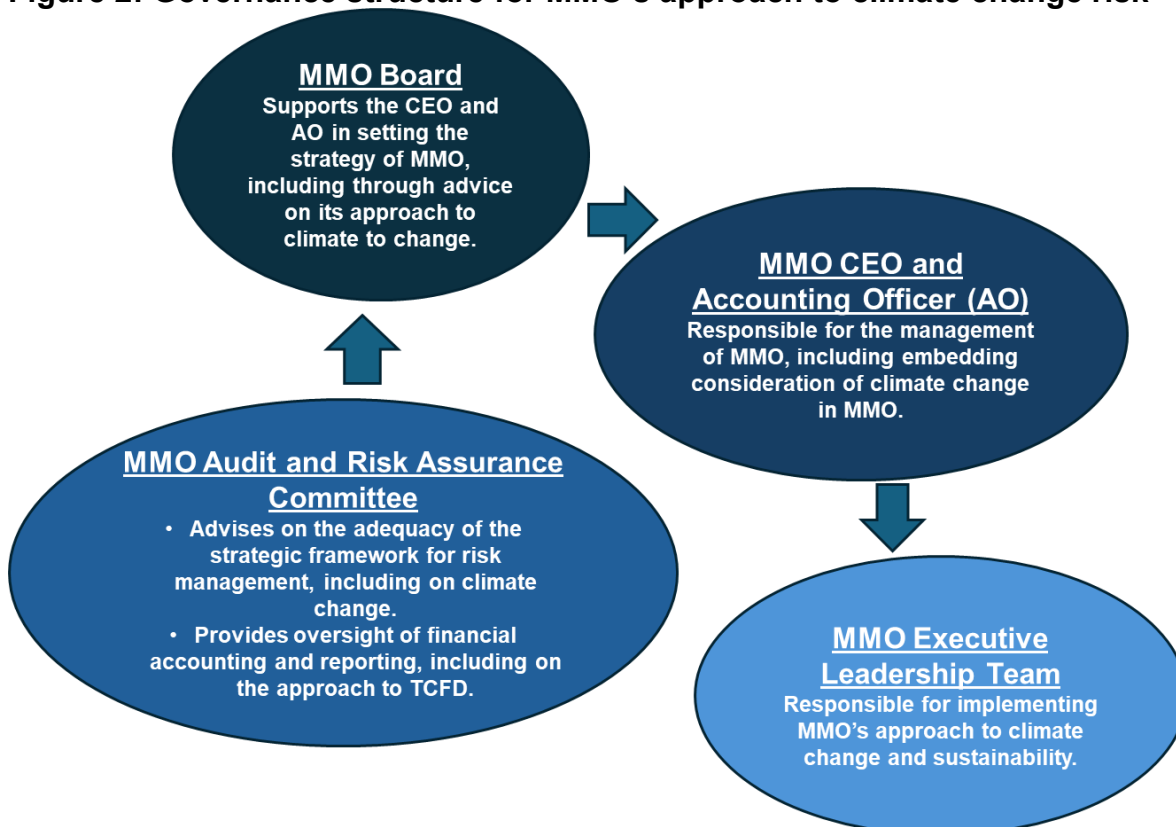
MMO has reported on climate-related financial disclosures consistent with HM Treasury’s TCFD aligned disclosure application guidance, which interprets and adapts the framework for UK public sector. MMO has complied with the TCFD Phase 1 recommendations:

- Compliance Statement
- Governance recommended disclosures
- Metrics and Targets recommended disclosures

Climate change is identified as a Principal Risk in MMO’s risk register, which is reviewed on a quarterly basis by the Executive Leadership Team, Audit Risk and Assurance Committee and reported to the Board. This ensures MMO tracks and monitors progress on adaptation action being taken by the organisation on a regular basis.

The governance structure for MMO’s approach to climate change is outlined in Figure 2.

Figure 2: Governance structure for MMO’s approach to climate change risk



The metrics and targets used by the organisation to assess and manage material climate-related risks and opportunities are disclosed in the Climate Change Adaptation Report, as linked in Climate Change Adaptation section above.

Greening Government Commitments (GGC) Reporting

MMO’s internal environmental performance is assessed by measuring its contribution to the UK Government targets set out in the Greening Government Commitments (GGC) 2021 to 2025. These targets are set against 2017/18 baselines when average headcount was 314, but the growth in MMO FTE since this time (average FTE in 2023/24: 517) has presented challenge against some of these measures and in particular the impact on emissions linked to business travel.

The impact of COVID has resulted in new ways of working with greater reliance on virtual meetings and hybrid working, however, there is a need for dispersed teams to connect and work together in person. MMO has continued to work under the GGC framework during 2023/24 with performance against GGC targets disclosed on page 38, in line with the requirements of the HM Treasury financial reporting guidance 2023/24.

Greenhouse gas (GHG) emissions are categorised within three scopes, with MMO’s application as follows:

- **Scope one (Direct) emissions** – This is emissions from consumption of fuel from vehicles in the MMO lease car fleet (controlled by MMO), on official travel.
- **Scope two (Energy indirect) emissions** – This is emissions from the consumption of gas and electricity through our estates.
- **Scope three (Business travel) emissions:** For MMO reporting within the GGC framework this is limited to emissions from business travel recorded through the Defra travel booking portal.

Table 2 provides information on MMO greenhouse gas emissions performance in comparison to the prior year.

Table 2: MMO (CCG) performance in 2023/24 compared to prior year

MMO Greenhouse Gas Emissions		2023/24	2022/23 (Restated)*
Non-financial indicators (tCO2e)	Total Gross Emissions for Scope 1,2 & business travel	267	213
	Total Net Emissions for Scope 1,2 & business travel (.i.e. less reductions e.g. green tariffs)	267	213
	Gross emissions from Scope 1 (Direct)	56	53
	Gross emissions from Scope 2 (Energy indirect)	45	45
	Gross emissions from business travel**	166	115

MMO Greenhouse Gas Emissions		2023/24	2022/23 (Restated)*
Related energy consumption (thousand KWh)	Electricity	217	233
	Gas	239	231
Financial Indicators (£'000)	Expenditure on energy***	N/A	N/A
	Carbon Reduction Certificate (CRC) Licence Expenditure (2011 onwards)	0	0
	^CRC Income for recycling payments	0	0
	Expenditure on accredited offsets - Woodland Trust Enterprise	0	0
	Expenditure on official business travel	380	215

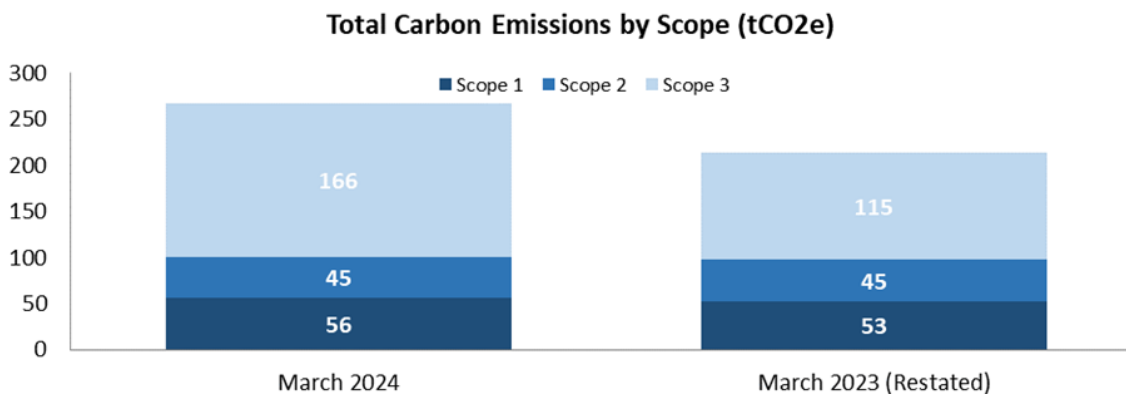
*At the time of preparing the final report for 2022/23 an estimate of consumption was used for the last quarter of the reporting period due to delays in receiving the actual information. Actual data is now available for the final quarter of 2022/23, and the 2022/23 figures have been restated. Restated figures are Scope 1 emissions restated from 78 tCO₂e to 53 tCO₂e, and Gross emissions from business travel restated from 90 tCO₂e to 115 tCO₂e.

** This only relates to business travel according to the limited scope of the GGC reporting framework and this does not present Total Scope 3 emissions

***Information relating to expenditure on energy is not available as estates functions are managed by Defra Group Corporate Services with MMO receiving a notional corporate overhead recharge.

Total GHG emissions in 2023/24 have increased by 54 tCO₂e compared to 2022/23 as a result of an increase in emissions in Scope three (business travel). There has been a slight increase in Scope one emissions (direct) and no change in Scope two emissions (energy indirect). The breakdown of emissions by scope is shown in Figure 3 below.

Figure 3: MMO carbon emissions by scope (tCO₂e)



MMO has seen an increase in average full-time equivalent staff at 31 March 2024 to 517 people (31 March 2023: 448). Overall carbon emissions (tCO₂e) has increased in comparison with prior year. In addition, carbon emissions (tCO₂e) per FTE has also increased in comparison to prior year. This is due to the increase in domestic business travel which is the only category to see an increase in tCO₂e per FTE.

Information relating to total waste and water consumption are shown in Table three below:

Table 3: Waste and Water Consumption

Non – hazardous waste for Head Office		2023/24	2022/23
Non-financial indicators (t)	Total Waste	16	20
	Waste to landfill	0	0
	Waste reused/recycled	10	15
	Waste incinerated	6	5
Finite Resource Consumption – Water		2023/24	2022/23
Non-financial indicators (m ³)	Water Consumption	955	1,280
Non-financial indicators (m ³ /average FTE)	Water Consumption per Full Time Equivalent (FTE)	3.0	3.1

Performance against GGC Targets

There have been some key changes to GGC targets introduced for the period 2021-2025. This includes a change to the baseline year against which targets are measured (baseline year has moved from 2009/10 to 2017/18) which is intended to provide more stretching targets in the core areas of emissions, water, waste, and domestic flights with new measures introduced.

The Defra specific GGC targets as detailed in Table 4, aim to reduce Government’s environmental impact. Due to the growth in MMO headcount and increase in associated business travel, MMO has not achieved all GGC milestone targets in 2023/24. Even though emissions per FTE have reduced against the baseline year, it is the increase in gross emissions linked to FTE growth that present a challenge to achieving the 2024/25 targets.

Table 4: Defra specific GGC targets - Mitigating climate change working towards Net Zero by 2050

GGC Target	Baseline 2017/18	2023/24 ACTUAL	Target 2024/25	Status
To cut overall greenhouse gas emissions by 50% from a 2017/18 baseline from MMO’s apportioned share of the Defra estate and business-related transport	361 tCO ₂ e	267 tCO ₂ e	180 tCO ₂ e	2023/24 milestone not achieved
To reduce direct carbon emissions in buildings by 15% from a 2017/18 baseline from MMO’s apportioned share of the Defra estate	48 tCO ₂ e	44 tCO ₂ e	41 tCO ₂ e	2023/24 milestone not achieved
Reduce emissions from domestic flights by 30% from a 2017/18 baseline	18 tCO ₂ e	16 tCO ₂ e	12 tCO ₂ e	2023/24 milestone not achieved

GGC Target	Baseline 2017/18	2023/24 ACTUAL	Target 2024/25	Status
MMO Vehicle Fleet – 25% ULEV by end of 2022, and 100% 0 emissions by end of 2027	N/A	76% ULEV	N/A	Plans developed to achieve 2027 target
Update travel policies to require low carbon options be considered first	N/A	N/A	N/A	
Reduce overall amount of waste generated by 15%	25 t	16 t	21 t	2023/24 milestone achieved
Reduce the amount of waste going to landfill to 5% of overall waste	7%	0%	5%	2023/24 milestone achieved
Increase the amount of waste recycled to 70% of overall waste	58%	63%	70%	2023/24 milestone not achieved
Reduce paper use by 50% from a 2017/18 baseline (reams)	1,042	102	521	2023/24 milestone achieved
Reduce water consumption by 8% from a 2017/18 baseline	1,751m ³	955m ³	1,611m ³	2023/24 milestone achieved

*MMO has previously reported office water use per FTE against best practice benchmarks, this is no longer a GGC reporting requirement so is not included in the Sustainability Report. The move to hybrid working means it is not possible to get an accurate FTE figure for staff attending offices.

