

**HER MAJESTY'S GOVERNMENT  
AND THE  
MARINE MANAGEMENT  
ORGANISATION**

**FRAMEWORK DOCUMENT 2012**

(amended July 2013)



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# 1 Introduction

This document sets out the overarching framework for the sponsorship, governance and accountability arrangements between the Marine Management Organisation (MMO) and Government. It was drawn up by the Department for Environment, Food and Rural Affairs (Defra) and the MMO in collaboration with the other sponsoring Government departments. They are the Department of Energy and Climate Change (DECC); Department for Transport (DfT) and the Department for Communities and Local Government (DCLG). The Ministry of Defence (MoD) withdrew from MMO sponsorship in May 2013. Consequently, minor amendments of this document were made to reflect the relationship between MMO and four Government departments, instead of five.

This document sets out the arrangements which enable Defra and the other sponsoring departments to monitor the MMO's performance and delivery. It describes the controls that exist to safeguard propriety and regularity, and clarifies the roles and accountabilities of the sponsoring departments and the MMO.

In drawing up the framework, reference has been made throughout the document to current best practice including *Managing Public Money* and other HM Treasury and Cabinet Office guidance documents. All parties will seek to adhere to guidance and best practice as it changes over time without continually amending this document.

This document was approved by the Secretary of State for Environment, Food and Rural Affairs, on 21 May 2012. It replaced the Framework Document agreed in March 2010. The minor amendments made to reflect withdrawal by the Ministry of Defence were agreed by the Chair of the Cross-Government Sponsorship Group and the Chair of the MMO at the end of July 2013.

Copies of the document and any subsequent amendments have been published by Defra, placed in the Libraries of both Houses of Parliament and made available to members of the public on the MMO website ([www.marinemanagement.org.uk](http://www.marinemanagement.org.uk)).

## 2 Status and legal framework

### Status

The Marine and Coastal Access (MCA) Act 2009 established the MMO as a statutory public body to manage the marine area with the objective of contributing towards the achievement of sustainable development. It brings a number of marine management activities from across Government together in a single entity.

The MMO is an Executive Non-Departmental Public Body (NDPB): a body that is neither a Government department nor part of one, but carries out its functions with technical expertise, impartiality and transparency, and at arm's length from Ministers. As with other executive NDPBs, the MMO is led and directed by an independent Board but Ministers remain accountable to Parliament for the overall performance of the MMO. As an arm's length body, the MMO is expected to work closely with Defra, joint sponsors and other bodies within the delivery network, thereby helping to ensure that its regulatory and advisory functions are carried out as efficiently as possible, and that it supports and contributes to the Government's aims and priorities as effectively as possible.

The MMO will help to deliver the Government's structural reform priorities. It will develop strategic outcomes and objectives as part of its normal business cycle, which will be publicly available in its [corporate plan](#). Annex 1 includes links to the joint sponsors' structural plans.

The MMO draws on its own knowledge and expertise and that of others to enable and maintain a coherent and co-ordinated approach to strategic delivery for the marine area, in conjunction with other delivery bodies and organisations. As the Government's principal regulator, as well as its delivery body, for English territorial waters and UK offshore marine areas (for those matters that are not devolved or which are excluded under the MCA Act), the MMO delivers functions on behalf of a number of Government departments. It also takes forward the policy interests of a wide range of Government departments and planning authorities through its role in developing marine plans.

Where the UK is required to have a single competent authority for matters within the MMO's remit, the MMO may be designated in that role, together with other commitments that reasonably relate to the organisation's legal and institutional span of obligations.



## Legal framework

The MCA Act provides for the establishment of the MMO but it does not set out all of the MMO's functions. There are five mechanisms for the transfer of functions to the MMO:

- Direct transfer under the MCA Act of new functions or of existing functions (by amendments to other statutes);
- Delegation of marine planning functions under Part 3 of the MCA Act by a Secretary of State "direction" under section 55 ("a Part 3 direction");
- Delegation of marine licensing functions under Part 4 of the MCA Act by order under section 98;
- Delegation of other marine functions by agreement between the Secretary of State and the MMO under section 14 of the MCA Act ("a section 14 agreement"); and
- Amendment of existing statutory instruments (or introduction of new statutory instruments) to transfer functions to the MMO.

