



Transport Committee

Oral evidence: [The work of the Maritime and Coastguard Agency](#), HC 1089

Monday 2 March 2015

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Written evidence from witnesses:

- [The Maritime and Coastguard Agency](#)

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Members present: Mrs Louise Ellman (Chair); Jim Fitzpatrick; Karen Lumley.

Questions 1-94

Witnesses: **Sir Alan Massey**, Chief Executive, Maritime and Coastguard Agency, and **Ian Woodman**, Director, Maritime Directorate, Department for Transport, gave evidence.

Q1 Chair: Good afternoon and welcome to the Transport Select Committee. Would you give your names and positions, please?

Ian Woodman: I am Ian Woodman. I am director of maritime in the Department for Transport.

Sir Alan Massey: I am Sir Alan Massey, the chief executive of the Maritime and Coastguard Agency.

Q2 Chair: We have had some written evidence from you about the progress of the National Maritime Operations Centre and the future coastguard problem. The note you strike in the information you have given us seems to be that everything is going all right. We have received a large number of representations and concerns about what is happening in individual areas following coastguard closures, and there has been an outage at Fareham. Sir Alan, in the light of all of that would you say that your statement could be seen as rather complacent?

Sir Alan Massey: Complacent is the last thing that we are, Madam Chair. This has always been an ambitious programme. It is not without risk—as any change programme is not without risk. We have managed those risks extraordinarily well. While, yes, there are always little bits in the margins that one has to deal with, over and above those I am very pleased with progress. I think it is true to say that the coastguard force in general is satisfied with the progress we have made. There are always some people who are not happy.

Q3 Chair: How do you think we should be able to assess whether the changes are good or bad? Would it be you saying that what you have done is right, or will there be some independent assessment? How will we be able to judge what is happening?

Sir Alan Massey: One good way of judging it is how we are doing, for example, in recruiting and training new staff. We are planning to have finished the four-year transition by the end of December 2015. We have already recruited over 85% of required new staff. Training is very well in hand. Our vacancy rate, while vacancy rates are always worrying, is very manageable at about 12%. We have had some very good recruits coming in with significant talent and a lot of diversity. It is also true to say that the technology— notwithstanding the issue last month, which I can talk about—has proven itself. We are well established in setting up the national network. The National Maritime Operations Centre went operational in September 2014, since when it has operated extremely satisfactorily, taking incremental charge of the national network. While never complacent and always cognisant of risks and issues, particularly the pockets of frustration which are understandable, I would report that we are actually on track.

Q4 Chair: You say you are confident that all search and rescue missions since September 2014 have been “appropriately actioned” without delay or wrong judgment. How do you know that is the case?

Sir Alan Massey: For example, an obvious place to focus would be when we had the VHF—very high frequency—radio transmission outage back in February. During that period of one hour and 47 minutes there were three incidents in various parts of the country, all of which were dealt with entirely satisfactorily. It is impossible to prove a negative, but what I can do is prove positives in the sense that when issues have happened we have dealt with them.

Q5 Chair: But before that situation arose—we will move on to that shortly—what about other actions? How do you know that everything was done correctly? What are you comparing it with?

Sir Alan Massey: We have service standards; we have key performance indicators, which is the jargon. We have service standards to abide by: for example, 30 minutes to muster a coastguard rescue team in order to go and deliver safety in whatever incident it is. We have, for example, helicopter readiness standards. We work with the RNLI to get their standards of lifeboat insertions within 30 minutes. We have those kinds of standards. I have no evidence of failures.

Q6 Chair: The information we have had, which has mainly been derived through parliamentary questions, confirms that staffing levels at some coastguard stations regularly fall below risk-assessed levels.

Sir Alan Massey: Yes.

Q7 Chair: Doesn't that cause you some concern?

Sir Alan Massey: It is something we watch very carefully. I am interested far less in the number relative to assessed manning levels than in the actual number in post. Just to explain that, if I may, the minimum risk-assessed watch manning levels were set some years ago, and they were set quite conservatively on the basis that each station was to be

manned in accordance with the old regime, whereby a station was responsible for its piece of sea. Therefore, it was based on worst case requirements to deal with an incident in your waters, if you are Aberdeen or Forth or whatever. The truth is that, since those manning levels were set, we have, for example, paired stations, so that, for argument's sake, if Aberdeen were low on its watch levels or getting overwhelmed by incidents, its partner station Forth, now Shetland, could step in, as indeed happens routinely. Since that time, we have also put in new radio equipment, which has made it even better, in the sense that three or four stations can come round and assist any single station in dealing with an incident. A premise whereby you set watch levels on the basis that nobody is there to help you has become irrelevant.

Q8 Chair: Are you saying that the definition of a risk assessment has now changed?

Sir Alan Massey: It has, Madam Chair, but we have deliberately avoided changing the numbers for fear of being accused of simply shifting the goalposts.

