



Maritime &  
Coastguard  
Agency

2016-17

# Maritime & Coastguard Agency Business Plan

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Safer Lives | Safer Ships | Cleaner Seas

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# Chief Executive's foreword

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The Maritime Growth Study published in September 2015 made recommendations about how the MCA could best play its part in supporting a vibrant maritime sector and the associated marine industries. As a direct response to that Report, Simon Barham joined us in February 2016 as the new Director of the UK Ship Register. His aim is to help attract more ships to the UK Ship Register, building on the steady growth evident in the data for the last operating year and improving the MCA's responsiveness and quality of service to our commercial customers.

Over the next year, we will be improving the efficiency of our Marine Survey and Inspection functions and moving the Survey and Inspection Transformation Programme into implementation phase. Subject to consultation, this will see the rationalisation of some of our estate, modernised ways of working and improvements to the overall package of terms and conditions for our Marine Surveyors, helping us attract and retain talent in this safety-critical area of our work.

We intend to make changes to our fees and charges to bring them up to date for the first time in 10 years, thereby reducing the burden on the UK taxpayer in line with the user-pays principle. We will do this in close consultation with the shipping industry.

We have reached the end of our structural change within the HM Coastguard (HMCG) from paired Maritime Rescue Coordination Centres to a full, national network based on the National Maritime Operations Centre at Fareham and 10 smaller Coastguard Operations Centres. This, however, is really only the start of a wider, more comprehensive transformation. We have been fortunate to take with us into the new arrangements a large number of highly skilled and experienced colleagues who have been proud to wear their Coastguard uniforms for many years. Those colleagues deserve tremendous credit and respect for their commitment to the new ways of working and for bringing their energy and enthusiasm to making the new national network a reality.

We also have a large number of Coastguard (CG) Officers who are just starting out on their new careers. This year we will ensure our CG teams learn and grow together as we consolidate skills and learn from experience, building the confidence of our people in the work that they do. We will be rigorous in following through with post-implementation reviews to provide a robust assurance about the effectiveness of the changes we have made.

Another programme we successfully implemented last year was the transition to the new Search and Rescue Helicopter (SAR (H)) service, which represents a £1.9bn government investment over the next 10 years. All maritime SAR (H) in the UK now

proudly display HM Coastguard livery. Over the next 12 months, we will replace the search and rescue helicopters currently operating out of Lee-on-Solent base with new AgustaWestland machines. These new aircraft will be operated by Bristow Helicopters, in line with the arrangements we have rolled out to nine other Coastguard search and rescue helicopter bases already in operation. We will regularly publish official statistics reflecting the performance of these new arrangements. The transfer of the national helicopter tasking authority to the MCA in April will signify the end of the military's involvement in civil search and rescue in the UK.

In line with much of the Civil Service, we know we have more to do in further developing the leadership skills of our managers. We will continue to invest time and energy in raising those skills, improving staff engagement and tackling both the perception and the reality of discrimination, bullying and harassment. We will put renewed emphasis on celebrating, recognising and rewarding the great work our people do in the name of safer lives, safer ships and cleaner seas. We will not tolerate inappropriate behaviour at any level and we will continue to encourage and empower our people to challenge it wherever encountered.

Our staff and customers will benefit from changes we are making to our technology with modernised operating systems to support more efficient and flexible working. We will be providing new capabilities for our day-to-day corporate business, improving our electronic data management and strengthening our digital resilience. We will introduce a new Consolidated European Reporting System (CERS) to meet our EU reporting obligations and improved systems for managing the UK Ship Register (FMS), Seafarer Documentation (SDS), and the Approved Doctors Information System (ADIS) relating to seafarer medicals. We will also continue to work with the service provider arvato to improve the effectiveness of the electronic system we use to capture and process accounts and other information. This includes continuing to improve the accuracy of our data, and the user experience of our shipping industry customers.