A high-level list of current legislation of relevance to the MMO can be found at Annex 2. This annex may be updated to take account of legislative changes without amending the body of this document. The latest versions of all legislation may be found on the website [legislation.gov.uk](https://www.legislation.gov.uk)

### *Delegating functions*

To enable the MMO to make arrangements for the most effective discharge of its functions, the MMO is able (under section 15 of the MCA Act) to make agreements with other bodies to carry out functions on the MMO's behalf.

Any such agreements must be approved by the Secretary of State and must be reviewed every five years. The Secretary of State, after review, may cancel an agreement. There are exceptions to what can be included in an agreement and delegated to another body: for example, the MMO cannot delegate its planning and licensing functions.

### *Taking on additional functions*

The MMO may be asked to take on additional functions. Bilateral discussions between the parties will scope the proposed functions and resources required, with proposals going through the sponsorship governance mechanisms. The final decision on whether the MMO should take on any additional functions will be taken

by agreement between the Secretary of State (on advice from the Sponsorship Group) and the MMO Board.

The Government of Wales Act 2006 and the Northern Ireland Act 1998 allow those Devolved Administrations to request the MMO deliver certain functions on their behalf subject to agreed resource transfer.

## **Governance Framework**

The overall framework that guides and defines the MMO is provided through a series of sources, summarised as follows:

- **Primary legislation** – establishes the MMO and describes the broad mechanisms of control that are in place, including powers for the Secretary of State to guide and direct the MMO;
- **Statutory Guidance** – under section 38 of the MCA Act, the Secretary of State may give guidance to the MMO on the exercise of the MMO's functions. The MMO must have regard to any guidance given to it by the Secretary of State under the MCA Act.

Statutory guidance as to the manner in which the MMO is to seek to secure that a contribution to the achievement of sustainable development is made has been issued by the Secretary of State under section 2(4) of the MCA Act.

- **Statutory Direction** – under section 37 of the MCA Act the Secretary of State has a power to give the MMO general or specific directions as to the exercise of its functions, or appropriate to the implementation of EU and international treaties. Except in an emergency, the MMO will be consulted on such directions. All directions must be published as soon as practicable.
- **Marine Policy Statement (MPS)** – The MPS provide a framework of policies for contributing to the sustainable development of the UK marine area. Marine Plans developed by the MMO must be in conformity with an adopted MPS unless relevant considerations indicate otherwise. The MMO must also take authorisation and enforcement decisions that affect or may affect the UK marine area in accordance with the MPS unless relevant considerations otherwise.
- **National Policy Statements** – provide a clear statement of how Government policy should be applied in considering applications for development consent for nationally significant infrastructure projects (i.e. water and port developments above prescribed thresholds) and should be a relevant

consideration for the MMO as decision maker for other projects (i.e. below-threshold port developments);

- **Framework Document** (i.e. this document) - sets out management, operational, financial and accountability arrangements. A Framework Document aims to ensure that an NDPB operates with the right level of efficiency, flexibility and delegation, in order to be fully accountable to Parliament;
- **Corporate Plan** – sets out how the MMO will deliver its strategic outcomes and objectives through the period covering at least three years ahead. The corporate plan will be rolled forward and reviewed each year to provide an annual Corporate Plan, articulating what the organisation expects to achieve reflecting its statutory duties and priorities. The plan should be linked to budgeting information so that resources allocated to achieve specific objectives can be readily identified and cost effectiveness assessed. The plan will be developed in liaison with Defra and joint sponsors and submitted for the Secretary of State’s approval, to a timetable agreed with the sponsorship team. It provides a basis for setting targets and performance measures, allocating and managing resources, periodic review (including preparation of Annual Reports and Accounts) and budgeting;
- **Memoranda of Understanding, Service Level Agreements and contracts** – provide details of what is being delivered, roles and responsibilities and performance indicators in its business relationships with strategic partners, other delivery bodies or service providers.