Q9 Chair: But you are shifting the goalposts, aren't you? You are telling me that you are looking at it in a different way. When I ask you to define it, you say you are avoiding saying that.

Sir Alan Massey: No, Madam Chair. We still furnish all the required reports against those minimum risk-assessed watch levels because we respect the fact that they exist.

Q10 Chair: Then they must mean something, mustn't they? You cannot tell me that on the one hand it has all changed and you cannot look at it that way, and on the other hand that you do not want to say that because you will be accused of shifting the goalposts. Isn't that what you are doing?

Sir Alan Massey: It is an old-fashioned way of assessing the requirement for watch levels. It has become irrelevant to the extent that technology and our way of doing things have moved on. More to the point, we are now moving to a system where they will be even less relevant, because it is a national network and any amount of resource can be brought to bear on any single scenario.

Q11 Jim Fitzpatrick: Good afternoon, gentlemen. I have two supplementaries to the questions that the Chair has just asked. I want to broaden it out on the coastguard staff. How is the general staff complement doing, Sir Alan—the backroom staff and the survey and inspection staff? Can you give us an overall view of how the agency is doing?

Mr Woodman, the Chair asked about validation of the assessment. What is the Department for Transport's view on how the MCA are doing? Obviously I suspect that you are monitoring entirely what is happening with the MCA.

Sir Alan Massey: We carry vacancies across all aspects of our business, which is unsurprising. I think it is a civil service-wide issue. People can leave at one month's notice, but it takes somewhere between six and 12 months to recruit a replacement. On the basis that we are not allowed to over-bear, inevitably we end up with a shortfall; typically, it is between 5% and 15% for the agency across the various disciplines. Again, we are not complacent. We are almost hyperactive in recruiting for the coastguard. We are very active in recruiting for surveyors, because we are very conscious of the shortfall there of about 20 full-time equivalents. In our corporate plan for 2015-16, we bid for some extra

posts in certain aspects of survey and inspection, because we are a bit short-staffed. That is my view as a practitioner.

Ian Woodman: The central Department monitors what happens in the Maritime and Coastguard Agency very closely. We have an advisory board, which is chaired by the director general responsible for maritime matters, Lucy Chadwick. We have regular meetings within the advisory board. The Maritime and Coastguard Agency provide reports to that board. Those include reports on the key risks relating to the project. Obviously one of the key risks we have been concerned with as a board is recruitment progress and how we are doing. We get regular information on that. I think we have a very good overview and we are happy to concur with Alan's assessment that the programme is doing well. There are clearly risks in the programme, but the programme is doing well.

Q12 Karen Lumley: You talked about carrying those vacancies. When do you expect the service to be at full strength?

Sir Alan Massey: By the end of December 2015 we will have done all the migrations to the new set-up, so that is my target date. By then I expect to be within a very small percentage of the numbers, if not already there.

Q13 Karen Lumley: You also state in your evidence that "new flexible shift patterns have been introduced". Has that made staff leave or do staff like that?

Sir Alan Massey: Seventy-nine per cent of staff voted for it when it was first mooted, so we believe we have the staff with us on that. There is a lot of "suck it and see" because these were only just introduced in some stations as of last month. The MOC in Fareham has been running with that system for some time. They are settled into it. They can see the advantages: fewer nights worked, fewer grey days and fewer weekends worked, and more time off—not time off, but more time within a working year allocated to professional development. They can see some benefits to it, but I can understand that those who have not tried it still remain slightly sceptical. We have to persuade them.

Q14 Chair: You told us there were 12% vacancies.

Sir Alan Massey: Yes, as of today.

Q15 Chair: That is actually going up, isn't it? The previous figure you gave us was 10% and now it is 12%. What impact does that have on experienced staff?

Sir Alan Massey: It is a good question to ask about experience, almost irrespective of vacancies. My aim was to try to carry at least 50% of existing experienced coastguards with us into the future, on the basis that it was hopeless to seek 100%, because we are closing stations and a number of people simply cannot move with us. I aimed for 50% and at the moment we are at 57%, which is quite gratifying in terms of pull-through. That will vary a bit over time. The 43% who are not pulled through are clearly light on experience and we are aware of that, so we have tried to address and manage that in as systematic a way as we can, with on-the-job mentoring and very good formal and informal instruction. Some people who are newly entered will have been in post for over a year by the time we reach December 2015, so I am confident, but not complacent, on the basis that these people have to learn the ropes.

Q16 Jim Fitzpatrick: In terms of the reconfiguration of the services, one of the comments in your evidence is in relation to better jobs, better conditions and better pay. I remember that when I was involved as Minister for shipping and we supported a rationalisation plan—not the one that the coalition arrived at but not a million miles away from it—one of the big incentives was that there would be better recognition for coastguard staff. I remember the rows that we used to have with Treasury to try to get some of the savings recycled so that there would be greater rewards for the staff. The career path was very much a motivational tool to say that there would be better jobs. How has that worked out in practice, Sir Alan? Has it fulfilled your expectations? How do the staff see it? Do they see that some of the promises have been delivered?