In the coming year, we will bring into the Agency a new non-Executive Chair to give me and my Executive Board additional support and challenge and help guide the Agency's further development. I welcome this step and look forward very much to the opportunities it will bring for a more commercial outlook, with stronger customer-centric stakeholder relationships, alongside work to explore different future operating options for the MCA, (or parts of it) that will potentially offer more freedom in the way that we operate.

Alan Massey  
Chief Executive

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# Who we are and what we do

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## Maritime and Coastguard Agency

- 1.1 The Maritime and Coastguard Agency (MCA) is an executive agency of the Department for Transport (DfT). We work to prevent the loss of life on the coast and at sea.
- 1.2 We produce legislation and guidance on maritime matters and provide certification to seafarers. We enforce standards for ship safety, pollution prevention and seafarer health, safety and welfare for seafarers through our survey and inspection regime.
- 1.3 We are the only truly national 24-hour maritime search and rescue emergency response service that is capable of operating throughout the UK, at sea and internationally.
- 1.4 We work with strategic partners to promote maritime safety, encourage economic growth, and minimise the maritime sector's environmental impact. We do this through Government's maritime safety and environmental strategy, and through our support to industry via the UK Ship Register.
- 1.5 The MCA's vision is to be the best maritime safety organisation in the world, driving progress towards safer lives, safer ships, and cleaner seas. This vision is underpinned by our four key values of safety, professionalism, trust, and respect.

## Why our work matters

- 1.6 The MCA fulfils an essential safety role across Britain's maritime estate.
  - The Coastguard responded to more than 19,000 incidents in 2015;
  - In 2014, our ship surveyors carried out 4,638 inspections, including 1,279 port state control inspections, with a total of 70 subsequent detentions;
  - Britain has over 11,000 miles of coastline, enjoying over 200 million tourist visits each year;
  - In 2013, there were 6,399 fishing vessels and 12,150 fishermen working off the UK shore.
- 1.7 It is economically vital for Britain to nurture a successful maritime industry.
  - Our Ship Register is the 5th largest in Europe with a total tonnage of around 15m GT;

- Britain relies on shipping for 95% of our visible trade by weight. Shipping is estimated to make a total contribution of £12.5 billion (direct, indirect and induced impact) each year;
- The maritime sector contributes up to £13.8 billion and 260,000 jobs to the UK economy annually;

**1.8** We are also responsible for the United Kingdom's implementation of the following major international maritime conventions:

- The International Convention of the High Seas 1958, article 12;
- Safety of Life at Sea (SOLAS), 1974, and Protocol, 1988;
- International Regulations for Preventing Collisions at Sea (COLREGs), 1972;
- Standards of training, certification and watch keeping for Seafarers 1978 (STCW), as amended;
- The International Convention on Maritime Search and Rescue, 1979;
- Prevention of Pollution from Ships (MARPOL), 1973, and Protocol, 1978;
- Load Lines 1966, and Protocol of 1988; and
- Maritime Labour Convention (MLC), 2006.

**1.9** We have implemented new search and rescue helicopter arrangements that replace the military search and rescue service. These new arrangements contribute to the Government's commitment to Annex 12 of the Chicago Convention on International Civil Aviation.

## Delivering for customers and the public

### Our services in 2016-17

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

- co-ordinating a 24-hour search and rescue service by Her Majesty's Coastguard; and responsibility for all SAR(H) operations throughout the UK;
- checking the safety and quality of ships and seafarers operating under the Red Ensign, including seafarer certification and ship survey and Inspection;
- acting as lead authority and Category 1 responder for maritime emergencies under the Civil Contingencies Act 2004;
- maritime pollution prevention and response, and the monitoring of vessel movement within UK waters as defined by the EU Vessel Traffic Monitoring Directive;
- promoting and administering the UK Ship Register;
- promoting the Red Ensign Group of Shipping Registers as a collection of quality, business-friendly flags under which to operate;
- providing an audit and assurance service for the other shipping registers within the Red Ensign Group;
- undertaking additional survey and inspection of ships, according to our European and international responsibilities;
- certificating independent survey organisations;

- promoting and enforcing legislative compliance, and working to achieve the best legislation for British business;
- working with the Department for Transport to develop policy advice for Ministers; and
- ensuring continuous availability of a team of professional Marine Casualty Officers to support the Secretary of State's Representative (SOSREP) for Maritime Salvage and Intervention when required.