### 3 Strategic context and direction

#### Context

The MMO carries out the marine planning function on behalf of the UK Government (for waters around England) and is the Government's principal regulator in English territorial waters and the UK offshore area for matters that are not devolved or excluded under the MCA Act. It delivers functions on behalf of several Government departments. The MMO leads on coastal and marine conservation issues and is the body charged with issuing licences for key developments impacting the marine area, including energy installations, infrastructure projects and dredging activities. It plays a key role in the regulation and enforcement of fisheries in England (in conjunction with the Inshore Fisheries and Conservation Authorities) and is responsible for co-ordinating the reaction to marine emergencies e.g. oil and chemical spillages.

In addition to working with the Devolved Administrations, the MMO works with other partners including regulatory, delivery, enforcement and scientific organisations, including sharing data, knowledge and evidence.

A list of the MMO's functions can be found at Annex 3.

#### General Objective

Section 2 of the MCA Act sets out the MMO's general objective of '*making a contribution to the achievement of sustainable development*' which it should do by taking account of all relevant facts and matters and in a consistent and co-ordinated manner.

The High Level Marine Objectives set out in the UK [Marine Policy Statement](#) underpin the MMO's strategic outcomes and strategic objectives, as described in its Corporate Plan. The MMO should deliver these within its resources, in collaboration with other delivery partners, local communities and civil society where appropriate. The MMO must seek to deliver integrated solutions that respect all five principles of sustainable development as embodied in the High Level Marine Objectives and thereby, wherever possible, integrate social, economic and environmental considerations and draw on other evidence or supplementary guidance where appropriate. Whilst recognising that some decisions, whilst underpinned by all five principles, might place more emphasis on certain principles than others, any trade-offs should be made in an explicit and transparent way so that over time the MMO's decision-making can be seen to make a real contribution to the achievement of sustainable development in the marine area and in the wider context.

The MMO's action plan, as set out in its corporate plan, when viewed as a whole will represent the contribution that the MMO is to make to the achievement of sustainable development.

### **Regulatory principles**

As a Government Regulator the MMO must have regard to the five principles of good regulation: i.e. regulatory activities should be transparent, accountable, proportionate, consistent and targeted, as set out in section 21 of the Legislative and Regulatory Reform Act (LRRRA) 2006. The MMO must operate in accordance with [Regulators Compliance Code](#).

### **Consultation and Decision-making**

The MMO will have in place stakeholder engagement mechanisms to support the discharge of its responsibilities. These processes will be consistent with the guidance given by the Cabinet Office Code of Practice on Written Consultation. A full/partial impact assessment will be included as part of any consultations where proposals may create burdens for business.

The MMO should, in order to minimise the risk of judicial review, ensure that there is adequate separation between the parts of the organisation making recommendations and those making decisions.

## **4 Relationship with the Secretary of State, Ministers and sponsoring departments**

### **Secretary of State**

The Secretary of State for Environment, Food and Rural Affairs has overall responsibility for the MMO and is accountable to Parliament for all matters concerning the MMO.

Government funding for the MMO is authorised and controlled by Parliament and is subject to departmental planning in the spending review process. The MMO's funds come partly through grant-in-aid (which comes from Defra) and partly through cost recovery mechanisms such as fees and charges for services. There may be other income streams in the future such as consultancy. The Public Accounts Committee (PAC) and the National Audit Office (NAO) look to Defra for ensuring accountability. The MMO must act in accordance with any central Government controls on spending.

Parliamentary Questions (PQs) are answered by Defra, in consultation with the MMO where appropriate, or by the Chair of the MMO acting on behalf of the Secretary of State and in consultation with Defra as appropriate.