The increase in reported scope 3 emissions reflects both the growth in MMO FTE, which has increased by 55% compared to the 2017/18 baseline FTE, and increased travel since restrictions were lifted post Covid-19. Ways of working changed significantly due to the impact of the Covid-19 pandemic and MMO will continue to maximise the use of technology into 2024/25 to ensure the environmental benefits of alternatives to travel are realised, and further expected reductions will be achieved through MMO full transition to Ultra Low Emission Vehicle (ULEV) lease cars in early 2024/25.

Defra continues to make progress in reducing the overall Defra estate carbon footprint, however, the growth in MMO FTE has resulted in a greater apportioned share of the Defra estate.

A detailed breakdown of air travel information for 2023/24 is shown in the table on the next page, including a breakdown of flights by domestic, short haul (destinations within Europe), long haul (destinations outside of Europe) and international (journeys which start and end outside of the UK). Air travel is a major contributor to the MMO GGC scope 3 emissions relating to business travel reported in Table 2.

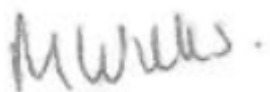
Table 5: Air travel in 2023/24

2023/24	Domestic Flights	Short Haul	Long Haul	International	Total
Total km	109,558	43,669	424,304	40,545	618,074
Total Volume	235	50	47	53	385
2023/24 tCO2e	17	11	40	3	71

Sustainable Procurement

MMO is committed to buy more sustainable and efficient products and services with the aim of achieving the best long term, overall value for money for society. This is evaluated and is part of the decision-making in tender awards. Our aim is to buy more sustainable and efficient products and engage with suppliers to understand and reduce the environmental impacts of our supply chain. Supplier sustainability consideration is a standard evaluation criterion in all tenders over £10,000 and where possible, contracts are awarded through MMO frameworks and other pan Government frameworks operated by the Crown Commercial Services (CCS). This approach supports all of the GGCs as well as wider Government commitments such as Social Value, Modern Slavery, Small and Medium Enterprises and the Public Sector Equality Duty. MMO receives food and catering services as part of a Defra Group facilities management contract.

During 2023/24, MMO let 34 contracts of £10k or above totalling £2.6m with evaluation covering some or all criteria aspects of modern slavery, sustainability, and social values – the level of focus on each criteria will vary from contract to contract depending on the nature of work and framework utilised. Key commercial guidance information (including sustainability requirements) has also been provided to help support MMO staff through the development of a key Defra procurement system (MyBuy).



Michelle Willis
 Acting Chief Executive Officer and Accounting Officer
 Marine Management Organisation
 16 January 2025

2. Accountability report



2.1 Corporate governance report

The Corporate Governance Report explains the composition and organisation of MMO's governance structures and how they support the achievement of its strategic objectives.

2.1.1 Directors' report

Responsibility for the direction of MMO

Non-Executive Board Members

MMO's non-executive board members are appointed by the Secretary of State for Environment, Food and Rural Affairs, for a term of three or four years. Members may be considered for re-appointment in accordance with guidance from the Office of the Commissioner for Public Appointments.

For the year ended the 31 March 2024, there were seven non-executive board members in post. The following changes to the Board were made during the period:

- Hilary Florek's appointment as Chair was extended during the reporting year to an end date of the 7 November 2024. Anthony Delahunty has been appointed Interim Chair from the 8 November 2024 until the appointment of a new Chair.
- Terrence Jagger's appointment came to an end on the 30 November 2023

During the reporting period two new non-executive Board members were advertised and recruited:

- Mark Ripley was appointed for a 4-year term commencing from 1 July 2024
- Dame Judith Petts was appointed for a 4-year term commencing from 1 October 2024

The composition of the Board during the reporting period was as follows:

Non-executive board member	Role	Appointment date	End date
Hilary Florek	Chair	08/02/2018	07/11/2024
Anthony Delahunty	Interim Chair	08/11/2024	-
Anthony Delahunty	Non-executive board member	01/02/2017	31/01/2027
Terence Jagger	Non-executive board member	01/02/2017	30/11/2023
Belinda Howell	Non-executive board member	01/05/2018	28/02/2027
Robert Wilson	Non-executive board member	01/05/2018	28/02/2027
William Roberts	Non-executive board member	01/08/2018	30/04/2025
Peter Judge	Non-executive board member	01/02/2019	31/10/2026
David Lyall	Non-executive board member	01/02/2019	31/10/2025

The Audit and Risk Assurance Committee (ARAC) members were William Roberts (Chair), Belinda Howell and David Lyall.

The Remuneration Committee members were Robert Wilson (Chair), Anthony Delahunty and Peter Judge.

The Planning Investment Committee (PIC) members were Peter Judge (Chair), Robert Wilson and Anthony Delahunty.

Non-Executive Interests

During 2023/24, there were no significant interests held by any of the non-executive board members which may conflict with their responsibilities. A register of non-executive board members' interests is published on MMO's website. Related party disclosures can be seen in note 10 to the Accounts.

Executive Directors

The Chief Executive Officer and directors have authority and responsibility for directing the activities of MMO. The following appointments were made during the period;

- Tom McCormack, MMO Chief Executive and Accounting Officer commenced a period of sickness absence on the 20 September 2023 and left the organisation on the 31 January 2024.
- Michelle Willis, Director of Finance and Resources and Deputy Chief Executive Officer was appointed Chief Executive Officer and Accounting Officer on an interim basis, effective from the 20 September 2023.
- Paul Errington was appointed as the Acting Director of Finance and Resources, whilst Michelle Willis was fulfilling the role of Acting Chief Executive Officer.
- Professor Selina Stead, MMO Chief Scientific Advisor stood down from her role effective from the 25 December 2023. Interim arrangements have been put into place while a new Chief Scientific Advisor is appointed.

The composition of the Executive Leadership Team during the reporting period is as follows:

Executive director	Current Role	Appointment date	End date
Tom McCormack	Chief Executive Officer	10/09/2019	31/01/2024
Michelle Willis	Director of Finance and Resources and Deputy Chief Executive Officer	18/02/2013	19/09/2023
Michelle Willis	Acting Chief Executive and Accounting Officer	20/09/2023	-
Peter Clark	Director of Operations	13/07/2022	-
Trudi Wakelin	Director of Marine Development (Domestic and International)	06/02/2017	-
Stephanie Campbell	Director of Digital and Analysis	11/10/2021	-
Jenny Stewart	Director of Planning and Change	01/06/2020	-
Professor Selina Stead	Chief Scientific Advisor	01/06/2017	25/12/2023
Paul Errington	Acting Director of Finance and Resources	08/11/2023	-

Executive Interests

During 2023/24 the Chief Executive Officer/Accounting Officer and Executive Directors held no interests outside of MMO relating to MMO's business. There are no reports of any Executive Directors being remunerated for any relevant employment outside of MMO, except for Professor Selina Stead who was only employed by MMO for 0.2 FTE.

Personal data related incidents

During 2023/24 there have been no incidents of data loss involving personal information over the reporting period that required formal reporting to the Information Commissioner's Office.

2.1.2 Statement of Accounting Officer's responsibilities

Under the Marine and Coastal Access Act 2009, the Secretary of State has directed MMO 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 state of affairs of MMO and of its income and expenditure, Statement of Financial Position, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* in particular to:

- Observe the Accounts Direction issued by Defra, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed and disclose and explain any material departures in the accounts.
- Prepare the accounts on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced, and understandable.

The Principal Accounting Officer (PAO) for Defra has appointed the Chief Executive Officer as Accounting Officer for MMO. Following the departure of the previous Chief Executive, Michelle Willis (Acting Chief Executive) was appointed Temporary Accounting Officer by the PAO. 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 Marine Management Organisation's assets, are set out in *Managing Public Money* issued by HM Treasury.

Disclosure of audit information to auditors

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that MMO's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

2.1.3 Governance statement

As Accounting Officer, I have responsibility for maintaining a sound system of risk management, governance and control that supports the achievement of the policies, aims and objectives of MMO whilst safeguarding the public funds and MMO assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I am required to prepare a Governance Statement to provide assurances of operating sound systems of internal control and set out how these duties have been carried out. MMO's Executive Leadership Team, which comprises five Executive Directors, a Chief Scientific Advisor, and me as Acting Chief Executive, has collective responsibility for the management of MMO and its business, delivering Ministerial priorities and the business strategy set by the MMO Board.

Oversight by the Department for Environment, Food and Rural Affairs

MMO's functions and responsibilities are provided under the Marine and Coastal Access Act 2009. Defra is MMO's sponsoring department and MMO is accountable to Defra for its use of resources and its performance. The corporate governance arrangements between Defra and MMO are set out in a Framework Document (9 June 2022) which can be found at:

[MMO framework document - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Throughout the reporting period, MMO have formally engaged with Defra through Defra Assurance Board Meetings, Ministerial Delivery Meetings, and Ministerial Performance Review Meetings, conducted by the Minister of State.

Governance within the Marine Management Organisation

As a Non-Departmental Public Body (NDPB) within the Defra Group, MMO is led by a Board that is responsible for setting the overall strategic direction for MMO in delivery of its strategic objectives and evaluating performance. Hilary Florek is Chair of the Board and has responsibility for ensuring MMO activities support the wider policies of the Secretary of State, and its decisions comply with statute and any direction given by the Secretary of State. At 31 March 2024, the MMO Board comprised seven non-executive Board members, including the Chair. A full list of non-executive board members is included in the Directors Report (section 2.1.1).

Governance arrangements are currently detailed in MMO's Code of Conduct for standards of behaviour and the MMO Framework Document for accountabilities and responsibilities, planning, budgeting and control and external accountabilities. This is supported by MMO's Strategic and Corporate Plans, which set out the operational and financial strategic objectives to which MMO is committed. Based on this structure, executive governance is taken forward through the executive directors, led by myself. The Executive Leadership Team is supported by a Senior Leadership Team that, together with their functional teams, interact to achieve delivery of the strategic objectives.

MMO has in place financial and non-financial Schemes of Delegation, with guidance on regularity and propriety, including an Anti-Fraud and Bribery Policy and Disclosures in the Public Interest (Whistleblowing) Policy and Procedure to comply with the Public Interest Disclosure Act 1998.

The MMO Board delegates responsibility to its three principal committees: The Audit and Risk Assurance Committee (ARAC), the Planning and Investment Committee (PIC) and the Remuneration Committee. The terms of references for these committees are reviewed regularly and chaired by a non-executive board member. In addition, the MMO Board and the Executive are

supported by a Chief Scientific Advisor on matters of science and evidence, this role has been vacant from the 25 December 2023 whilst a replacement is appointed.

MMO Board and Committee activity including performance

MMO Board

The MMO Board considers standard agenda items which include the approval of previous MMO Board minutes, updates on actions; strategic reports from myself and directors, including reports detailing delivery against performance measures described in MMO's Corporate Plan; finance, assurance, and risk management, change delivery and capacity, capability, and culture, which includes health, safety, and wellbeing. This is complemented with reports from the Board sub-committees.