- 1.11** In response to the feedback received from industry, we have reinvigorated the UK Ship Register and Simon Barham has been appointed its new director. Under his leadership, we will respond to the recommendations of the Maritime Growth Study to become more commercially responsive and secure the long-term commercial success of the UK Ship Register. Through collaborative working and mutual support, we aim to grow the maritime sector in the UK, and ensure that it continues to contribute positively to the economy. We will be a regulator that champions and supports our partners in industry.
- 1.12** The MCA has recently achieved significant efficiencies through transformation programmes, notably Future Coastguard and SAR (H). We have also identified further opportunities to improve the way we work, including the Survey and Inspection (S&I) transformation programme. As Government scrutiny of efficiencies becomes increasingly active, we have developed a formal governance structure to support our delivery of efficiencies. This will identify the owner of each initiative, scope the intent for each measure, assign targets and hold owners to account for delivery. This will ensure the right level of focus is provided across the portfolio of MCA projects, while supporting effective project delivery. To deliver the MCA Efficiency Plan, an Efficiency Committee will set overall direction, define priorities and allocate resource, supported by the Strategy, Innovation and Transformation office. These arrangements will enable both to assess overall progress and to deliver against the strategic business objectives prescribed in this Business Plan. This will require business-wide support.
- 1.13** We will inspect foreign flag ships visiting UK waters by means of a risk-based Port State Control inspection regime. In parallel, we will continue to survey and inspect UK ships as required by statutory certification in accordance with international maritime conventions. We will encourage operators to maintain high quality vessels with consistent safety records. We will work in partnership with operators to inspect UK ships where concerns have been identified.
- 1.14** We will continue to work towards mitigating the risk (defined by the National Security Strategy as a high priority risk) of international terrorism affecting the UK or its interests, which includes attacks against ships. We will contribute to this primarily through compliance with the International Ship and Port Facility Security (ISPS) Code by verifications on UK registered ships and inspections of targeted foreign ships visiting UK ports under the Port State Control regime. We will also support our maritime security services from our HM Coastguard stations.

- 1.15** Seafarers using our certification services can expect their applications to be dealt with in a timescale that suits their needs. We will work with shipping companies and nautical colleges to help prioritise certificate applications. We will ask our seafarer customers how we are doing and will act on what they tell us. We will also start improvements to our technology to deliver better customer service.
- 1.16** At the international level, we will work alongside the Department for Transport and with the input of other Government Departments to represent the UK's interests at the International Maritime Organization (IMO), at other relevant United Nations bodies and within the European Union. We will use both formal and informal consultation with relevant stakeholders at an early stage in developing new international requirements and proposals, so that we actively influence their development along principles of good regulation.
- 1.17** Domestically, we will engage with key stakeholders including the Fishing Industry Safety Group, the Domestic Passenger Ship Steering Group, Port Marine Safety Group, Port Marine Safety Code and Vessel Traffic Services Steering Groups, UK Radio Navigation Equipment Standards Group, Human Element Advisory Group, United Kingdom Human Element Development Group, the Maritime Labour Convention Tripartite Working Group and the Work in Fishing Convention Working Group and through our development of safety and technical policies and standards.
- 1.18** HM Coastguard's national network of the National Maritime Operations Centre and other Coastguard Operations Centres will provide:
- Search and Rescue coordination;
  - vessel traffic monitoring (VTM);
  - counter pollution response;
  - maritime safety information;
  - accident and disaster response; and
  - support to maritime security.
- 1.19** The Future Coastguard Programme is now structurally complete and the national network is fully operational, comprising of the National Maritime Operations Centre in Fareham and 10 other Coastguard Operations Centres (including London). Thanks to major upgrades to technology and use of new systems, we are able to redistribute work across the network in order to focus attention on emergencies, including search and rescue incidents, without dropping or delaying other important safety tasks. This will be a year of consolidation, where we continue to grow the skills of our new Coastguard officers and realise the benefits of the investments made. We will further be inheriting Cospas-Sarsat responsibilities i.e. the detection and handling of emergency distress beacons from anywhere in the UK Search & Rescue region and in support of British interests globally.
- 1.20** We continue to roll out new Search and Rescue arrangements. All civilian state-operated search and rescue helicopters now carry Coastguard livery and continue to perform as effectively as the military services they replaced. This