Sir Alan Massey: Yes. I think it is true to say they have. I have a couple of statistics on that. In our annual staff survey the number of people favouring pay and benefits went up by 29 percentage points in 2014. That is absolutely massive. Of all those we are pulling through, which is about 250, 175 have been promoted; in one case, someone has been promoted four grades. The average is about one and a half grades. That always brings extra pay with it.

I think it is true to say that everybody has received a pay uplift of some sort, but it is not just about pay. Their working conditions and shift patterns are also better. We give them much more professional continuous development. The career structure has been configured to encourage people to move from maritime to coastal maritime and back. We have filled gaps in the hierarchy whereby you would have to make a leap of three grades to make progress, whereas now there is a step one grade all the way up. The degree and quality of training has gone up markedly. The sort of view I am getting is largely positive. Clearly, there are some on the outside edges who feel that they have not been well looked after. We are trying to manage them individually to try to get them to meet the expectations that they have.

Q17 Chair: This Committee has been concerned about the loss of local knowledge. Can you tell us what work you are doing with Ordnance Survey to record locally used vernacular place names? You told us before that this work was ongoing. Could you tell us where it is up to now?

Sir Alan Massey: Yes, Madam Chair. This is a system called FINTAN, a joint effort between the Ordnance Survey and ourselves. We have actually completed the first and major phase of effectively going round all of the country trying to assess vernacular names for local features and tying them down to proper latitudes and longitudes and proper features on both sea charts and Ordnance Survey charts. For example—I checked the other day—there are just under 200 Black Rocks around the UK, so it helps if one knows exactly where Black Rock is. As soon as you punch it in, out comes a huge gazetteer which then regionalises it and tells you which Black Rock is being talked about. It is the same for Sheep Steps or whatever. That is just one aspect where technology is helping us quite a bit.

We have ready databases that every single coastguard officer will have access to, but it is not just that. It is also being much more systematic about interrogating the first informant in a very stepped way, in the same way as the police do, to try to understand exactly where people are and what is going on rather than making assumptions. We do in-house training. We assess coastguard officers against regional profiles so that they are tested against their

local knowledge. We take it seriously. It is a very difficult issue. It is one that is not easily overcome, but we are taking it seriously and being systematic about it.

Q18 Chair: Could you give us any impression of how much progress you have made in doing this? You mentioned some examples of the work done. Could you give us an idea of whether that is a tiny fraction of the work that is required? Is it a significant amount? Where are we with it?

Sir Alan Massey: Certainly in terms of the first phase of going round the coast, gathering names and getting them on to the vernacular database, it is complete. Clearly there will be future iterations of that, but for the time being we have a very good, reliable stand-alone system. I emphasise that it is only one of the tools in the box.

Q19 Chair: How much improvement is there in the training given to the volunteer Coastguard Rescue Service? We were told that the new system would improve the training and support available. What has actually happened?

Sir Alan Massey: The biggest challenge that we faced in the past was simply being able to service 3,500 coastguards with a finite number of experienced coastguard officers in their regions and areas. In the past, we had 64 foot soldiers, effectively—permanent staff, coastguards. We have increased that by 50% so that there will now be 96. They will be arranged in a way that enables the foot soldiers to be supported by another layer of management above them, such that they can work in teams and have a more experienced and knowledgeable eye over the way they are handling their particular coastguard rescue teams—the volunteers. We have started to roll this out. We have pretty much filled all the vacancies for this new uplift in personnel. That is combined with, again, a more systematic approach to the way that we train, assess and then audit the quality of teams out on the coast.

Q20 Chair: How many teams have been given access to this improved support? What proportion?

Sir Alan Massey: I could only make an estimate of about half at the moment, on the basis that we are still rolling out new officers to those locations.

Q21 Chair: Do you have any system where members of staff can make complaints if they are concerned about safety issues?

Sir Alan Massey: Yes.

Q22 Chair: Without fear of recrimination.

Sir Alan Massey: Yes.

Q23 Chair: We receive a large number of representations from people who have concerns and are afraid there would be recriminations if they expressed them.

Sir Alan Massey: We operate a whistleblowing system which is fully anonymised and in use throughout the civil service. It allows our civil servant coastguards to raise complaints or issues at any time. Similarly, volunteers have the full access of any normal citizen to raise normal citizens' concerns, either through their chain of command if they want to, or

completely outwith it. I do not think it is true to say that people are inhibited in their access to raising issues.

Q24 Chair: You are absolutely sure that nobody need fear recriminations if they express concern about something.

Sir Alan Massey: Yes, because as civil servants we all absolutely believe in the right of access for complaints.