During 2023/24, the MMO Board met for four full board meetings and on two supplementary occasions to discuss change delivery, new Defra commissions and sponsorship arrangements. In addition to this, a Board workshop was held focussing on the MMO Corporate Plan and Strategy (MMO2030). The MMO Board provided consideration of a series of standing and exceptional items, which are summarised below:

- **Operational, Financial, Governance and Accountability:** The Board provided quarterly consideration of performance, finance, risk and assurance. Commercial approval requests for projects exceeding £250k and contracts exceeding £1m were brought to the Board for consideration. Change delivery was a key area of focus and included key business case approvals and programme assurances, notably for the Fish Export Service (FES) and Inshore Vessel Monitoring Systems (I-VMS) Rollout. Matters of governance included MMO Board consideration of the Annual Report and Accounts. People matters received regular Board consideration, throughout the year, these included Health, Safety and Wellbeing and MMO's Capacity, Capability and Culture.
- **Strategic Developments:** The Board continued to assure MMO's delivery of new policy priorities throughout the development of Fisheries Management Plans (FMPs) and advancement of further protection measures for offshore Marine Protected Areas (MPAs) and Highly Protected Marine Areas (HMPAs). The Board particularly considered Ministerial priorities, including the 25 Year Environmental Improvement Plan 2023, Climate Change Adaptation, and Arm's Length Body Reform. With respect to the delivery of the MMO Strategy (MMO2030), the Board considered the mapping of MMO's Strategic Goals, encouraging focus on the activities which would have the greatest impact against the Environmental Improvement Plan (EIP). Through two stakeholder events, the Board engaged with industry and MMO delivery partners to hear directly from the communities MMO collaborates with and serves.
- **Committee reports and sub-groups:** The Board received reports from its committees and sub-groups. The Audit and Risk Assurance Committee reported on their assurance of MMO's internal and external audit programmes and development of MMO's approach to management of strategic risk to generate alignment with the MMO Strategy (MMO2030). The Planning and Investment Committee (PIC), introduced in September 2023, provided assurance of MMO's Projects and Programmes reporting to the Board particularly on their assurance of the Marine Licensing Case Management System (MCMS) Replacement and Fisheries Export Service (FES).

This approach has ensured that appropriate strategic direction and escalation has been provided following substantive challenge and debate; all of which are fully documented, with Board minutes published on Gov.uk.

I can confirm that where conflicts of interest might arise, the Chair has initiated protocols for managing sensitivities. During 2023/24, there were no notable conflicts reported to the Chair. A full register of interests is maintained and reviewed following each MMO Board meeting.

Hilary Florek, the MMO Chair has completed performance reviews for all Non-Executive Board members for the reporting year, taking account of performance, committee involvement and discussing priorities for the future.

An internal Board effectiveness review was undertaken in July 2023. The review included input from the MMO Board, Executive Leadership Team, and Defra. The review topics covered effectiveness of the MMO Board, Executive Leadership Team, Board meetings, and opportunities for continuous improvement.

Audit and Risk Assurance Committee (ARAC)

The ARAC comprises three non-executive board members. The MMO Board and Accounting Officer receive ARAC minutes and reports from the ARAC Chair concerning the work of the committee.

The ARAC provides an independent view on the appropriateness and adequacy of MMO governance, risk management and assurance processes. It provides constructive challenge and advice, taking account of risks, on the effectiveness of MMO's control environment. The principal focus for activities is documented in its terms of reference.

During 2023/24, the ARAC met for four full committee meetings. The committee considered its standing agenda items under four themes of; externalities, external audit and accounting, risk and assurance, and internal audit. This is in-line with the Three Lines of Defence model and in adherence to the Audit and Risk Assurance Committee Handbook:

- **Externalities:** The committee considered Defra and MMO Strategic Review activities including Spending Review and discussion of Arm's Length Body Reform. The uncertainty presented by the forthcoming General Election and linked impacts on business planning, including MMO's legislative remit were discussed. The committee provided regular consideration of cost of living impacts among other, external events particularly affecting MMO's people and relevant sectors, with marine environmental challenges brought to the attention of the committee.
- **External Audit and Accounting:** The Annual Report and Accounts (interim and final) and National Audit Office Audit Completion Report (including Letter of Representation) were considered.
- **Risk and Assurance:** The committee received and input to updates to MMO's Assurance Map and approach to the management and assessment of strategic risk. Operational risk received regular consideration, and a follow up on risk appetite and tolerance was held.
- **Internal Audit:** The committee reviewed and discussed the progress and outcomes of the Internal Audit Programme for 2023/24 including the Head of Internal Audit opinion and proposed Internal Audit Programme 2024/25. The European Maritime and Fisheries Fund

(EMFF) Annual Control Report was brought to the attention the committee.

The committee input to MMO's development of a refreshed counter fraud strategy and response plan with reference to Defra's Departmental Policy, which MMO are obliged to follow. The strategy and response plan were submitted to the committee in 2023/24 and received approval in 2024/25. The committee also assessed MMO's overall fraud risk position and greatest areas of fraud risk.

The ARAC Chair reports regularly to the MMO Board and Accounting Officer on items discussed at ARAC. In addition, the Chair of the committee will inform the MMO Board (via the MMO Board Chair) of any fraud, misappropriation, or malpractice immediately that it is discovered or suspected. During 2023/24, no such issues were escalated to the MMO Board.

An internal ARAC effectiveness review was undertaken in March 2024. This review utilised the National Audit Office (NAO) Effectiveness Review Tool as its basis, this review sought to assess ARAC activities, achievements and areas for improvement, reflecting its commitment to fostering transparency, accountability and excellence in governance practices. The review concluded that ARAC is operating effectively and agreed to focus on implementing priority recommendations relating to focus on climate change and net zero, subject matter experts to inform ARAC discussion, and ARAC administration.

Remuneration Committee

The Remuneration Committee comprised three non-executive board members in 2023/24. The objective of the committee is to provide assurance to the MMO Board on the governance of executive remuneration, contractual issues and compensation commitments: these are described in the committee's terms of reference. In accordance with best practice, it is a standard part of the committees dealings to report to the Chair to summarise the key business conducted at the end of each year.

The Remuneration Committee met three times during 2023/24 to discuss Senior Civil Servant (SCS) pay awards (criteria and proposals), 2023 SCS Pay Remit, the recruitment of MMO's next Chief Executive and interim arrangements.

Planning and Investment Committee

The Planning and Investment Committee comprised three non-executive board members in 2023/24. The new committee was established to support the Board and the Accounting Officer in their assurance of MMO's delegated authorities, contribution to Defra Spending Reviews and review of business cases supporting projects and programmes, including investment appraisal. The committee focus on capital and revenue projects exceeding £250k in value, making recommendations to the MMO Board when changes to approved business cases or funding approvals are required. The objectives of the committee are described in its terms of reference.

The Planning and Investment Committee held its inaugural meeting on the 8 November 2023 and met three times in the 2023/24 reporting period. The committee primarily discussed MMO's major change programmes, notably the Fish Export Service (FES) and Marine Licensing Case Management System (MCMS) Replacement.

Attendance at Meetings

Attendance of the MMO Board, ARAC and Remuneration Committee in 2023/24 is set out below:

Non-Executive Board member	Board	ARAC	Planning and Investment Committee	Remuneration Committee
Hilary Florek (Chair)	6 of 6	N/A	N/A	N/A
Anthony Delahunty (Remuneration Committee member)	6 of 6	N/A	3 of 3	3 of 3
Terence Jagger	5 of 5	N/A	N/A	N/A
Belinda Howell (ARAC member)	6 of 6	3 of 4	N/A	N/A
Robert Wilson (Remuneration Committee Chair)	5 of 6	N/A	3 of 3	3 of 3
William Roberts, (ARAC Chair)	6 of 6	4 of 4	N/A	N/A
Peter Judge (Remuneration Committee member)	6 of 6	N/A	3 of 3	2 of 3
David Lyall (ARAC member)	6 of 6	4 of 4	N/A	N/A

Data Quality to support the MMO Board's needs

The MMO Board agrees the form and content for all reports to be considered at Board meetings, which are minuted and coordinated by the Board Secretariat. All papers brought to the MMO Board for discussion are validated and approved by each director for their area of responsibility; this ensures completeness, accuracy, and quality so that the content of all papers is of a standard expected for MMO Board consideration. The minutes of the MMO Board meetings can be found: [Our governance - Marine Management Organisation - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Compliance with the Central Government Corporate Governance code of practice

MMO is required to comply with the provisions in the Central Government Corporate Governance code of practice or explain where it has not done so. The only provision of the code that the MMO

Board has not complied with is the requirement for a Nominations and Governance Committee.

The code indicates that the role of a Nominations and Governance Committee is to:

- Ensure that there are satisfactory systems for identifying leadership and high potential
- Scrutinise the incentive structure and succession planning for the MMO Board and senior leadership
- Scrutinise governance arrangements

The MMO Board is satisfied that the relevant assurance covering each of these aspects is obtained through myself and the Acting Director of Finance and Resources, supported by the Chair of the Remuneration Committee and the Audit and Risk Assurance Committee; consequently, it does not require a Nominations and Governance Committee.

Risk, controls, and compliance

MMO operates a structured risk and control framework which enables the identification, prioritisation, and escalation of risks relating to both the external and internal environment. This includes strategic risks which are led by the MMO Board and Executive Leadership team and operational risks which cover all areas of the organisation.

Risks are recorded through a series of operational risk registers which are owned at Directorate and programme/project level but coordinated centrally by the risk and assurance team. Directorate Business Partner meetings are used to regularly review risks with identification of those requiring further escalation. Executive Leadership team meet throughout the year to review high scoring risks and any escalations, considering risk mitigations and related strategic risk impacts. These strategic risks, identified as those key risks to the delivery of the MMO strategy, are summarised in the performance report with further detail on how they have influenced performance during the year and mitigating actions.

MMO's Risk Management Strategy has matured further in 2023/24, key outputs from this have included a review of risk appetite and tolerance scores for each risk category as outlined in the Orange Book, for escalation to MMO Executive leadership Team, MMO Board and the Audit and Risk Committee.

Working to ensure MMO have an embedded risk culture across MMO, MMO have continued to train and upskill colleagues on risk management practices, through Senior Leadership Team and risk champion workshops. MMO have implemented regular risk reviews with Directors, Risk Champions and the SLT in which MMO look across all risks, reviewing mitigations and scoring.

Due to the ongoing Russian invasion of Ukraine the UK Government has expanded the list of people and entities subject to sanctions in Russia and Belarus, MMO has not been involved in any sanctions or known sanctionable activity. MMO does not have any known exposure to investments within Russia or Belarus.

Information Risk Management

MMO holds personal and sensitive information commensurate with its size, statutory requirements and deemed essential for business delivery. MMO recognises the need to maintain Information Security and all applicable controls in line with the Government's Security Policy Framework and ensure compliance with relevant legislation. MMO's information assurance and governance activities are overseen by the Information Asset Owners, the Senior Responsible Officer for Data,

Information and Security with support from Defra's Digital, Data and Technology Services (DDTS). There have been no significant lapses of protective security in the reporting period.

MMO does not own any business-critical models but will use Government guidance (The Aqua Book) guidance to produce quality analysis for government in the delivery of any future models that fall within scope.

MMO, as part of the Defra Group, continues to strengthen data protection governance and business processes. The Defra Group Data Protection Officer (DPO) is shared by MMO and has put in place arrangements for monitoring data protection risks, incorporating the Information Commissioner's Office (ICO) Accountability Framework.

MMO identifies and priorities the implementation of data protection recommendations for further improvements through twice yearly reporting to the DPO. MMO meets monthly with the DPO and the Defra Group data protection community to coordinate and ensure alignment with Defra Group and wider government best practice.