represents a £1.9bn investment over the next 10 years in this critical life-saving service. Our new helicopters will be tasked from the Aeronautical Rescue Coordination Centre, which from 1 April will become a Coastguard function within our Operations Centre. We will report important statistical data related to our SAR helicopter services through a periodic Official Statistics publication. We will end the year with the introduction of brand new aircraft to our Lee-on-Solent base.

- 1.21** We have put 50% more resources into the front line leadership and support of the 3,500 dedicated volunteers who make up our Coastguard Rescue Service. Alongside our partner organisations including the Royal National Lifeboat Institution (RNLI), the many independent lifeboat teams, the National Coast-Watch Institution, and the new arrangements for search and rescue helicopter management, we will deliver an improved and increasingly comprehensive matrix of frontline response and rescue resources.
- 1.22** Recommendations from the Maritime Growth Study propose a potential change of status for the MCA from an Executive Agency to an alternative model that could offer greater flexibility, commercial responsiveness and an ability to build stronger customer centric relationships. In conjunction with the DfT, we will develop a business case to understand and explore options. We will also appoint a new non-Executive Chair to give senior leaders additional support, challenge them and help guide the Agency's further development.
- 1.23** We value our excellent working relationships with colleagues in the Devolved Administrations of the United Kingdom and we are committed to keeping them informed of our work. Specifically in relation to the Scottish Government, we will be finalising a formal Memorandum of Understanding that gives effect to the commitments set out in the new Scotland Act to consult with Scottish Ministers on matters of strategic importance.
- 1.24** This year, in line with the requirements of the National Contingency Plan for responses to marine pollution from shipping and offshore installations, we will carry out a shipping exercise to test the co-ordination, communications, response cells and the Agency's overall preparedness to respond to a major incident. This exercise will also examine the resources that may be brought into play and, the circumstances in which the MCA deploys the UK's national assets to respond to a marine pollution incident in order to protect the overriding public interest.

# Plans for 2016 to 2017



Category	MCA measure	2016-17
<b>Changing our agency</b> 	<b>Survey and Inspection Transformation Programme:</b> In response to the Maritime Growth Study and the safety-critical need to meet statutory obligations, begin the transformation of the operation of the ship survey and inspection service by:	
	<ul style="list-style-type: none"> <li>• Completing the consultation with stakeholders by</li> </ul>	30 June 2016
	<ul style="list-style-type: none"> <li>• Publishing a clear programme blueprint with a timetable for implementing reforms to the MCA estate and ways of working by</li> </ul>	31 October 2016
	<b>MCA Digital Strategy</b> Transitioning to digital technology, we will improve the way we deliver a range of our services. Over the next two years, we will provide online access to our customers in the following areas: <ol style="list-style-type: none"> <li>1. Ship registration</li> <li>2. Seafarer training, certification and medical examination</li> <li>3. Approved doctor's information system</li> <li>4. An improved knowledge management system</li> </ol>	March 2018
	Fully implementing our CERS3 system (introduced by 31 Mar 16) in order to provide incrementally more detailed vessel traffic reporting to the EU's SafeSeaNet 3	March 2017
<b>Our services</b> 	<b>Search and Rescue</b> We will review a percentage of incidents to which the national network has responded to assess the effectiveness of outcomes and learn any appropriate lessons for future operations.	5% of incidents in the national network
	Helicopters will be available at each location for at least	98% of the time
	<b>Survey and Inspection</b> Meet the European Directive requirement for Port State Control (PSC) inspections, designed to check the safety of foreign-registered ships at UK ports, for the 2016 calendar year	1287 inspections
	<b>UK Ship Register</b> Focus UK Ship Register (UKSR) marketing on quality owners and	