The Secretary of State represents Government in the execution of duties towards the MMO. The Secretary of State's responsibilities include:

- through the corporate planning process, agreeing the overall priorities and objectives for the MMO each year;
- keeping the MMO's performance under regular review;
- keeping Parliament informed about the MMO's performance, and answering Parliamentary Questions (PQs) after consultation with the MMO where appropriate;
- approving the amount of grant-in-aid to be paid to the MMO, and securing Parliamentary approval;
- approving a person to be appointed the Chief Executive and Chief Scientific Adviser, and approving their terms and conditions of employment;
- carrying out an annual review of the Chair's performance against agreed personal objectives.
- carrying out the other functions specified in the MCA Act, including appointments to the Board, approving the terms and conditions of Board members, and laying of the annual report and accounts before Parliament; and

- where necessary, acting to develop a collective Government approach on issues of relevance to the MMO.

The Secretary of State may empower a Defra Minister to act on their behalf on matters related to the MMO.

## **Ministers**

Those departments with the closest interest in the MMO's activities are represented on the Cross-Government Sponsorship Group (see below); this does not exclude other departments from contributing their views. Ministers are responsible for representing their departmental interests through the usual course of day-to-day Government business. Ministers will have access to the Chair and Chief Executive of the MMO in so far as this is required to carry out their departmental responsibilities, informing other departments of any impacts these may have on the MMO's ability to deliver strategic objectives. Ministers will be informed about matters relating to the sponsorship of the MMO through the departmental representatives on the Cross-Government Sponsorship Group.

## **Cross-Government Sponsorship Group/Senior Sponsor**

A cross-Government Sponsorship Group comprising senior officials from DECC, Defra, DfT and DCLG advises both the Secretary of State and the Chair of the MMO on strategic guidance, the MMO's outcomes in light of the Government's wider strategic aims, departmental priorities and Business Plans. It monitors MMO performance and is chaired, impartially, by Defra's Marine Director, who also acts as Senior Sponsor on behalf of all the sponsoring departments. The Sponsorship Group assists the Secretary of State and other sponsoring Ministers in the discharge of their duties, supporting and advising as necessary and ensuring collective ownership and responsibility across Government. The Terms of Reference for the Group, a description of sponsorship arrangements and a chart showing relationships between different bodies is attached at Annex 4.

If the Sponsorship Group cannot, or is unable to reach agreement at official level, outstanding issues will be escalated to Ministers.

The Senior Sponsor also has a role in the relationship between the non-executive Chair of the MMO and the Secretary of State, dealing with day-to-day issues and enquiries and escalating to the Secretary of State as appropriate.

The secretariat for the Sponsorship Group is provided by the Marine Sponsorship Team based in Defra. The Team may include secondees from other Departments, as appropriate.

## **Marine Sponsorship Team**

The Marine Sponsorship Team is based in Defra. It acts as agent for and is the main source of advice to Ministers, the Permanent Secretary as the Principal Accounting Officer (PAO), and senior officials, on the discharge of their responsibilities in respect of the sponsorship of the MMO.

The Marine Sponsorship Team acts as the primary point of contact for the MMO in dealing with its sponsoring departments for issues relating to sponsorship, corporate governance and performance. Day to day policy and operational issues are handled through bilateral engagement between policy leads, business teams and MMO staff. Details about the Marine Sponsorship Team's role are included at Annex 5.

The Senior Sponsor, on behalf of the Sponsorship Group, may be used as an escalation route should the Marine Sponsorship Team be unable to resolve issues at an operational level.

The Marine Sponsorship Team will act on behalf of the Secretary of State to instigate reviews of the MMO every 3 years or as appropriate in accordance with [Cabinet Office guidance](#), taking account of the business needs of the sponsoring departments and of the MMO.

## **Defra Principal Accounting Officer's (PAO) responsibilities**

The Permanent Secretary of Defra, as the PAO, is the principal adviser to the Secretary of State on matters affecting Defra as a whole, including expenditure allocation and finance, and is responsible for ensuring a high standard of financial management. As PAO, the Permanent Secretary has designated the MMO Chief Executive as the MMO's Accounting Officer (AO), and must be satisfied that:

- the financial and other management controls applied by the Department to the MMO are appropriate and sufficient to safeguard public funds and for ensuring that MMO's compliance with those controls is effectively monitored ("public funds" include not only any funds granted to the MMO by Parliament but also any other funds generated by approved activities of the MMO);
- any grant-in-aid to the MMO is within the ambit and the amount of the Request for Resources and that Parliamentary authority has been sought and given; and
- the MMO has adequate risk management, financial monitoring systems and procedures in place to promote the efficient and economical conduct of its business, safeguard financial propriety and regularity, safeguard its reputation, and ensure business continuity.