Ministerial Direction

There were no Ministerial directions within the reporting period.

After the conclusion of the 2023/24 reporting period, Defra received a Ministerial direction in respect of a Pollack Compensation Scheme, following disruption caused to pollack fishers after a zero total allowable catch (TAC) was set for the region. The Secretary of State for the Environment directed that compensation should be provided to those most impacted by the bycatch-only pollack fishery in the South West, targeting commercially registered vessels who were reliant on pollack for at least 30% of their reported landings income from 1 January 2023 to 31 December 2023, from Area 7. The powers contained in Section 50 of the UK Internal Market Act (UKIM) 2020 provided authority for the direction. Defra delegated delivery of the scheme to MMO.

Internal Audit

The Government Internal Audit Agency (GIAA) MMO Head of Internal Audit (HIA) annual report has provided a 'moderate' opinion on the framework of governance, risk management and internal control for MMO. This means MMO has an effective framework in place, with some improvements required to enhance the adequacy and effectiveness of this framework. Their opinion has been formed not only by the outcomes from engagements on the 2023/24 MMO internal audit plan, but also by knowledge gained from working with MMO throughout the year.

The 2023/24 internal audit plan was based on risks identified during discussions with MMO senior management, coverage and findings from previous audits, and the risk, control and governance frameworks outlined in the Corporate Governance Code, HM Treasury's Orange book, Managing Public Money and GIAA guidance.

Whilst this year's moderate opinion aligns with those of previous years, GIAA have seen improvements in the overall MMO control environment, particularly in areas where weaknesses were identified in the past.

External Audit

There are no outstanding management issue(s) or management actions from the 2022/23 audit.

Whistleblowing

MMO is committed to high standards of integrity, honesty, and professionalism. To support this, MMO has in place a Disclosures in the Public Interest (Whistleblowing) Policy and Procedure and encourage our colleagues to use the procedures outlined therein to raise concerns about any past, present, or imminent wrongdoing. It is also set out that MMO takes all concerns very seriously; all allegations will be promptly investigated and that appropriate, and proportionate, action will be taken. The Whistleblowing Policy was reviewed in December 2021.

Conclusion

I was appointed as interim Accounting Officer on 20 September 2023. I have met regularly with the MMO Head of Internal Audit and Chair of the Audit and Risk Assurance Committee, to review assurances that an effective system of internal control had been in place during 2023/24. My review has further been informed by the work of internal audit, assurances from the Executive Directors with delegated responsibility within MMO, and the comments and recommendations made by external auditors in their annual management letter and other reports.

Overall, I am satisfied there are no significant control weaknesses to report, and the effectiveness of the overall governance and risk frameworks has continued to be demonstrated. A comprehensive process of risk management was in place throughout the year which has supported the effective monitoring and management of risk through the control frameworks.

2.2 Remuneration and staff report

The Remuneration and Staff Report provides information on the people in MMO and sets out the MMO's remuneration policy for Directors, reports on how the policy has been implemented and the amounts awarded to directors.

2.2.1 Remuneration report

Terms of Reference for the Remuneration Committee

The MMO Remuneration Committee is a committee of the MMO Board that has been set up to provide assurance to the MMO Board on the governance of Executive remuneration, contractual issues and compensation commitments. Members of the committee are appointed by the MMO Board but must not include the Chair of the MMO Board. At the 31 March 2024 the Committee comprised three Non-Executive Board Members.

The duties of the Committee are to recommend to the MMO Board the policy for the remuneration and performance management of Executive Directors and the Chief Scientific Advisor. The objective of such policy is to provide Executive Directors with appropriate incentives to encourage enhanced performance, so that they are rewarded in a fair manner for their contributions to the success of MMO.

All issues relating to MMO's Chief Executive Officer's remuneration are decided by the MMO Board following recommendations by the Chair. Proposals on Executive Directors' remuneration are made by the Chief Executive and supported by the Chair for consideration by the Remuneration Committee, which makes a formal recommendation to the Board for endorsement. All decisions are made in accordance with the Senior Civil Service Pay Guidance issued by the Cabinet Office and the recommendations of the Senior Salaries Review Body.

Salary

'Salary' includes gross salary, overtime and any other allowance to the extent that it is subject to UK taxation. Bonus payments, benefits in kind and pension benefits are to be reported separately under Government Financial Reporting Manual 2023/24 guidance.

Pension benefits

Cash equivalent transfer values (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. It is an assessment of what it costs the scheme to provide these pension benefits. The actuarial factors used in the calculation of CETV include the Consumer Price Index (CPI) as the measure to update civil service pensions.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024.

The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It does not take into account the increase in accrued pension due to inflation or contributions paid by the employee (including the value of benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Taxable expenses classified as benefits in kind

Taxable expenses classified as benefits in kind cover any business expenses incurred by MMO to the extent that they are subject to UK taxation together with the associated tax. For 2023/24 this consists of costs of accommodation, travel and subsistence incurred by Non-Executive Board Members while undertaking their duties when travelling from home, which are taxable under HMRC rules and judgements. MMO pay the benefit in kind for Non-Executive Board Members to HMRC.

Non-Executive Board Members remuneration (subject to audit)

Non-Executive Board Members remuneration is determined by Defra; however, their fees and expenses are paid by MMO. The remuneration reported in the table is actual expenditure incurred in the year. The fees reported are actual expenditure incurred in the year; where a Non-Executive Board Member has been in post less than a year, the full year equivalent (FYE) is given beneath the actual amount. All payments were made under normal PAYE rules in accordance with their terms and conditions.

Non-Executive Board Member	Role	Appointment date	End date	2023/24 Fee £'000	2022/23 Fee £'000	Taxable expenses classified as benefits in kind 2023/24, to nearest £100	Taxable expenses classified as benefits in kind 2022/23, to nearest £100
Hilary Florek	Chair	08/02/2018	07/11/2024	40-45	40-45	3,700	1,300
Anthony Delahunty	Non-Executive Board Member	01/02/2017	31/01/2027	15-20	10-15	5,500	5,500
Terence Jagger	Non-Executive Board Member	01/02/2017	30/11/2023	5-10 (10-15 FYE)	10-15	800	3,600
Belinda Howell	Non-Executive Board Member	01/05/2018	28/02/2027	10-15	10-15	2,400	800

Non-Executive Board Member	Role	Appointment date	End date	2023/24 Fee £'000	2022/23 Fee £'000	Taxable expenses classified as benefits in kind 2023/24, to nearest £100	Taxable expenses classified as benefits in kind 2022/23, to nearest £100
Robert Wilson	Non-Executive Board Member	01/05/2018	28/02/2027	10-15	10-15	900	800
William Roberts	Non-Executive Board Member	01/08/2018	30/04/2025	10-15	10-15	1,700	2,900
Peter Judge	Non-Executive Board Member	01/02/2019	31/10/2026	10-15	10-15	200	700
David Lyall	Non-Executive Board Member	01/02/2019	31/10/2025	10-15	10-15	700	500
Bill Dickson	Non-Executive Board Member	01/02/2019	31/10/2022	0	5-10 (10-15 FYE)	0	600

Non-Executive Board Members have no entitlement to performance related pay or pension contributions.

Notes

- A. Remuneration Committee members are Robert Wilson (Chair), Anthony Delahunty and Peter Judge.
- B. Audit and Risk Assurance Committee members are William Roberts (Chair), Belinda Howell and David Lyall.
- C. Anthony Delahunty and Belina Howell's fee includes payment for an additional 13 days and 6.5 days of work for MMO respectively.

Executive Directors' remuneration (subject to audit)

MMO's Directors have the authority and responsibility for directing and controlling the major activities during the reporting period and have influence over the entity. The salaries reported are actual expenditure incurred in the year; where a director has been in post less than a year, the full year equivalent (FYE) is given beneath the actual amount.

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

Executive Director	Most Current Role	Appointment date	End date	Salary £'000		Bonus Payments £'000		Pension Benefits £'000		Total £'000	
				2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Tom McCormack	Chief Executive Officer	10/09/2019	31/01/2024	150-155 (125-130 FYE)	120-125	0-5	0	0	0	155-160	120-125
Michelle Willis	Acting Chief Executive Officer	20/03/2023		60-65 (115-120 FYE)	100-105	0	0	34	12	95-100	110-115
	Director of Finance and Resources	18/02/2013	19/09/2023	45-50 (100-105 FYE)		0-5		26		70-75	
Trudi Wakelin	Director of Marine Development (Domestic and International)	06/02/2017		90-95	85-90	0-5	0-5	63	(19)	125-130	70-75
Stephanie Campbell	Director of Digital and Analysis	11/10/2021		80-85	40-45 (75-80 FYE)	0	0	34	28	115-120	70-75
Peter Clark	Director of Operations	13/07/2022		85-90	55-60 (80-85 FYE)	0-5	0	36	(21)	125-130	35-40
Jenny Stewart	Director of Planning and Change	01/06/2020		95-100	90-95	0-5	0	38	3	135-140	95-100
Paul Errington	Acting Director of Finance and Resources	08/11/2023		25-30 (75-80 FYE)	0	0	0	50	0	75-80	0
Selina Stead	Chief Scientific Advisor	01/06/2017	25/12/2023	10-15 (85-90 FTFYE)	15-20 (80-85 FTE)	0	0	6	7	15-20	20-25

Executive Director	Most Current Role	Appointment date	End date	Salary £'000		Bonus Payments £'000		Pension Benefits £'000		Total £'000	
				2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Band of highest paid executive disclosed in remuneration report (£'000)				120-125	120-125						
Median total remuneration (£)				33,604	30,775						
Ratio				3.8	4.0						

Notes

- A. No benefits in kind were provided in 2023/24 (2022/23: nil).
- B. Tom McCormack left their role as Chief Executive Officer on 31/01/2024 following a period of absence.
- C. Michelle Willis, Director of Finance and Resources and Deputy Chief Executive Officer was appointed Acting Chief Executive Officer and Accounting Officer on an interim basis, effective from the 20 September 2023
- D. Paul Errington was appointed as the Acting Director of Finance and Resources on an interim basis, effective from the 8 November 2023.
- E. Selina Stead, Chief Scientific Advisor, was a part-time role at 0.2 FTE and left MMO on 31/12/2023.
- F. This included one exit severance payment.

Fair pay disclosure (subject to audit)

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.

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.

		2023/24	2022/23
Remuneration banding for highest paid director	Salary	£120,000 to £125,000	£120,000 to £125,000
	Bonus	£0 to £5,000	£0
	Total	£125,000 to £130,000	£120,000 to £125,000
Percentage change from the previous financial year for highest paid director	Salary	0%	3%
	Bonus	100%	(100%)
	Total pay and benefits	4%	(4%)
Upper quartile	Salary	£38,730	£37,254
	Total pay and benefits	£41,120	£38,062
	Pay ratio	3.1	3.2
Median quartile	Salary	£31,614	£30,125
	Total pay and benefits	£33,604	£30,775
	Pay ratio	3.8	4.0
Lower quartile	Salary	£27,489	£25,726
	Total pay and benefits	£29,479	£26,326
	Pay ratio	4.3	4.7
Average percentage change from the previous financial year for all MMO employees (excluding the highest paid director)	Salary	6%	(3%)
	Bonus	278%	0%
	Total pay and benefits	9%	(3%)
Remuneration range		£23,903 to £190,000 - £195,000	£21,989 to £140,000 - £145,000
Employees receiving remuneration in excess of the highest-paid director		6	6

Individual performance is assessed against work objectives, MMO's core competence framework and role profiles. Bonus payments for each of the performance years are made as a non-consolidated pay award where an individual has been awarded a good or excellent mark. Bonuses awarded in the 2023/24 year are in respect of performance in the 2022/23 year.