Q25 Jim Fitzpatrick: Does the whistleblower service get much traffic? Do many people use it?

Sir Alan Massey: I get very little knowledge of it, because it is kept ring-fenced from me. I do not have regular access. It would only come to me if it was something requiring my attention. If it is something that can be dealt with at the lowest possible level, that is the best way to keep it.

Q26 Jim Fitzpatrick: In terms of monitoring how many people actually use the system without reference to the chief executive or individuals, it would demonstrate the robustness of the system.

Sir Alan Massey: Yes, it would.

Q27 Jim Fitzpatrick: If nobody is using it, it might tend to suggest that people might not have confidence in it.

Sir Alan Massey: I understand that. One of my directors keeps a database of all of that. She is responsible for the effectiveness of the whistleblowing system.

Q28 Chair: Is it something you feel you ought to know a bit more about, to know if it is working or not?

Sir Alan Massey: When the executive board meets, I get an assurance from my responsible director that the whistleblowing system is working; I do not need to know the detail.

Q29 Chair: What representations about safety were made in relation to the communications system at Fareham?

Sir Alan Massey: I received no direct issues raised up from the level of coastguard officer. Clearly it was raised to me by my technical staff. We obviously received quite a lot of social media reporting as well as newspaper reporting. Clearly we were fully aware, and there would have been nothing stopping an individual coastguard officer making a representation about that, except that it was well known; it was an issue, it was dealt with and we move on.

Q30 Chair: When did you first know there was a failure?

Sir Alan Massey: That evening.

Q31 Chair: What communication systems and what area of the coastline were affected by it?

Sir Alan Massey: The failure was a failure of analogue very high frequency radio transmissions from a number of radio sites linked to our integrated communications system. It was a software glitch, which meant that quite a large number of aerials were unable to transmit analogue very high frequency radio traffic. It did not affect digital traffic. As you are probably aware, digital selective calling VHF channels have been in use since 1999 and are mandatory on board commercial vessels. They are increasingly being used by leisure vessels and fishing vessels.

It did not interrupt our ability to receive VHF analogue or digital. We were able to transmit and receive on medium frequency. Of course, as soon as the outage happened we went straight into our normal fall-back procedures—contingency procedures—sending out coastguard rescue officers in their vehicles to the radio aerials themselves, with their high-quality VHF transmitter receivers to fill in the gaps.

Q32 Chair: Were vessels able to contact the coastguard during the outage?

Sir Alan Massey: Yes.

Q33 Chair: Is it correct that some coastguard stations knew about this and some didn't?

Sir Alan Massey: They probably would have done, because this only affected—

Q34 Chair: Not probably. Did they or didn't they?

Sir Alan Massey: There is no reason why all of them should not have known about it. I haven't actually checked, because we did a maritime safety information broadcast as soon as this happened and was realised, so that we could tell traffic out there that we had a problem.

Q35 Chair: We are told that some coastguard stations were informed and some were not. Shouldn't you know about that?

Sir Alan Massey: The ones that really needed to know were those whose aerials were affected. It was basically the left-hand side of the UK. That is because it is the left-hand side of the UK that is on the new integrated communications system. Their aerials were affected. They clearly needed to know, because if they were trying to transmit they would have known they couldn't. Other stations on the right-hand side of the UK are not yet within the same network system. They are still using their old VHF systems, which were completely unaffected, so it would only have been of marginal interest to them.

Q36 Chair: Why was a public warning issued and then retracted?

Sir Alan Massey: I was not aware of its being retracted other than to say: "The fault has now been corrected and therefore the warning is no longer in force." The warning was issued for the obvious reason that we had to make sure that potential customers were aware that part of our system was degraded.

Q37 Chair: What lessons have you learned from this event?

Sir Alan Massey: Two lessons. First, we learned about what went wrong, so that software glitch has now been patched and it is mended. The other thing that we learned is that, no

matter how good our technology, it can go wrong and contingency measures are still entirely valid, and our fall-back procedures work.

Q38 Chair: In the incident at Fareham, did the Aberdeen coastguard station communications system deploy and provide back-up?

Sir Alan Massey: It did not.

Q39 Chair: Why was that?

Sir Alan Massey: Because the ICS—the integrated communications system—was down. There was nothing that Aberdeen could have done to change that software problem.

Q40 Chair: What would you say is the acceptable recovery time—as set out in your service agreements with your suppliers—for your communication systems?

Sir Alan Massey: We have two basic suppliers. One is a supplier who provides the radio kit and the other is the supplier who connects the radio kit to us via cables and fibre links, the latter being BT. BT has a service standard of 96.5 reliability. Its latest delivery for last year was 99.6 so it exceeded its service standard, which is impressive. For the radio equipment that we have just fitted, although we have not properly trialled it because it is only two years old, the system it relieved—replaced—worked to a mean time between failures of four years, which means that for a given radio nothing would go wrong with it for four years.