The PAO may withdraw the AO designation if they believe that the incumbent is no longer suitable for the role.

The PAO is accountable to Parliament for the issue of any grant-in-aid to the MMO. Further information on the role of accounting officers is set out in Chapter 3 of [Managing Public Money](#).

### **Defra's Finance Director and finance team**

The Defra Finance Director provides financial leadership, both within the Department and to its arm's length bodies. The main responsibilities and duties of finance directors are set out in [Annex 4.1](#) of '*Managing Public Money*'. These duties include ensuring that the financial aspects of the Defra Principal Accounting Officer's responsibilities are carried through to the organisation and its arm's length bodies in depth.

The Defra finance team will support the sponsor team in its role, and act as a central point of contact for both MMO and the sponsor team on all specific financial matters. Where necessary the MMO finance director will have access to the core department finance director.

### **Defra's Chief Scientific Adviser and the Strategic Evidence and Analysis team**

The MMO's Chief Scientific Adviser provides independent, objective advice and challenge to the MMO Chair and Board about the quality, objectivity and coherence of evidence and scientific analysis on which the MMO bases its strategy and decisions.

The Defra Chief Scientific Adviser (CSA):

- is responsible for independent challenge to the scope, content and quality of Defra's evidence activities, including its investment plans for evidence, its programmes and its specialist resources; this includes independently assessing the MMO's evidence activities as appropriate;
- acts as formal Head of Profession for Science, Engineering and Technology specialists, working with the heads of the expert professions in the whole Defra network, to assure the quality and integrity of evidence specialists;
- plays a key role in explaining and championing the evidence underpinning Defra policies to the public and the evidence community and helps the Department engage with the public in a two way dialogue on evidence issues.

The CSA will meet the MMO's Chief Scientific Adviser annually to discuss evidence assurance issues.

Defra's Strategic Evidence and Analysis team will work with the MMO to agree and implement cost effective mechanisms that allow the Defra Chief Scientific Adviser independently to assess and challenge the relevance and quality of the MMO's strategic evidence plan.

### **Defra's HR Director and HR team**

Defra's HR Director and HR team will support and liaise with the sponsor team and the MMO on the following matters:

- Resourcing and workforce planning (including public appointments)
- Public sector pay and pensions policy
- Redeployment and redundancy planning
- Other HR services as appropriate.

### **Policy teams**

Responsibility for marine policy rests with Defra Ministers. However, the MMO has an important contributory role to play in the development of Government policies including other departments' structural reform policies.

Policy teams will engage directly with the MMO in relation to their specific policy areas, and it is important that close bilateral relations are maintained and developed to ensure clarity and a shared understanding of how the MMO can most effectively support Government's priorities.

The Marine Sponsorship Team will not generally be involved in day-to-day policy-specific discussions, but should be involved where there are wider implications/risks for Government or the MMO, or where problems or opportunities are identified.

### **The non-executive Chair of the MMO**

The Chair is responsible to the Secretary of State. The Chair shall ensure that the MMO's policies and actions support and contribute to Defra's Business Plan priorities and the Government's wider strategic policies; and that its affairs are conducted with probity and efficiency in line with the Principles of Good Corporate Governance in Executive NDPBs (Annex B in the [Cabinet Office's Guidance on Reviews of NDPBs](#)).

In addition, the Chair has the following leadership responsibilities:

- formulating the Board's strategy;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Secretary of State or Government;

- encouraging high standards of propriety;
- promoting the efficient and effective use of staff and other resources; and
- promoting and maintaining effective customer, stakeholder and partner relationships at the strategic level to support the achievement of the MMO's aims, working in conjunction with the Chief Executive to represent the MMO internally and externally, and representing the views of the Board to the general public.