The average bonus amount is significantly higher than in 2022/23 due to a one-off £1,500 cost-of-living payment made to all public servants from grades AA to G6.

There are no benefits in kind or pension contributions for the upper, median and lower quartiles in the pay and benefits figures disclosed in the previous table (2022/23: nil).

There has been an increase in the remuneration of the organisation's lower, median and upper quartile workforce in 2023/24 in comparison to the prior year due to a 4.5% average increase through the pay remit and the effect of the cost-of-living payment. The pay ratios for 2023/24 have decreased due to these changes.

The average percentage change in salary from the previous financial year for all MMO employees (excluding the highest paid director) is calculated based on the average salary of all staff (including temporary staff) in post at the year-end compared with the average salary of those in post at the prior year-end. The changes shown reflect the increases mentioned above.

MMO believes the median pay ratio for 2023/24 is consistent with the pay and reward policies for MMO's employees taken as a whole because it reflects the pay envelope that has been agreed through the 2023 Civil Service Pay Remit.

Executive Directors' pension benefits (subject to audit)

Executive Group Member	Real increase in pension £'000	Real increase in lump sum £'000	Value of pension at 31/03/2024 £'000	Value of lump sum at 31/03/24 £'000	CETV at 31/03/23 £'000	Real increase in CETV £'000	CETV at 31/03/24 £'000
Michelle Willis	2.5-5.0	0	35-40	0	660	48	772
Trudi Wakelin	2.5-5.0	0-2.5	60-65	15-20	842	45	972
Stephanie Campbell	0-2.5	0	15-20	0	146	16	185
Peter Clark	0-2.5	0-2.5	35-40	105-110	822	27	925
Jenny Stewart	0-2.5	0	30-35	0	579	25	661
Paul Errington	2.5-5	0	20-25	0	320	40	370
Selina Stead	0-2.5	0	0-5	0	40	4	49

For Executive Directors with final salary pension arrangements, increases in CETV and pension value depend on both length of service and pensionable pay for a relevant period (e.g. the last 12 months). The real increase in CETV funded by the employer includes adjustments for inflation during the accounting period, and in periods of high inflation in relation to pay increases, can therefore be negative.

Due to MyCSP's 'remedy exercise', members' records have been 'rolled back' to place members in the scheme which they were previously in. Therefore, as the data has changed, the opening balances will be based on the rolled-back position and will not match last year's closing balances.

Pensions

Pension benefits were provided through the Principal Civil Service Pension Scheme (PCSPS).

Tom McCormack was neither a member of the Principal Civil Service Pension Scheme nor any Partnership Scheme linked to his employment with MMO.

2.2.2 Staff report

Staff costs and numbers (subject to audit)

	2023/24 Permanently employed £'000	2023/24 Others £'000	2023/24 Total £'000	2022/23 Total £'000
Wages and salaries	19,359	2,300	21,659	17,891
Pension costs	4,858	0	4,858	3,866
Social security costs	2,113	0	2,113	1,641
Total Staff Costs	26,330	2,300	28,630	23,398

All of MMO's permanently employed staff are public servants. Others include staff on inward secondments from other Government departments and temporary agency staff.

Temporary staff are appointed for short term work through the Crown Commercial Framework Agreements. There was no expenditure on consultancy in 2023/24 (2022/23: £320k) as shown in note 3 of the financial statements.

Average Number of Full Time Equivalent Staff	2023/24 Number of people	2022/23 Number of people
Directly Employed	489	414
Inward Secondments	0	2
Temporary Agency/Interim Staff	28	32
Total	517	448

During 2023/24 one employee exited under severance terms. The table below shows the payment made.

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						
£10,000 - £25,000						
£25,001 - £50,000			1		1	
£50,001 - £100,000						
£100,001 - £150,000						
£150,001 - £200,000						
Total number of exit packages			1		1	
Total cost /£			30,000		30,000	

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 MMO is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

From 1 April 2023 to 31 March 2024, employers’ contributions of £4,789k were payable to the PCSPS (2022/23: £3,856k) at one of four rates in the range of 26.6% per cent to 30.3% per cent of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during the period under review, 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 £23k were paid to one or more of the panel of three appointed stakeholder pension providers (2022/23: £24k).

Employer contributions are age-related and range from eight per cent to 14.75 per cent of pensionable pay. Employers also match employee contributions up to three per cent of pensionable pay. In addition, employer contributions of £1k, under 1 per cent of pensionable pay, 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.

No employees have retired early on ill health grounds (2022/23: none). Ill health retirements are met by the pension scheme.

Staff composition

The composition of MMO staff on 31 March 2024 is shown in the table below:

	Male FTE	Female FTE	Total FTE
CEO (SCS 2 level or equivalent)	0	1	1
Director (SCS 1 level or equivalent)	2	3	5
Other Staff	223	294	517
Total	225	298	523

Sickness absence data

During the period to 31 March 2024 the average number of sickness days for our staff was 5.3 days (2022/23 4.4 days).

Staff turnover percentage

During the period to 31 March 2024 the average staff turnover percentage for MMO was 14.0% (2022/23: 18.2%).

Business Appointment Rules

MMO recognises the Business Appointment Rules, which is managed through the staff leaver process. There have been no reports of required action from the application of these rules during the reporting period.

Equality and diversity

MMO is committed to equality and will not tolerate discrimination on grounds of any protected characteristic.

It values the diversity amongst our workforce and is committed to providing a fair and equal working environment for all MMO employees. MMO uses a recruitment system, which gives each application a unique candidate number, and all applications for employment are short-listed using candidate numbers rather than names to help avoid potential bias.

MMO aims to ensure that any employee with a disability is provided with an equal, safe working environment free from harassment and discrimination. In order to ensure that people with a disability can compete on equal terms with other candidates, MMO offers a guaranteed interview to all applicants with a disability who meet the minimum criteria for a post. This then allows applicants with a disability the opportunity to demonstrate job accountabilities and behaviours at interview.

Where employees have declared a disability MMO has been able to support them by providing appropriate adjustments in the work environment, ranging from specialist equipment, allowing time away from the desk and permitting flexible working.

MMO also supports the use of Workplace Adjustment Passports, which provides a discussion framework, helps managers work with a person to understand their needs, and shows how MMO can support them in their career development.

MMO have published our Gender Pay Gap report in line with national requirements. Our 2023 gender pay gap shows a comparison of mean and median pay at 7% and 9.9% respectively, against 8.72% and 8.66% in 2022. This demonstrates a significant gap in favour of men. MMO are addressing this issue through improved recruitment practices and a focus on equality, diversity and inclusion.

MMO have established a colleague led Women's Network. An MMO colleague led group has created and launched a menopause policy, which led to the achievement of the 'menopause friendly' accreditation.

Health, Safety and Wellbeing (HSW)

MMO's HSW plan for 2023/24 focused on personal safety and wellbeing. MMO has developed a comprehensive HSW dashboard, for internal HSW reporting and review by MMO HSW champions. The HSW champions have used this data to identify emerging issues and establish where potential resources, guidance and training may be needed.

This has supported themed areas of focus, linking to work related health and wellbeing, which feed into a 'Dip in the Sea', a monthly internal HSW bulletin. MMO have continued to provide wellbeing webinars for all staff, topics covered included men's mental health, mental health awareness and the importance of sleep.

MMO continued to implement and identify areas of training needs and are continuing our drive to attract more Mental Health First Aiders, with focused training provided. Other key areas of training delivery included risk assessment training with the intention to increase MMO competency provision around assessing risk, and access to the Government Security Centre International (GSeC) overseas security for travel E-learning program to support MMO colleagues undertaking international travel as part of our Global programmes of work.

Other employee matters

MMO has continued to focus on developing capacity, capability and culture, and has developed an MMO Capacity, Capability and Culture (3C's) action plan for 2023/24.

To increase **capacity** recruitment remained a key activity in MMO. New recruitment training, a recruitment toolkit and additional on-boarding support for managers was introduced. This has resulted in an overall 15% increase in the average number of full-time equivalent staff for 2023/24 to 517 (2022/23: 448) and enabled 91 colleagues to achieve an internal promotion. Alongside this, MMO have seen a 4% reduction in attrition.

With the continued growth in staff, MMO identified the need for a more consistent induction to MMO and successfully launched a corporate induction programme for all new starters.

To improve **capability**, a new more modern approach to performance management, 'People Performance', was introduced at the end of 2023/24. In preparation for People Performance, 14 workshops were delivered to 350 colleagues. This was supported with the development of a new People Performance hub and supporting materials available on MMO Connect.

ELT continued to be visible supporters of the 3Cs programme and continued to invest time in leadership development through the 'Navigating our Futures' programme.

There was a significant investment in developing our managers and a new management development programme was launched and delivered to nearly 200 managers.

All of the activities delivered to increase capacity and improve capability have a positive impact on our 'people first' **culture**. The introduction of a 'People First' day was celebrated across MMO and 80% of colleagues participated in our annual colleague survey, where MMO saw improvement in eight out of 11 thematic areas.

MMO has maintained a constructive and proactive relationship with our recognised Trade Unions supported by a partnership agreement, and a quarterly partnership forum. MMO regularly consults with Trade Unions in employment matters.

MMO participates and contributes to Defra Group People Committee initiatives to support broader building of capacity and capability.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 are effective from the 1 April 2017 and require the MMO to publish information in relation to Trade Union Facility Time for 2023/24.

Table 1: Relevant union offices

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	0.4

Table 2: Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	0
1-50%	5
51%-99%	0
100%	0

Table 3: Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

Provide the total cost of facility time (£'000)	19
Provide the total pay bill (£'000)	28,630
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Table 4: Paid Trade Union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
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Off-payroll engagements

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, MMO is required to publish information on our highly paid and/or senior off-payroll engagements.

Number of temporary off-payroll worker engagements for £245 or more per day as at 31 March 2024	11
Of which...	
Number that have existed for <u>less than one</u> year at time of reporting	6
Number that have existed for between <u>one and two</u> years at time of reporting	3
Number that have existed for between <u>two and three</u> years at time of reporting	2
Number that have existed for between <u>three and four</u> years at time of reporting	0

Number of temporary off-payroll workers engaged at any point during the year ended 31 March 2024 for £245 or more per day	24
Of which...	
Not subject to off-payroll legislation	4
Number determined as in-scope of IR35 <i>[i.e. the intermediaries legislation applies to the engagement]</i>	20
Number determined as out-of-scope of IR35 <i>[i.e. the intermediaries' legislation does not apply to the engagement]</i>	0

Number of engagements reassessed for compliance or assurance purposes during the year	11
Of which: number of engagements that saw a change to IR35 status following review	0
Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024	
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year. (1)	0
Total number of individuals <u>on payroll and off payroll</u> that have been deemed “board members, and/or senior officials with significant financial responsibility”, during the financial year. This figure should include both on-payroll and off-payroll engagements (2)	16

All existing off-payroll engagements, as disclosed above, have been assessed to confirm that they have paid the correct tax and national insurance. The confirmation has been provided to the Defra Chief Finance Officer.

2.3 Parliamentary accountability and audit report

The Parliamentary Accountability and Audit Report brings together the key accountability documents, detailing the regularity of expenditure, so that Parliament can be assured that funds have been expended in the manner intended.