Q41 Chair: Is there anything that still concerns you following the incident—things you think you should do differently?

Sir Alan Massey: It is a very timely reminder—I have alluded to this before—that resilience does not mean that your kit will never not work, because things do go wrong. What resilience is about is whether you have the back-up to ensure that overall your quality of service is not degraded. I think we proved that in February, but it is a salutary lesson that we must not let go of some of those rather old-fashioned steam-driven solutions: for example, asking coastguard volunteers to position their vehicles under a radio mast so that they can transmit on their vehicle radios if that happens again.

Q42 Chair: Would you say you are showing yourself to be capable of managing this major programme of extensive change while looking at emergency services at the same time, and not failing either? Is that being done?

Sir Alan Massey: Yes, Madam Chair. It is something that we are very focused on, because at the end of the day we provide a life and death emergency service. We are very conscious of that. We are going through an ambitious change programme, which comes with risk, but we have to manage those risks minute to minute. I am confident that we have been doing that extremely well. We are only as good as our last incident. I think everybody is very focused on what the main aim is, which is first and foremost to maintain service and, secondarily, to deliver the change programme.

Q43 Chair: When will you be moving your people management, finance and procurement functions to a shared service hub?

Sir Alan Massey: We already did that, on 1 December.

Q44 Chair: Has that produced any problems?

Sir Alan Massey: Yes. We are going through some teething problems with that.

Q45 Chair: What are they?

Sir Alan Massey: There is a variety of issues. The key ones sit in the finance function, whereby we are having some difficulty in reconciling our accounts and getting up-to-date accurate finance reports that we can use with our customers to bring their accounting into line with our own. We are having to use some manual fall-backs while software patches are being prepared to bring us back to where we should be.

Q46 Chair: How much do you expect to save each year through that change?

Sir Alan Massey: I do not have that figure right on the tip of my tongue. I will have to provide it.

Q47 Chair: Would you send us that information, please?

Sir Alan Massey: Yes, I will.

Q48 Chair: How much is this whole programme of change costing?

Sir Alan Massey: Because this is a Department for Transport programme—in fact, it is a Cabinet Office programme within which we are just a small, tiny part—I do not have that, but I can provide it.

Q49 Chair: Yes, perhaps you would provide it to us. Is the programme to transfer management of the search and rescue helicopter contract to the MCA on track?

Sir Alan Massey: Yes, ma'am.

Q50 Chair: What effect has the closure of Manston airport had?

Sir Alan Massey: The probable closure of Manston airport has meant that we have had to look for an alternative potential location in south-east England to take over from the demise of the Sea King at Wattisham.

Q51 Chair: What have you decided to do?

Sir Alan Massey: We have not come to a decision yet, because there are still question marks about the availability of Manston and other bases. We and Bristow, who is the main contractor as you are aware, have been looking at contingency arrangements. We are confident that by July this year, which is when the service has to kick in, we will have a solution.

Q52 Chair: By when?

Sir Alan Massey: July 16.

Q53 Karen Lumley: How much capacity were you using at Manston?

Sir Alan Massey: We have not actually used any yet, because we do not use Manston.

Q54 Karen Lumley: But if you were to, how much would you be able to use there?

Sir Alan Massey: We would have whatever is required to service two helicopters. That is a 24/7 operation.

Q55 Karen Lumley: How much would that cost, and generate income to Manston, if it was still open?

Sir Alan Massey: I do not think I understand the question.

Q56 Karen Lumley: You would have to pay Manston to keep helicopters there, wouldn't you?

Sir Alan Massey: I see what you mean. I do not know; that is something for Bristow to deal with.

Q57 Jim Fitzpatrick: Obviously Manston was the preferred option. We have been trying to get to the bottom of what is happening at Manston, and the situation is still very confused. You say, Sir Alan, that you will have a solution by summer. It is not a lot of time to decide to switch if the Manston situation is still mired in difficulty.

Sir Alan Massey: Yes, but Bristow as the contractor have identified solutions that they have time to work up by 1 July. Clearly that will depend on how late the decision is made on whether it is Manston or not, but they have a contingency in place.

Q58 Jim Fitzpatrick: Would those be temporary contingencies? If they have to make a decision, would they go with the alternative, and if Manston reopens would it be too late, or would they prefer to go back to Manston?

Sir Alan Massey: I think at the moment they are looking at it in phases. The priority is to get something in place by July. It will then be a question of what is available and what the benefits and disadvantages are of operating out of an alternative. That is slightly downstream. The key focus of that contract is getting themselves in place by the time Wattisham closes in July '15.

Q59 Chair: How many port safety checks has the MCA carried out in the last 12 months?

Ian Woodman: It has done eight. It has undertaken to carry out eight a year. You will recall that previously we managed about four, so now we are managing about eight.

Q60 Chair: What do they relate to? How many of them are to do with pilotage, or complaints about pilotage?