	quality vessels so that the average age of 85% of the internationally trading UK flag ships greater than 500 Gross Tonnage is	10 years or less
	Maintain UK Flag State performance in the Paris MOU White list	Stay in White List upper quartile
	In line with the recommendations in the Maritime Growth Study, we will improve the commercial responsiveness and customer service of the UK Ship Register. We will increase its size by	15 million GT by 2020
	<b>Pollution Response</b> Verification aircraft available to be tasked to respond to pollution incidents	At least 98% of the time
	Incident response – Counter Pollution and Salvage Officer engaged in incident response within 10 minutes of activation and, where appropriate, other specialist counter pollution support personnel engage within 30 minutes of incident activation in at least	95% of cases
Meeting our customer needs  	<b>Customer Satisfaction</b> Encourage the completion of online satisfaction surveys on the Registry of Shipping and Seafarers and Seafarer Certification Services with a positive response rate of	85% and above
	<b>Parliamentary Questions</b> Provide a response within due date (in 24 hours)	100% of cases
	<b>Freedom of information</b> Provide response within 20 working days in	93% of cases
	<b>Member of Parliament correspondence</b> Provide a response within 7 working days in	100% of cases
	<b>Official correspondence</b> Provide a response within 20 working days in	80% of cases
	<b>Prompt Payment</b> Payment of invoices within 5 working days in	80% of cases
Financial responsibilities  	<b>Agency Finance</b> Deliver financial performance, including efficiency programmes, in line with published plans	Meet published targets
	<b>Workforce Sick Absence</b> - Ensure average number of working days lost to sickness absence does not exceed 7 days per FTE.	7 days
	By March 2017, the agency workforce (FTE) will be no more than	980 FTE

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# Delivering the plan

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- 3.1** The Survey and Inspection Transformation Programme (SITP) began in January 2015 and is looking at all aspects of work carried out by the survey and inspection teams, from policy development to front-line activity. The SITP was bolstered by strong evidence about the need for change from the DfT's Maritime Growth Study and the UK Flag Advisory Panel reports. It is designed to improve the Agency's support to the industry without undermining our commitment to safety. SITP will deliver a survey and inspection business which is able to anticipate and lead change, offer great jobs to its people and provide better services to its customers and suppliers. We will focus on transforming infrastructure, systems, processes and technology to maximise flexibility, customer support and efficiency of operation.
- 3.2** We will continue to closely monitor the performance of our new national network of Coastguard operations centres, checking that search and rescue incidents are appropriately handled and learn lessons from both identified problems and successes. We will publish regular summaries of that analysis within a spirit of openness and transparency. We will also build on embedding the leadership and management support we give to our army of volunteer Coastguard Rescue Officers, having boosted professional front-line support by some 50% compared to the position in 2010.
- 3.3** In 2016-17 we will continue to improve our online customer services and modernise our IT. The Agency's new corporate intranet will underpin the shift to a modern, digital working environment, bringing slicker systems and a cutting-edge suite of new hardware and software. Using cloud based services, we will encourage and support collaborative document management, remote working, greater information sharing and increased connectivity. Software such as Skype for Business and instant messaging will allow us to break down geographical barriers and allow our staff to engage with the business digitally. With our customers in mind, we will introduce major improvements to our ship registration system, seafarer training and documentation, medical examination system, and vessel identification.
- 3.4** We will continue to support wider Government and DfT initiatives such as the deregulation agenda, realising improved efficiencies and encouraging innovation within our area of responsibility. This will allow us to maximise the effectiveness of our services on behalf of our full range of stakeholders. We will maintain our leadership of the Red Ensign Group, including through high level discussion with other Government Departments and international agencies, ensuring that we provide clear direction for all its members and collectively improving the performance and

good reputation of the British flag.