2.3.1 Regularity of expenditure (subject to audit)

The Marine Management Organisation's Accounting Officer, the Chief Executive Officer, is the person on whom parliament calls to account for stewardship of its resources. The standards the accounting officer is expected to deliver, cover Governance, Decision-making and Financial Management. deliver, cover

The Marine Management Organisation complies with the HM Treasury guidance "Managing Public Money", which in short covers the principles as to how Government bodies handle public funds with probity and in the public interest. The Financial Memorandum sets out the specific financial framework, within which the Marine Management Organisation is required to operate. This is complemented by the Scheme of Delegation which is the means a statutory body authorises its employees to carry out certain of its functions. The Marine Management Organisation has separated its Scheme of Delegation into two parts for ease of reference:

- a financial schedule of delegations ("FSoD") which covers all financial functions or functions which have monetary implications e.g. loans, scheme payments etc.; and
- a non-financial schedule of delegations ("NFSoD") which covers all non-monetary functions e.g. licences, enforcement action etc.

Under the Government's transparency agenda, expenditure is published monthly on all transactions over £25k and Government Procurement Card spend over £500.

For 2023/24 MMO can report that there were no losses, special payments or gifts incurred during the year that exceeded £300k. The MMO made one special exit severance payment in 2023/24 for £30k.

2.3.2 Fees and charges (subject to audit)

MMO sets its licence fees with due regard to HM Treasury's Fees, Charges and Levies guidance in "Managing Public Money", with the financial objective of recovering all chargeable costs.

Marine licensing fees and charges continue to be recovered in line with the fees and charges instrument implemented on the 1 September 2018, with the charging model approved by HM Treasury. This approach includes self-service fixed fees and capped (Band 2) fees which are a maximum fee MMO can charge applicants, and in addition defines non chargeable activities, accepting that this approach limits MMO's ability to achieve full cost recovery.

Marine Licensing fees and charges cost recovery has decreased in 2023/24 to 55% (2022/23: 67%) as the full cost of the Marine Licensing service has increased due to additional resources to deliver Energy Security Strategy, particularly in relation to Nationally Significant Infrastructure Projects. New charging powers were introduced on the 1 May 2024 under the Levelling Up and Regeneration Act which will enable MMO to increase cost recovery once the applications are determined and move to post consent activity.

Detailed information in respect of Fees and Charges can be seen in note 4.

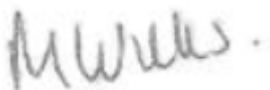
2.3.3 Remote contingent liabilities (subject to audit)

As at 31 March 2024 MMO held no remote contingent liabilities.

UK Government Functional Standards

MMO manages its activities with due consideration of Government Functional Standards. Examples include ensuring the design and operations of the grant schemes MMO administer are aligned to the Grants Functional Standard and completion of an in-depth self-assessment against the Counter-fraud Functional Standard. MMO recognises that it will need to develop compliance assessments for all Functional Standards in order to assess future development areas.

In addition, the MMO receives a number of the corporate services covered by Government Functional Standards from Defra including digital, property, and shared services for HR, finance and payroll.



Michelle Willis
Acting Chief Executive Officer and Accounting Officer
Marine Management Organisation
16 January 2025

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Marine Management Organisation (MMO) for the year ended 31 March 2024 under the Marine and Coastal Access Act 2009.

The financial statements comprise the Marine Management Organisation'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 MMO's affairs as at 31 March 2024 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Marine and Coastal Access Act 2009 and Secretary of State 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 MMO 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 MMO'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 MMO'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 MMO 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 Secretary of State directions issued under the Marine and Coastal Access Act 2009.

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 Secretary of State directions made under the Basis of preparation; and
- the information given in the Statutory Other Information 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 MMO and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 MMO 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 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 MMO 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 in accordance with Secretary of State directions issued under the Marine and Coastal Access Act 2009];
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Marine and Coastal Access Act 2009; and
- assessing the MMO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the MMO 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 Marine and Coastal Access Act 2009.

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 MMO's accounting policies.
- inquired of management, the MMO's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the MMO's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the MMO's controls relating to the MMO's compliance with the Marine and Coastal Access Act 2009, Managing Public Money and the Fisheries Act 2020;
- inquired of management, the MMO's head of 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 team 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 MMO for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, 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 MMO's framework of authority and other legal and regulatory frameworks in which the MMO 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 MMO. The key laws and regulations I considered in this context included Marine and Coastal Access Act 2009, the Fisheries Act 2020, Managing Public Money, employment law, pensions legislation and tax Legislation.

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, the Audit and Risk Committee and in-house legal counsel 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; 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. This description forms part of my certificate.

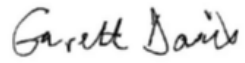
Other auditor's responsibilities

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

Date 21 January 2025

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP



3. Financial statements



Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2024

	Note	2023/24 £'000	2022/23 £'000
Expenditure			
Staff Costs	2	28,630	23,398
Other Expenditure	3	25,339	24,581
Total Expenditure		53,969	47,979
Income			
Revenue from Contracts with Customers	4	(3,938)	(3,992)
Other Operating Income	4	(1,182)	(1,217)
Total Income		(5,120)	(5,209)
Net Operating Expenditure		48,849	42,770
Other Comprehensive Net Expenditure			
Net Gain on Revaluation of Intangibles	5	(35)	(62)
Comprehensive Net Expenditure		48,814	42,708

The notes on pages 83 to 96 form part of these accounts.

Statement of Financial Position on 31 March 2024

	Note	31 March 2024		31 March 2023	
		£'000	£'000	£'000	£'000
Non-Current Assets:					
Property, Plant and Equipment		211		0	
Intangible Assets	5	1,772		3,692	
Total Non-Current Assets			1,983		3,692
Current Assets:					
Trade and Other Receivables	6	3,417		3,647	
Cash and Cash Equivalents	7	3,894		4,265	
Total Current Assets			7,311		7,912
Total Assets			9,294		11,604
Current Liabilities:					
Trade and Other Payables	8	6,399		7,080	
Lease Liabilities		77		0	
Total Current Liabilities			6,476		7,080
Total Assets less Current Liabilities			2,818		4,524
Non-Current Liabilities:					
Other Liabilities		115		0	
Total Non-Current Liabilities			115		0
Total Assets less Total Liabilities			2,703		4,524
Taxpayers' Equity and Other Reserves:					
General Reserve			2,662		4,474
Revaluation Reserve			41		50
Total Equity			2,703		4,524

M Willis

Michelle Willis

Acting Chief Executive Officer and Accounting Officer
Marine Management Organisation
16 January 2025

The notes on pages 83 to 96 form part of these accounts.

Statement of Cash Flows for the Year Ended 31 March 2024

	Note	2023/24 £'000	2022/23 £'000
Cash Flows from Operating Activities			
Net Operating Expenditure		(48,849)	(42,770)
Adjustment for Notional Corporate Recharge	3	6,917	7,219
Adjustments for Depreciation and Amortisation	3	1,313	1,372
Adjustments for Impairment of Intangibles	3	661	13
Adjustments for Interest in Right of Use Leases	3	11	0
Decrease in Trade and Other Receivables	6	230	3,546
(Decrease) in Trade Payables and Other Liabilities	8	(681)	(1,457)
Net Cash Outflow from Operating Activities		(40,398)	(32,077)
Cash Flows from Investing Activities			
Purchase of Intangible Assets		0	(498)
Net Cash Outflow from Investing Activities		0	(498)
Cash Flows from Financing Activities			
Grant in Aid from Defra		40,076	28,583
Payments of Lease Liabilities		(49)	0
Net Financing		40,027	28,583
Net Decrease in Cash and Cash Equivalents in the Period	7	(371)	(3,992)
Cash and Cash Equivalents at the Beginning of the Period	7	4,265	8,257
Cash and Cash Equivalents at the End of the Period	7	3,894	4,265

The notes on pages 83 to 96 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2024

	Note	General Reserve £'000	Revaluation Reserve £'000	Total £'000
Balance on 31 March 2022		11,416	14	11,430
Changes in Taxpayers' Equity 2022/23				
Grants from Parent Department		28,583	0	28,583
Notional Corporate Recharges	3	7,219	0	7,219
Net Gain on Revaluation of Intangible Assets	5	0	62	62
Transfers between Reserves		26	(26)	0
Net Operating Expenditure		(42,770)	0	(42,770)
Balance on 31 March 2023		4,474	50	4,524
Changes in Taxpayers' Equity 2023/24				
Grants from Parent Department		40,076	0	40,076
Notional Corporate Recharges	3	6,917	0	6,917
Net Gain on Revaluation of Intangible Assets	5	0	35	35
Transfers between Reserves		44	(44)	0
Net Operating Expenditure		(48,849)	0	(48,849)
Balance on 31 March 2024		2,662	41	2,703

The notes on pages 83 to 96 form part of these accounts.

Notes to the Accounts

Note 1 Statement of Accounting Policies

1.1 Requirement to Prepare Accounts

These accounts are for the year ended 31 March 2024 and have been prepared in accordance with the Marine and Coastal Access Act (MCAA) 2009 and the Secretary of State direction issued there under.

The financial statements have been prepared in accordance with the 2023/24 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. 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 Marine Management Organisation for the purpose of giving a true and fair view, has been selected.

The particular policies adopted by MMO are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Accounting Convention

The accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible non-current assets. Reported transactions have been recognised on an accruals basis unless otherwise stated in these notes to the accounts.

1.3 Significant Judgements and Estimation Uncertainty

The following areas represent significant judgements that MMO has made in applying the accounting policies:

- 1) The assessment of Defra as the Principal and MMO as the Agent for the management of grant transactions relating to the Fisheries and Seafood Scheme (FaSS), Maritime Fisheries Fund (MFF), European Maritime and Fisheries Fund (EMFF) and elements of the UK Seafood Fund (UKSF) grant schemes (see note 1.11).
- 2) The estimation of useful economic lives of intangible assets, which form the basis of the period over which intangible assets are amortised (see notes 1.6.1, 1.8 and 5).
- 3) The impairment of intangible assets (see notes 1.9 and 5).
- 4) IFRS 15 assessment of the expected timing for the satisfaction of performance obligations and determination of transaction prices in support of MMO fees and charges income recognition (see note 1.14)
- 5) IFRS 9 calculation of Expected Credit Losses (see note 1.19.1)
- 6) Assessment of leases in scope for IFRS 16 (see note 1.18).

1.4 Going Concern

MMO's accounts have been prepared on a going concern basis. In common with other Non-Departmental Public Bodies (NDPBs) within the Defra Group, the future financing of MMO's liabilities is to be met by future supplies of Grant in Aid and the application of future income, both to be approved annually by Parliament. MMO received approval for funding for the three years commencing 2021/22, as part of the Spending Review 2021 settlement agreement. The public services provided by MMO under statute are anticipated to continue in the future and there is no reason to believe that future approvals will not be forthcoming.

1.5 Operating Segments

In accordance with IFRS8 Operating Segments, all MMO business activities have been identified as forming a single reportable operating segment. All information provided to the Board and Directors for the purposes of financial management is presented on this basis.

1.6 Non-Current Assets

1.6.1 Intangible Non-Current Assets: Recognition and Measurement

MMO holds a number of software licences, and title to a suite of bespoke software applications. Internally generated intangible assets are recognised as Construction in Progress (CIP) until they are brought into beneficial use. Treatment of the development costs complies with the criteria noted in IAS38 (Intangible Assets).

1.7 Revaluation

All non-current assets other than freehold and leasehold property are reviewed annually using indices provided by the Office for National Statistics. Where there are material movements in indices, assets are re-valued, and their value less disposal costs is depreciated over the periods in which they contribute net benefits to the business on a straight-line basis.