The Chair shall also:

- ensure that the Board has a [Code of Conduct](#) in place setting out the standards of personal and professional behaviour expected of all Board Members, based on the [Code of Conduct for Board Members of Public Bodies](#) published by the Cabinet Office and including a requirement for a comprehensive and publicly available register of Board Members' interests.
- ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training, including on the financial management and reporting requirements of public sector bodies (and on any differences which may exist between private and public sector practice);
- advise the Secretary of State when Board vacancies arise, with a view to ensuring a proper balance of professional and financial expertise;
- regularly assess the performance of individual Board members and make those assessments available to the Secretary of State when they are being considered for re-appointment to the Board; and
- Ensure that appropriate arrangements are put in place to record and manage conflicts and potential conflicts of interest of Board members.

Communications between the Board and the Secretary of State will normally be through the Chair. The Chair will ensure that the other Board members are kept informed of such communications.

The Secretary of State may appoint a Deputy Chair from amongst the Members of the Board, whose role will be to support the Chair in carrying out their duties. Such an appointment will be made according to Nolan principles.

### **The non-executive MMO Board**

The Board of the MMO has collective responsibility for the overall performance and success of the MMO, for ensuring it carries out its statutory duties and delivers its priorities as agreed with the Secretary of State. The Board is also responsible for holding the Chief Executive to account, ensuring that the MMO is properly and effectively managed, and provides stewardship for the public funds entrusted to it. More specifically, and in pursuit of its wider corporate responsibilities, the Board is responsible for:

- ensuring that the Secretary of State, via the Senior Sponsor, is kept informed of any changes which are likely to impact on the strategic direction of the MMO or on the attainability of its targets, and determining the steps needed to deal with such changes;
- demonstrating high standards of corporate governance at all times, operating within the limits of its statutory authority and any delegated authority agreed with the sponsor departments, and in accordance with any other conditions relating to the use of public funds (including taking into account guidance issued by the sponsor departments);
- ensuring effective arrangements are in place to provide assurance on operational and strategic risk management, governance and internal control, such as setting up an Audit Committee to provide independent advice; and
- appointing, with the Secretary of State's approval, a Chief Executive. The Board, in consultation with the Sponsorship Group, sets performance objectives for the Chief Executive which give due weight to the proper management, use and utilisation of public resources.

### **Individual Board members**

As well as fulfilling their collective role described above, individual Board members shall:

- act in the public interest and uphold at all times the seven principles of public life: selflessness; integrity; objectivity; accountability; openness; honesty and leadership.
- comply at all times with the Code of Practice adopted by the MMO (see above) and within Treasury and Cabinet Office rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain nor for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Board's rules on the acceptance of gifts, hospitality and of business appointments;
- act in good faith and in the best interests of the MMO; and
- alert the Chair to any conflicts or potential conflicts of interest.

### **The Chief Executive of the MMO**

The Chief Executive is responsible for the day-to-day operation and management of the MMO, in accordance with this Framework Document, the MMO Corporate Plan, the MMO Staff Code of Conduct and any central guidance for Chief Executive Officers of Non-Departmental Public Bodies.

As the Accounting Officer for the MMO, the Chief Executive is personally responsible for safeguarding the public funds for which they have charge and for ensuring propriety and regularity and value for money in the handling of those public funds through robust management disciplines (including performance management arrangements and controls). The responsibilities of the Accounting Officer for Non-Departmental Public Bodies and other arm's length bodies are set out in Chapter 3 of [Managing Public Money](#). The Chief Executive's other key responsibilities are to:

- develop plans for Board approval on how the organisation will meet its strategic aims and objectives, consistent with the Marine and Coastal Access Act 2009;
- deliver a business planning process and organisational structure that underpins the achievement of the MMO's purpose and strategy, evaluating and reporting to the Board on the overall performance of the organisation;
- recruit, lead, manage and motivate the senior management team and staff including the development of an organisational culture that promotes high performance and commitment;
- promote and maintain effective stakeholder and partner engagement and collaboration at strategic, developmental and operational levels to support the achievement of the MMO's aims, working in conjunction with the MMO Chair to represent the organisation internally and externally;
- assess the strategic and operational implications of proposed new business areas; and
- advise the Board on the operational implications of Government policy and legislative developments in both the UK and the EU.