**3.5** In January 2016, the International Maritime Organisation (IMO) adopted amendments to several IMO instruments to make the IMO Instrument Implementation (III) Code mandatory for IMO Member States. As the Flag State for all ships flying the Red Ensign, the Agency, on behalf of the UK Government, ensures oversight and governance as well as bearing ultimate responsibility for any breaches under international law. Our aim is to enhance co-operation between government departments in the UK, Overseas Territories and Crown Dependencies to develop a better understanding of III Code implications, consequences of failure to comply, and encourage a collaborative approach to demonstrate compliance. Alongside our Red Ensign Group partners, we will develop a strategy to demonstrate how compliance as a flag, port and coastal state will be achieved in accordance with requirements of international Maritime Conventions and to prepare the UK Flag State for audit where use of the III Code standard has been made mandatory for the purpose of auditing member states. Those conventions are as follows:

- Safety Of Life At Sea (SOLAS);
- Prevention of Pollution of Ships (MARPOL);
- Standards of Training, Certification and Watchkeeping for seafarers (STCW);
- Load Lines (Load Lines);
- Tonnage measurement of ships (Tonnage) and
- Regulations for preventing collisions at sea (COLREGS)

**3.6** On average, 400 people drown in the UK each year, with a further 200 people committing suicide on our waters. In 2016, the Agency (along with our partner organisations) launched the National Water Safety Forum (NWSF) Drowning Prevention Strategy. This strategy aims to reduce accidental drowning fatalities in the UK by 50% by 2026 and reduce the risk amongst the highest risk populations, groups and communities. As a key member of the NWSF, we will support our partners and stakeholders by providing effective and sustained leadership and act as a central voice to advocate the strategy. We will encourage our volunteer Coastguard Rescue Officers to engage with their local communities, to be a catalyst for behaviour change and to raise the public's awareness of everyday risks in, on and around water. We will help deliver the aims of this strategy using an evidence-based approach, continuing to provide data for the National Water Incident database (WAID) and by being true to our values – safety, professionalism, trust and respect.

**3.7** In accordance with the Government's greening commitments and building on the progress we have made since 2010, we will continue to reduce our environmental impact as an organisation. We will work towards reducing our greenhouse gas emissions and our water consumption and improving our waste management through all levels of the waste hierarchy. We will continue to adopt sustainable public procurement practices where possible, selecting more environmentally efficient products and services with the aim of achieving the best long-term, overall value for

society. We will also be open and transparent by reporting publicly on the steps we are taking to address climate change adaptation, biodiversity and the natural environment, procurement of food and catering services and sustainable construction.

- 3.8** The UK Government has agreed to continue to fund the provision of an Emergency Towing Vessel operating in waters off Scotland until 30 September 2016. We will be working with stakeholders to explore the scope for alternative towage provision and providing Ministers with advice in good time to allow them to take decisions about future arrangements.