1.8 Depreciation and Amortisation

Conventionally, and in line with IAS 16 and IAS 38, depreciation and amortisation begin in the month the asset is materially completed and ready to be brought into use and ceases in the month in which the asset is disposed. Unless the useful life of the asset is specified by contract or other obligations, depreciation and amortisation will normally be reckoned over useful lives within the following ranges:

Office equipment	3 – 10 years
Information Technology	3 – 10 years
Vehicles	4 years
Intangible assets	2 – 12 years

1.9 Impairment

The carrying amounts of MMO's tangible and finite life intangible assets are reviewed at each Statement of Financial Position date to establish whether there are any indications of impairment. If such indications are evident, the estimated recoverable amounts of the assets are compared to their carrying amount. If the carrying amount exceeds the recoverable amount, an impairment loss is immediately recognised. The recoverable amount is the greater of the fair value, less costs to sell, and the value in use. The value in use is an estimate of the future cash flow benefits

expected to derive from the asset, discounted by a rate that reflects current market assessments of the time value of money and the risks specific to the asset.

1.10 Employee Benefits

MMO accounts for staff costs and pension contributions in the periods for which they are payable. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. MMO is unable to identify its share of the underlying assets and liabilities. The scheme administrators carry out actuarial valuations of the scheme and prepare full accounts for the scheme.

MMO recognises in its accounts those costs collected from it by the scheme administrators in respect of Accruing Superannuation Liability Charges (ASLCs), which are shown as “pension costs”.

MMO recognises a liability and expense for all other employee benefits, including unused annual leave, accrued at the Statement of Financial Position date, provided these amounts are material in the context of the overall staff costs. IAS 19.17 states that the expected costs of bonus payments should be recognised when a legal or constructive obligation to make such payments, as a result of past events, exists and a reliable estimate can be made.

1.11 Grants and Subsidies

MMO is designated by the Secretary of State as the administrator of the Fisheries and Seafood Scheme (FaSS), and elements of the UK Seafood Fund (UKSF). Through the operational delivery of these funds MMO will carry out duties in its capacity as Agent of Defra, Defra is the Principal for all transactions under FaSS and UKSF. Defra as the Principal retain oversight and decision-making for these schemes. Defra own the budgets and associated financial risk, with grant expenditure transactions recorded in Defra’s Resource Accounts and not MMO’s Accounts. MMO as paying Agent does not report within its own accounts the transactions or balances relating to third parties, unless temporarily holding funds received for onward disbursement.

MMO is also designated under Section 14 Marine and Coastal Access Act 2009 by the Secretary of State as the UK European Maritime Fisheries Fund (EMFF) Managing Authority, Certifying Authority, and the Intermediate Body for England.

Through the management of this structural fund, MMO will carry its duties in the capacity as Agent for Defra, with Defra as the Principal. Defra as the Principal retain the budget and the associated financial risk for the grant match-funding for the England scheme. As such the transactions of grant expenditure and the funding amounts reclaimed from the European Commission (EC) feature in Defra’s Resource Accounts and not MMO’s Accounts. The Defra Resource Accounts include only those transactions which are in relation to the activities of the England Intermediate Body.

Other UK agencies make payments to claimants for certain schemes, principally European Maritime Fisheries Fund (EMFF) for fisheries control and enforcement and under EU Data Collection Regulations. MMO co-ordinate this expenditure, submitting programme plans and claims to the EC. MMO does not report within its own accounts the transactions or balances relating to third parties, unless temporarily holding funds received for onward disbursement. EMFF closed on 31 December 2023 and although this represents an end to new applications there are a number of closure activities that will continue until relevant EC audits are completed and final accounts are submitted.

1.12 Other Expenditure

From April 2015 arrangements for paying corporate overheads moved to a notional recharge basis. The notional Corporate Overhead Recharge, which is calculated by Defra, includes expenditure relating to estates management including utilities, shared services and IT network running costs and procurement. The value of the notional charges is checked and reviewed prior to approval by MMO.

Data and evidence expenditure in Note 3 includes Research and Development costs that meet the ESA10 definition.

1.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks.

1.14 Income

MMO has assessed all revenue and associated cash flows in accordance with IFRS 15 Revenue from contracts with customers to identify those arising from contracts with customers. This requires income to be recognised upon delivery of the contractual services to the customer.

MMO fees and charges income streams (1 – 2 below) have been assessed as within scope of IFRS 15 as they meet the definition of a contract through the supply of marine licensing services.

The contractual service and associated performance obligation has been assessed as the work undertaken by MMO in the course of processing the application, and not the point at which a marine licence is issued or over the period of any determined marine licence, as the work to process the application is chargeable to the customer irrespective of whether the work results in the issue of a marine licence. As such revenue is recognised on an accrual basis in line with the work undertaken by the MMO in the course of processing the application.

The transaction price remains in line with the basis of the fees and charges as set out (1-4 below).

- 1) From the 1 September 2018 fees and charges have been issued in accordance with the Marine Licensing (Application Fees) (Amendment) Regulations 2018 supported by powers on the MCAA 2009; which sets the charge for marine licence applications at £122 per hour and provides powers to charge for travel time and subsistence costs. This statutory instrument allows charging for marine licence activity on a band basis, depending on the criteria of an application, as follows:
 - i) Self-service applications for low value/risk applications, available online through a self-service portal at a fixed fee of £50.
 - ii) Band 2a (Band 2a-c under the previous regulation set in 2014) and Band 2b (Band 2 d-e under the previous regulation set in 2014) are fees up to a capped limit, invoiced in arrears, and are recognised on an accrual basis.
 - iii) Band 3 are uncapped hourly fees, invoiced in arrears and are recognised on an accrual basis.
- 2) The Public Bodies Act 2011 allows the Secretary of State to change the funding arrangements of certain bodies such as MMO by means of an order. From 1 October 2014, changes to MMO's charging powers were made in an Order under section four and five of the Act allowing MMO to recover costs incurred for licence variations, in monitoring

sites where licensable activity is taking place, reviewing monitoring reports required from licensing holders, and in varying existing licences. Revisions to the statutory instrument made provision for changes to the Act, where such income is recognised on an accrual basis.

- 3) Other revenue, which is assessed as in scope for IFRS 15 is recognised over time in line with delivery milestones.

The following Other Operating Income is recognised in accordance with IAS20 Grants and is therefore out of scope of IFRS15:

- 4) MMO recognises income earned from the EC as a contribution to MMO's expenditure on enforcing fisheries regulations (EMFF) and preparing statistical reports on the condition of UK fisheries (EMFF DCF). Income is recognised upon confirmation from the EC of the amount payable.

MMO sets its licence fees with due regard to HM Treasury's Fees, Charges and Levies guidance in "Managing Public Money", with the financial objective of recovering all recoverable costs of providing the service. Income Note 4 reports the cost recovery.

1.15 Provisions

MMO provides for the obligations arising from past events where it is probable that it will be required to settle the obligation and a reliable estimate can be made. This is in accordance with IAS37. Future costs have not been discounted. There were no provisions as at 31 March 2024.

1.16 Value Added Tax (VAT)

As an executive NDPB, MMO is unable to recover the VAT incurred through the delivery of non-statutory services, with one exception; the taxable pre-application advice received from Cefas and charged to customers who have requested it in advance of making applications for Marine Licences. As VAT is not recoverable on most of the activities, it is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

1.17 Contingent Liabilities

MMO discloses possible obligations as contingent liabilities in accordance with IAS 37, whose existence will be confirmed by uncertain future events that are not wholly within MMO's control. Future costs have not been discounted. There were no contingent liabilities as at 31 March 2024.

1.18 Leases

For lessees, IFRS 16 removes the distinction between operating and finance leases and introduces a single accounting model that recognises in scope leases as right of use (ROU) assets, and the corresponding lease liabilities. For MMO, this has increased the value of assets and liabilities as leases formerly classified as operating leases are now recognised on the Statement of Financial Position.

The Statement of Comprehensive Net Expenditure reflects related charges for the depreciation of ROU asset and interest on the lease liability in place of rental expenses. It continues to reflect irrecoverable VAT where applicable on any leases in line with HM Treasury guidance on the application of IFRS 16 Leases which states that VAT should not form part of the initial measurement of the ROU asset. This treatment has been applied to all leases except short-term

leases (12 months or less) or in some cases where the underlying asset is of low value, which continue to be accounted as expenses on a straight-line basis for the duration of the lease term. Leases have been entered into by MMO for the use of vehicles. Leases are used where they provide more flexibility than purchase, or because that is what is available for the purpose required.

MMO has calculated the lease liability using the discount rates implicit in the lease agreements. Where this is not evident MMO has calculated the liability using the discount rates set out in the latest HM Treasury's Public Expenditure System paper as the incremental borrowing rate. Which for the 2023 calendar year is 3.51 per cent and 4.72 per cent for 2024. These rates are used when calculating the initial lease liability or transition, for a new lease or when reassessing the lease.

The adoption of IFRS16 does not affect MMO's liquidity risk, which is not significant, as the organisation's net resource outturn is financed through Defra resources voted annually by Parliament.

Subsequent measurement of ROU assets is at fair value or current value in existing use where assets are held for their service potential unless cost represents a reasonable proxy.

MMO use franking machines across various sites, consisting of a combination of owned machines and lease elements. The length of the contract varies between 12-months and 60 months but due to the minimal value of these leases, they have been considered low value and therefore exempt.

MMO's vessel chartering contracts have been assessed as out of scope of IFRS 16. This is on the basis that MMO does not have the 'right of use' of these vessels in line with the requirements as set out in the standard.

1.19 Financial Instruments

1.19.1 Financial Assets

MMO holds trade receivables in this category. These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are recognised and carried at the lower of their original invoiced value or recoverable amount. Provision is made when there is objective evidence that the asset is impaired. Balances are written off to net expenditure when the probability of recovery is assessed as being remote or it is uneconomic to do so.

In accordance with IFRS 9 MMO must recognise a loss allowance on short term trade receivables equal to their lifetime Expected Credit Losses. MMO has performed an assessment of expected credit losses and as a result has recognised a loss allowance equivalent to all customer invoices over 12-months old. This is based on MMO's experience of credit losses over the past few financial years, updated for any known future credit issues. MMO has rebutted the IFRS 9 presumption that the credit risk on a financial asset increases significantly since initial recognition when the contractual payments are more than 30-days past due on the basis that a significant proportion of MMO invoices that are outstanding are at 30-days past due are subsequently paid within 12-months post initial recognition.

1.19.2 Financial Liabilities

These comprise trade and other payables and financial liabilities. They are initially recognised at fair value of consideration received less directly attributable transaction costs. Trade payables are not interest bearing and are stated at their nominal value.

1.19.3 Derivative Financial Instruments and Hedging

MMO is required to disclose the role that financial instruments had at 31 March 2024 in creating or changing the risks faced by MMO in undertaking its activities.

The non-trading nature of MMO's activities, and the way that MMO is financed, means that it is not exposed to the degree of financial risk faced by other business entities. MMO has no powers to borrow or invest surplus funds and financial assets and liabilities generated by the day-to-day operational activities and are not held to change the risks facing MMO in undertaking its activities.

1.20 Impending Applications of Newly Issued Accounting Standards Not Yet Effective

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires disclosures in respect of new IFRSs, amendments and interpretations that are, or will be applicable after the reporting period. There are a number of IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for future reporting periods. Those with relevance to MMO are outlined below. MMO has not adopted any new IFRS standards early.

IFRS17, Insurance Contracts, public sector implementation is expected in line with the Government Financial Reporting Manual from 1 April 2025, it is not expected to have a material impact on MMO Accounts.

Note 2 Staff and Related Costs

	2023/24			2022/23 Total £'000
	Permanently employed £'000	Others £'000	Total £'000	
Wages and Salaries	19,359	2,300	21,659	17,891
Pension Costs	4,858	0	4,858	3,866
Social Security Costs	2,113	0	2,113	1,641
Total Staff Costs	26,330	2,300	28,630	23,398

All permanently employed MMO staff are public servants. Others include staff on inward secondments from other Government departments and temporary agency staff. Temporary staff are appointed for short term work through the Crown Commercial Framework Agreements.