Ian Woodman: A port marine safety check would cover the whole range of safety management systems in place at a port. That of course includes pilotage arrangements, but it is only part of those pilotage arrangements.

Q61 Chair: How many were about pilotage?

Ian Woodman: There has been one complaint that the Department picked up, which is in relation to one port company, which has led to a port marine safety code inspection which

has yet to be undertaken. That will be looked into in particular because the initiating issue related to pilotage—so one.

Q62 Chair: Are you saying that on only one of those occasions was there an issue to do with pilotage?

Ian Woodman: Only one initiated by an issue to do with pilotage.

Q63 Chair: But how many issues to do with pilotage were found?

Ian Woodman: I do not know the direct answer to that, because the checks would look at the totality of the arrangements for the port. I am not aware of any specific issues or major concerns that have been expressed about pilotage in particular.

Q64 Chair: We would be interested to know how many issues to do with pilotage were identified in those inspections. Could you let us have that information?

Ian Woodman: I will, yes.

Q65 Chair: This has been a long-standing concern for the Committee and we would like to know more.

Ian Woodman: Indeed.

Q66 Chair: What discussions have you held with the UK Marine Pilots Association?

Ian Woodman: We have regular meetings with them. We meet them formally twice a year. We meet them informally much more frequently. They are an important component of the Department's experience and knowledge about pilotage, so we attempt to maintain a good relationship with them.

Q67 Chair: What are the major issues that are discussed at those meetings?

Ian Woodman: The UK MPA still have concerns about whether competent harbour authorities are in all cases taking their responsibilities seriously. There are continuing tensions in some places where changes are being made to pilotage arrangements. There have, for example, been issues around Londonderry, which I think the Committee is well aware of. There have been issues raised in relation to Barrow. There have been some issues raised in relation to Peel Ports. In each case, the way in which we tend to operate is that we will do our very best to facilitate discussions between the pilots and the people who are responsible for the provision of the pilotage service, which is the competent harbour authority.

Q68 Chair: When will the port marine safety code be updated to include advice on dispute resolution processes?

Ian Woodman: We are aiming to do that this spring. We will do a fairly substantial revision of the port marine safety code during the course of this year, but we will put in smaller amendments more frequently. The UK MPA made the very sensible suggestion that we should include details about arbitration arrangements, so we will include that as soon as we can.

Q69 Chair: What measures have you put in place to ensure that the MCA meets its statutory obligations for carrying out survey and inspection of Red Ensign Group vessels at British overseas territories and Crown dependencies?

Sir Alan Massey: As you are aware, the Secretary of State is responsible for the sound administration of those Red Ensigns and ship registers. We have a periodic audit commitment of all the flags in turn by my internal audit team, and that is on track. Where we find issues arising from audits, we then work with the Red Ensign Group nation to bring its register back up to spec where need be. We can impose sanctions, as we have done in the past, where shortcomings have shown themselves, but by co-operative working we achieve a great deal.

Q70 Chair: How much do you achieve? You do not publish the results of any of this, do you?

Sir Alan Massey: We achieve a lot. I chair a conference every year with all Red Ensign Group flags and we go through all the issues that have come up in the previous year. We share best practice and talk about how to improve productivity and general standards of administration. I do not think we publish anything.

Q71 Chair: Why don't you publish what you find?

Sir Alan Massey: Can I get back to you on that? I am not sure.

Q72 Chair: You must know, surely.

Sir Alan Massey: In my report and accounts I make a general statement about our audits and the regime that we run with the Red Ensign Group ship registers, but whether we actually publish details of the audits I am in doubt. I do not think we do.

Q73 Chair: But why not? I am asking you why you don't publish the results that you find.

Sir Alan Massey: I think possibly because they have not been asked for.

Q74 Chair: That sounds a little odd. How would that show itself? Normally there is disclosure of matters of public interest unless there is a reason not to.

Sir Alan Massey: I do not think there is any reason not to. I am genuinely not sure whether we do or not. If there is a desire for it, we can. We do not publish results of my own internal audits, but I will stop at that and get back to you.

Q75 Chair: We would like more information on that; it is of concern.

I would like to ask you some questions about devolution. The Scottish Government are likely to be given more powers over MCA operations in Scotland. What would that mean in practice?

Ian Woodman: It means that the Scottish Parliament and Scottish Ministers will have a role in setting the strategic priorities. In practice, for the Maritime and Coastguard Agency, that means that the Scottish Government will appoint an official who will sit on the MCA advisory board which I mentioned earlier. When we are discussing the future

priorities and strategic direction of the Agency, they will have an ability to influence that discussion in the advisory board.

Q76 Jim Fitzpatrick: Some of the recommendations from the Smith Commission came as a surprise to different public sector bodies and organisations. Was the additional devolution of MCA functions to Scotland expected, recommended, anticipated or supported, or was it a surprise? What impact might it have on Northern Ireland and Wales if a similar arrangement came into being?