## Supporting our staff

- 3.9** We recognise that learning and staff development are central to the success of the Agency. We are committed to supporting the continued professional development of our staff by specifying five days of mandatory learning for each employee annually. Alongside professional development courses for our surveyors and coastguard officers, we have introduced PROPEL – a 12 month accredited development programme aimed at our less experienced line managers. We are also introducing an additional development programme this year - ‘growing your potential’, aimed at aspiring line managers. To ensure we make the best of our diverse talent pool, managers and leaders are encouraged to have frequent career conversations with their staff. Drawing on an improved Civil Service Learning (CSL) service, we are determined to promote and support effective learning, development and growth in all parts of the Agency.
- 3.10** The MCA People Survey 2015 highlighted the need to improve engagement with better leadership and change management and by addressing concerns around bullying, harassment and discrimination. Guided by the Civil Service Leadership Statement and the MCA Leadership Approach, we will continue to improve our performance as leaders and challenge poor behaviours. As part of our commitment to inclusion, our senior leaders have made personal pledges to champion difference. Senior leaders will engage with our staff locally through initiatives such as inclusion events and stress management workshops, working to promote an open, honest and transparent culture. We will provide impartial support and a safe space to discuss mental health issues through the Mental Health Buddy Network. The agency will also support employee-led initiatives such as the MCA Women’s Network. Through all these measures, we aim to inspire individuals to achieve their potential and create a diverse, engaged and dedicated workforce.
- 3.11** The MCA development event in 2015 resulted in the publication of our first Customer Charter, setting out our commitment to customers and our relationship with them. Building on this initiative, we will continue to work closely with our customers to understand their business needs, and deliver and improve a professional, timely and

high standard of service. We will lead the way in providing digital services to our customers by improving our fleet management system, seafarer documentation system and the small ships register.

# ANNEX



Statement of financial position	Forecast Outturn 2015-16 £ million	Business Plan 2016-17 £ million
Statutory fee income	-7.4	-9.1
Commercial fee income	-0.5	-1.1
Other income	-2.4	-1.0
<b>Total programme income</b>	<b>-10.3</b>	<b>-11.2</b>
Payroll staff costs	40.4	42.4
Helicopter	163.5	207
ARCC	0.7	3.6
Navigational safety	6.6	6.5
ICT	15.8	12.9
SMaRT	14.7	12.3
Accommodation	9.0	11.3
Depreciation	9.1	10.1
Other expenditure	34.2	33.4
<b>Total expenditure</b>	<b>294</b>	<b>339.5</b>
<b>Net Operating (cost)</b>	<b>283.7</b>	<b>328.3</b>

Statement of financial position	Forecast Outturn 2015-16 £ million	Business Plan 2016-17 £ million
Statutory fee income	0.0	0.0
Commercial fee income	0.0	0.0
Other income	-0.5	-0.5
<b>Total admin income</b>	<b>-0.5</b>	<b>-0.5</b>
Payroll staff costs	5.2	6.4
Non pay	1.3	1.4
Accommodation	0.6	0.5
Audit fee	0.3	0.2
<b>Total expenditure</b>	<b>7.4</b>	<b>8.5</b>
<b>Net Operating (cost)</b>	<b>6.9</b>	<b>8.0</b>
Resource DEL	290.6	336.3
Resource AME	-1.8	0.9
Total resource and AME	288.8	337.2
ARCC Capital	0.0	0.0
Capital	10.1	13.1
<b>Total capital</b>	<b>10.1</b>	<b>13.1</b>
<b>Statement of financial position</b>		
<b>Non-current assets</b>		
Property, plant and equipment	81.7	87.3
Intangible assets	6.2	6.4
Trade and other receivables due after one year	3.7	3.7
<b>Total non-current assets</b>	<b>91.6</b>	<b>97.4</b>

Statement of financial position	Forecast Outturn 2015-16 £ million	Business Plan 2016-17 £ million
<b>Current assets</b>		
Trade and other receivables	7.7	7.5
Cash and cash equivalents	3.1	0.2
<b>Total current assets</b>	<b>10.8</b>	<b>7.7</b>
Total assets	102.4	105.1
Current liabilities	-39.9	-41.6
Total assets (less current liabilities)	62.5	63.5
Non-current liabilities	-1.7	-1.5
Assets (less liabilities)	60.8	62.0
<b>Tax payers' equity</b>		
Public dividend capital		
Loans from the Secretary of State		
Government grants reserve		
General fund	44.2	42.9
Revaluation reserve	16.6	19.1
<b>Total taxpayers' equity</b>	<b>60.8</b>	<b>62.0</b>