Information relating to senior MMO staff salaries and other benefits in kind is disclosed within the Remuneration Report section 2.2.1 of the Annual Report. Information relating to staff numbers and other staff information is included within the Staff Report (section 2.2.2).

Note 3 Other Expenditure

	Note	2023/24 £'000	2022/23 £'000
Aerial, Surface and Satellite Surveillance		7,860	7,869
CEFAS Scientific Support for Marine Environment Work		2,134	2,049
Other ICT		1,483	1,714
Data and Evidence		1,361	1,338
Contact Centres		859	776
Travel, Subsistence and Hospitality		1,345	699
Consultancy		(3)	320
Other Programme Costs		714	635
Audit Fees - Internal Audit (GIAA)		175	174
Bad Debt		(82)	96
Prosecutions and Legal Services		145	91
Training		332	83
Rentals Payable under Operating Leases		0	75
Audit Fees - External Audit (National Audit Office)		65	57
Shared Services (SSCL)		19	20
Grant Expenditure		0	(19)
Losses and Special Payments		30	0
Non-Cash			
Corporate Overhead Recharge		6,917	7,219
Amortisation	5	1,294	1,372
Depreciation		19	0
Impairment of Intangible Assets	5	661	13
IFRS16 ROU Interest		11	0
Total		25,339	24,581

Corporate Overhead Recharge

MMO does not directly meet the costs of certain services, shown in the table on the next page, that are provided centrally by Defra. Annual notional non-cash charges for these services are instead issued to each Defra Group body for inclusion in their statutory accounts to ensure a true and fair view of costs is represented, with a matching credit recorded in the general fund. The value of the notional charges is rigorously checked and reviewed prior to approval by MMO.

The Defra overhead recharge comprises:

	2023/24 £'000	2022/23 £'000
Information Technology Services	3,809	4,508
Property Costs	2,091	1,857
Shared Services Including Payroll and Financial	563	453
Commercial Costs	286	276
HR Service Costs	72	65
Corporate Strategy	96	60
Total	6,917	7,219

Note 4 Income

	2023/24 £'000	2022/23 £'000
Revenue from Contracts with Customers		
Marine Licences (Marine and Coastal Access Act 2009)	3,341	3,390
Other Revenue	597	602
Total Revenue from Contracts with Customers	3,938	3,992
Other Operating Income		
European Maritime Fisheries Fund	1,178	1,217
Fisheries and Seafood Scheme	4	0
Total Other Operating Income	1,182	1,217
Total Income	5,120	5,209

Fees and Charges (recovered costs)

	Income £'000	Full Cost £'000	(Deficit) £'000
Marine Licences (Marine and Coastal Access Act 2009)	3,341	6,053	(2,712)

MMO sets its licence fees with due regard to HM Treasury's Fees, Charges and Levies guidance in "*Managing Public Money*", with the financial objective of recovering all chargeable costs.

The information has been provided for fees and charges purposes and not for IFRS 8 purposes.

On 1 September 2018, MMO implemented a revision of the fees and charging instrument, underpinned by the MCAA 2009. Fees are charged for licensing activities on a band basis; self-service fixed fee £50, capped (Band 2) or hourly charge (Band 3) depending on the criteria of the application.

The MCAA 2009 marine licensing income recognised in 2023/24 consists of income relating to both the 2014 charging instrument (effective 1 April – 31 August 2018) and the 2018 charging instrument (effective 1 September 2018). Of this £142k related to navigational dredging and £598k for monitoring and varying marine licences under the powers of Order to the Public Bodies Act 2011 effective from 1 October 2014.

Fees for navigational dredging licences are issued under the regulations made under powers in the MCAA 2009. Schedule 9 (part 4) of the regulations provided a transitional period for operators and regulators to meet the statutory requirements of the Act. This period ended on 31 March 2014, navigational dredging became enforceable from 1 April 2014.

The cost recovery deficit of £2,712k relating to MCAA 2009 marine licences has materialised because the cost of MMO undertaking these activities exceed the fee rate set within the Statutory instrument.

Note 5 Intangible Assets

	Software & Licences £'000	Construction in Progress £'000	Intangible Assets £'000
Cost or Valuation			
At 1 April 2023	10,007	112	10,119
Additions	0	0	0
Disposals	(834)	0	(834)
Impairment	(686)	(112)	(798)
Revaluation	97	0	97
At 31 March 2024	8,584	0	8,584
Amortisation			
At 1 April 2023	6,427	0	6,427
Charged in Period	1,294	0	1,294
Disposals	(834)	0	(834)
Impairment	(137)	0	(137)
Revaluation	62	0	62
At 31 March 2024	6,812	0	6,812
Net Book Value at 1 April 2023	3,580	112	3,692
Net Book Value at 31 March 2024	1,772	0	1,772

	Software & Licences £'000	Construction in Progress £'000	Intangible Assets £'000
Asset Financing			
Owned	1,772	0	1,772
On-Balance Sheet (SoFP) Other Service Concession Arrangements	0	0	0
Net Book Value at 31 March 2024	1,772	0	1,772

Internally generated intangible assets classified as construction in progress are development costs for new information systems.

Internally developed systems are recognised at cost and have a useful economic life of the lower of, five years or the economic life of the scheme. The intangible assets were revalued at 31 March 2024, this had a net increase in the value of the assets of £35k.

Disposals within Software and Licences include three fully written down assets which have been replaced with systems that are hosted and supported offsite.

Following an impairment review of the intangible assets, assets with a net book value of £0.661m were impaired during 2023/24. This comprises of:

- £0.549m relating to a Mobile Working IT support system, which was reclassified in accordance with the software as a service guidance; and
- £0.112m for the FaSS grant scheme IT support system development in assets under construction, which was not brought into use.

At the 31 March 2024 MMO does not have any contractual commitments relating to the purchase of intangible assets.

	Software & Licences £'000	Construction in Progress £'000	Intangible Assets £'000
Cost or valuation			
At 1 April 2022	7,896	1,605	9,501
Additions	0	498	498
Disposals	1,978	(1,978)	0
Transfers	0	(13)	(13)
Revaluations	133	0	133
At 31 March 2023	10,007	112	10,119
Amortisation			
At 1 April 2022	4,984	0	4,984
Charged in Period	1,372	0	1,372
Disposals	71	0	71
At 31 March 2023	6,427	0	6,427
Net Book Value at 1 April 2022	2,912	1,605	4,517
Net Book Value at 31 March 2023	3,580	112	3,692

	Software & Licences £'000	Construction in Progress £'000	Intangible Assets £'000
Asset Financing			
Owned	3,580	112	3,692
On-Balance Sheet (SoFP) Other Service Concession Arrangements	0	0	0
Net Book Value at 31 March 2023	3,580	112	3,692

Note 6 Trade Receivables and Other Current Assets

	2023/24 £'000	2022/23 £'000
Amounts Falling Due Within One Year		
Trade Receivables	823	1,054
Expected Credit Losses	(203)	(285)
Other Taxation and Social Security	0	0
Prepayments and Accrued Income	1,017	673
Prepayments and Accrued Income (EU)	1,780	2,205
Total Due Within One Year	3,417	3,647

There were no receivables falling due after more than one year at 31 March 2024 (31 March 2023: nil).

Note 7 Cash and Cash Equivalents

	2023/24 £'000	2022/23 £'000
Balance at 1 April 2023	4,265	8,257
Net Changes in Cash and Cash Equivalent Balances	(371)	(3,992)
Balance at 31 March 2024	3,894	4,265

Cash is held in accounts which are provided by Government Banking Services (GBS). The current provider is Nat West.

Note 8 Trade Payables and Other Current Liabilities

	2023/24 £'000	2022/23 £'000
Amounts Falling Due Within One Year		
Trade Payables	1,951	2,936
Other Taxation and Social Security	1,044	883
Accruals and Deferred Income	2,373	1,567
Other Payables:		
Defra Network	576	1,592
Aerial & Surface Surveillance	455	102
Total Due Within One Year	6,399	7,080

There were no payables falling due after more than one year at 31 March 2024 (31 March 2023: nil).

Note 9 Other Financial Commitments

MMO entered non-cancellable contracts (which are not leases or PFI contracts) as detailed below. The payments to which MMO were committed at 31 March 2024, analysed by the period during which the commitment expires, are as follows:

	2023/24 £'000	2022/23 £'000
Not Later Than One Year	5,039	5,602
Later Than One Year and Not Later Than Five Years	229	10
Later Than Five Years	0	0
Total Present Value of Obligations	5,268	5,612

Other financial commitments due within one-year, include:

- A contract for vessels (£2.58m) which covers MMO's use of two vessels for surveillance purposes.
- A contract for IT support, hosting and development (£1.27m).

Note 10 Related Party Transactions

MMO is an executive Non-Departmental Public Body sponsored by Defra, which is regarded as a related party. During the year, MMO has carried out a number of material financial transactions with Defra in the normal course of business. MMO receives corporate services from Defra, for which it pays a notional corporate recharge, see Note 3 for detail.

In addition, MMO had various material financial transactions with Cefas, and the Environment Agency, for which Defra is regarded as the parent Department.

MMO also had a small number of financial transactions with other government departments and other central government bodies.

No Non-Executive Board Member or Executive Director has undertaken any financial material transactions with MMO constituting an interest which needs to be declared. Further information on Non-Executive Board Member and Executive Directors can be found in the Remuneration Report (section 2.2.1).

Note 11 Third-Party Assets

Court costs recovered by MMO can be retained, however, they must be held for a period of six months after the date of prosecution due to defendants' right to appeal. Court costs disclosed below relate to monies which have been held for a period less than the required six months and are therefore classed as a third-party asset.

During 2023/24, MMO received fishing administrative penalties imposed by English or Welsh courts on owners of fishing vessels in accordance with Sea Fishing (Penalty Notices) (England) Order 2011 SI 2011 No 758. MMO acts as custodian, however, it has no direct beneficial interest, therefore these monies are not included in the Accounts and will be transferred to HM Treasury as consolidated fund extra receipts after they are six-months old.

Bond receipts are sums of money deposited with MMO by suspects or defendants as security against their failure to submit to the jurisdiction of English courts and pay the penalties for their

alleged wrongdoing. They are collected when foreign fishing vessels are detained by MMO and released from detention before the court case is concluded or the fines paid. MMO acts as custodian, however, it has no direct beneficial interest, therefore the funds held remain the property of the person depositing them unless, or until, they fail to submit to the court process or pay their penalties, in which case they are forfeited to the Crown.

The amounts are set out in the table below:

Monetary Assets and Monies on Deposit	2023/24 £'000	2022/23 £'000
Court Costs	98	80
Fishing Admin Penalties	78	66
Bonds	85	114
Total	261	260

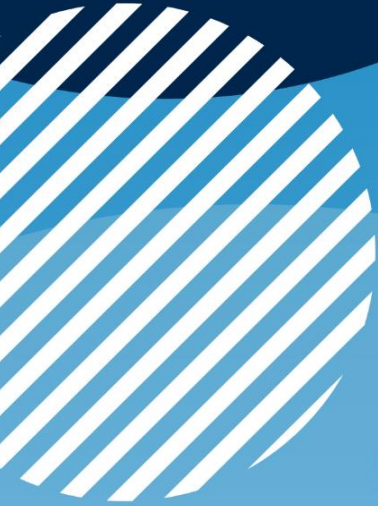
Note 12 Events After the Reporting Date

Hilary Florek's appointment as MMO Chair ended on the 7 November 2024. Anthony Delahunty has been appointed Interim Chair from the 8 November 2024 until the appointment of a new MMO Chair.

The Annual Report and Accounts are authorised for issue on the date of the Comptroller and Auditor General's audit certificate.



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E03131389
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