Ian Woodman: We anticipated that there would be an interest from the Scottish side in a greater role in the strategic direction of the agency in Scotland. We had no great difficulty with that. The only question was how to make that arrangement work in practice. We believe that the proposals that have been put forward, which gives them a role through the MCA advisory board, plus the ability of the Scottish Parliament to call Sir Alan, for example, to give evidence in front of a Committee in the Scottish Parliament, are the best way to achieve that, and perfectly practical. We think that will work. There have been no proposals for a similar role in relation to Wales and Northern Ireland. Of course, the issues in those areas are relatively smaller so it has perhaps been less of an issue. At the moment, this is in relation to Scotland only.

Q77 Chair: Do you expect to be directly involved in negotiations about devolution relating to Wales or the English regions?

Ian Woodman: We have been engaged in the discussions which emerged from the Silk Commission. The Government have now put forward their proposals for that. Yes, my team were engaged in the discussions in relation to the devolution of further maritime powers to Wales.

Q78 Chair: Do you feel that you have sufficient resources to be able to handle that?

Ian Woodman: We do, yes.

Q79 Chair: Do you think we could have a situation where there were different response times in, say, Scotland, Wales and the English regions?

Ian Woodman: In relation to the Maritime and Coastguard Agency's search and rescue? No, I do not believe that would ever be the case. We would make quite sure, and I am sure our colleagues on the Scottish side would make quite sure, that the standards were kept uniform and continuity was maintained at all times.

Q80 Chair: Would you be able to do that? Who would decide that?

Ian Woodman: The service will still be provided by the MCA. The MCA will have the ability to make sure that resources are provided to deliver that level of service. There will be discussion about how those resources are best provided and best used, but we would maintain common standards. Unless there was some really good operational reason why it should be different—I cannot imagine why that would be the case—we would expect there to be common standards.

Q81 Chair: That would be a red line, as far as you are concerned.

Ian Woodman: It would be very difficult to imagine a situation in which we would want to provide a differing level of standards in relation to search and rescue. We have international obligations. We do this on an international basis. We operate with other countries. It would be very odd if we were doing something differently.

Q82 Chair: Let me turn to emergency towing vessels—another issue the Committee was concerned about. What evaluation has been done of the arrangements for emergency towing vessels?

Sir Alan Massey: As you recall, we originally had four emergency towing vessels stationed around the UK, up until 2011. Since then we withdrew them but reinstated one in waters around Scotland. I can give you some data if that is helpful by way of evaluation. Since the end of September 2011, in waters around all of the UK apart from Scotland, there have been a total of 47 occasions on which towage has been required in extremis. Those requirements have been satisfied in every case, either by commercial tugs, French tugs, harbour tugs, pier-to-pier towing or by the Royal National Lifeboat Institution. There has been no requirement for any sort of Government intervention on those.

In terms of the tug that was put in waters around Scotland with effect from June '12, there has been a total of 19 occasions during which the ETV—emergency towing vessel—was deployed. On all but two of those occasions it just stood by. May I correct that? It has been deployed on nine occasions. On all the other occasions it has been other assets like commercial tugs, lifeboat vessels or fishing vessels that have done the towage.

Q83 Chair: On nine occasions it has been used.

Sir Alan Massey: Yes, but only on two occasions has the Scottish ETV actually been required to give a tow.

Q84 Chair: You have given us a figure of £3 million for that. What was that figure for?

Sir Alan Massey: The £3 million is the approximate charter cost for the vessel during its time on station, adding to that the fuel costs.

Q85 Chair: Have the devolution proposals changed plans for the emergency towing vessel in Scottish waters?

Sir Alan Massey: No, Madam Chair.

Q86 Chair: Let us turn to the training of seafarers, which is another issue of concern. How successful have the Government's policies been in improving the training of seafarers and the availability of seafarers?

Ian Woodman: They are being successful. We have now spent the highest amount that we have ever spent on support for a maritime training scheme. We have some 1,970 cadets under training at the moment. We had 719 new recruits through the door into the SMarT scheme, so the SMarT scheme is still doing well. We have for the first time over many years just seen a small increase in the number of seafarers active at sea; it went up by just under 1%. That sounds very modest but it reverses a trend that has been downhill for a very long time, so we are hoping that will be a sign that we have begun to turn the corner and will do better in maintaining seafarers at sea for the future.

We have given a tremendous push to the whole seafarers training regime. We held a maritime skills week during November trying to get maximum publicity across the piece for what goes on in maritime training. We have agreed to pilot a scheme under the SMarT arrangement, whereby we will look at training ratings as well as training officers. We hope that will be successful and help to attract more ratings into the business.

I think we have made progress. We are very conscious that this remains a tremendous challenge. It is incredibly important to the United Kingdom's ability to retain its status as a world maritime centre that we do indeed have the skills that we need. We remain concerned that we could fall behind, so I am sure this will be a fundamental push in the maritime growth study which we are conducting at the moment. I am sure we will be looking further at policy prescriptions in this area.

Q87 Chair: The Government agreed to have an analysis of the economic value of the SMarT funding.

Ian Woodman: Indeed.

Q88 Chair: How is that proceeding?

Ian Woodman: We are going to do that as part of the growth study that is under way at the moment. You will recall that we last did one in 2011. We will be updating that. The value that we get out of the SMarT scheme is an important consideration in putting evidence to Ministers in a new Government. Our ability to retain and sustain the skills that we need for the future is obviously very important, so it will clearly be one of the bits of evidence we build up as part of the growth study.

Q89 Chair: You work closely with the IMO and the ILO. Are there any particular issues of concern with either of those organisations?

Ian Woodman: We work very closely in both organisations. We like to think that we punch above our weight in the IMO, that we are a significant player and have major influence. The IMO has a pretty good track record, and we have had a good track record in getting issues through in the IMO. The main focus of attention in the IMO remains greenhouse gas emissions. That is a very difficult issue for the IMO because, on the one hand, under the UNFCCC organisation you have common but differentiated responsibilities, and under the IMO it is equal rules for all. That has made it quite challenging, but we are continuing to make progress in the IMO. We got the energy efficiency design index for new ships through. We are working on further technical and operational measures for existing ships. We are working on a monitoring and verification scheme on greenhouse emissions from ships, which will help to inform any eventual move towards market-based measures. I think we are making quite good progress in the IMO on some of these quite tricky issues.

Within the ILO the Department has a smaller role to play. We are obviously not in the lead in the ILO. Of course, the ILO had a major success with the maritime labour convention, which is now in force internationally. We are inspecting ships calling at the UK to make sure that they meet the standards under the maritime labour convention. At the moment, we are continuing to grapple with the key issue of seafarers' identification documents, which is a long-standing issue where not enough progress is being made. I am pleased to

say that we might be moving that towards a resolution and an eventual successful outcome. In both forums, I believe we are doing quite well in achieving what we would like to achieve.

Q90 Chair: What about enforcing standards in relation to, say, harassment and discrimination on ships going through British waters but which do not carry the UK flag?

Ian Woodman: As you will be aware, Madam Chair, there are very clear rules internationally as to where UK legislation can be applied and where it cannot; for example, the Equality Act would not normally apply to a foreign-flagged vessel that was purely transiting through the UK and effectively was on its right of international passage. There are complex rules which apply in the case of individual seafarers with a sufficient connection with the UK who therefore might have a right to use UK Equality rules and legislation to help them in any complaint that they have had. I am not aware that we have had any cases that have been brought forward under that legislation but there is an ability for a seafarer to complain if they satisfy the tests of connection with the UK which are set out in legislation.

Q91 Chair: Is that known about?

Ian Woodman: It is known about, yes.

Q92 Chair: You mentioned the maritime growth study. Can you or Sir Alan tell us anything about what you would like that to achieve? What are the main things you are looking for in that?

Ian Woodman: Certainly. The fundamental premise behind the growth study is that although the UK, and London in particular, is indeed a major world maritime centre—for example, we still do most of the insurance and legal business—it is clearly under threat. We have emerging centres in places like Singapore, Shanghai and Hong Kong in particular, to name just a few. There is evidence that our position is beginning to deteriorate under the threat of that competition. We have sadly begun to see a decline in the size of the UK flag, which you will remember has built up very strongly over the last few years but is now beginning to decline again. That is very largely because others have caught up with many of the things that we do, so, if anything, we have to improve our game. We are looking for this study to come up with a range of prescriptions for things for both Government and industry to do together to make sure that we can better promote ourselves abroad, be more attractive for international shipping companies who wish to use services and come to the UK, and generally retain our position internationally as the world's leading maritime centre.

Q93 Chair: Sir Alan, is there anything you want to add to that?

Sir Alan Massey: Merely that we are very closely aligned with the growth study that is happening in the DFT centre. We are focusing very much on the ship register—what is encouraging ships to take flight and go elsewhere and what we can do to stem the flow and make ourselves more commercially attractive as a ship register. It is very closely aligned, as I say, with the growth study as a whole.

Q94 Jim Fitzpatrick: Is there buy-in from across the industry? Obviously, the UK Chamber, Nautilus, the RMT and others have different priorities, but is there buy-in to the whole initiative right across the industry?

Ian Woodman: Absolutely. There is very strong buy-in. We launched a call for evidence in January. The call for evidence closed last Friday. We had over 200 responses from various groups. We have not yet had a chance to digest all of them, but that seems to me to be a pretty good response rate and shows the level of interest from industry, trade unions and others in this whole process.

Chair: Thank you very much both of you.