For the purposes of Whole of Government Accounts, the Chief Executive as Consolidation Officer, shall be personally responsible for ensuring the timely and efficient preparation of accurate consolidation information that sets out the financial results and position of the MMO, for arranging for its audit and for sending the information and the audit report to the Principal Consolidation Officer nominated by the Treasury.

#### *Delegation of duties*

The Chief Executive may delegate the day-to-day administration of their Accounting Officer and Consolidation Officer responsibilities to other employees in the MMO through written delegations. However, he/she shall not assign absolutely to any other person any of the responsibilities set out in this document.

## **5 Relationships with Government Departments and other bodies**

The MMO has a range of relationships with Government Departments, the Devolved Administrations, other Non-Departmental Public Bodies, Government Agencies, local authorities and bodies. The MMO, within its remit and resources, will actively seek opportunities to deliver more and/or better services to its customers (including Government) and respond flexibly to changes in Government priorities. This will include embedding joint-working particularly with the Defra network.

Many of the above relationships are defined through a series of Service Level Agreements (SLAs), Memoranda of Understanding (MoU), contracts or other agreements between the MMO and the Departments or bodies concerned. These agreements also set out the collaborative approach to the policy development and delivery partnership to provide value for money and avoid duplication of effort, and will evolve to take account of any developments affecting the marine delivery landscape. Such agreements play an important role in adding detail and transparency to the MMO's relationship with Defra and other bodies. However, they should be used sparingly to avoid adding extra levels of complexity. A list of all current MoUs and SLAs will be published on the MMO website unless by exception.

The MMO has wide-ranging functions, and many people have a direct or indirect interest in its work, at the local, regional and national levels. The MMO should operate in an open and transparent way and should develop its approach to consultation and to customer liaison in accordance with relevant published standards of service. It should have in mind its main business needs and its organisational priorities, in order to achieve effective liaison and value for money.

The MMO is responsible for managing day to day engagement on operational matters with the Crown Dependencies and other Member States (where they have responsibility for regulation in adjacent sea areas to the MMO), to ensure an effective and joined up approach to marine management on or near the border. In doing so, the MMO must consider the wider interests of the UK. In managing its relationships with the Devolved Administrations, the Crown Dependencies and other Member States, the MMO should also be aware of the political context and, where policy input is required, immediately escalate the case to the appropriate sponsoring department, copied to the Marine Sponsorship Team (e.g. when agreement cannot be reached on a particular course of action or - in the case of matters involving the Devolved Administrations - when a UK line cannot be agreed). This is an area of developing expertise within the MMO, and one where Government may be called on to provide essential advice and information.

Similarly, the MMO has responsibility for managing day to day engagement with overseas territories (where UK registered/licensed vessels may operate). In such cases, the MMO needs to be aware of the political context and immediately escalate to the appropriate sponsoring department should policy input be required. In relation to activities which do not relate to the UK marine area, the MMO provides assistance and information required by the Secretary of State under s25/s28 of the MCA Act.

### **Relationship with Defra and Her Majesty's Government (HMG)**

The relationship with Defra, as principal sponsor, covers three main areas:

- sponsorship on behalf of Government;
- delivering the Government's marine policy as part of Defra's Business Plan;
- providing operational support in infrastructure.

The MMO will also deliver marine policy aspects of other sponsors' structural reform plans through their individual business plans (see Annex 1).

All shared support structure services, for example IT providers and contracts should be agreed in liaison with Defra.

The MMO will engage in any central initiatives or reviews in a constructive and collaborative manner. Defra will ensure the MMO is kept informed about such reviews and any implications on the future of the MMO or the functions it carries out.

### **Data, knowledge and evidence**

The MMO will use its information and data to ensure it meets its statutory obligations. It will store and use information and data appropriately. It will respect the standing of other similar authorities, utilising their expertise where and when appropriate. It will contribute to the development of cross departmental marine monitoring and science programmes and participate in their delivery.

The MMO will help determine and populate the marine evidence base to be shared across Government and, where applicable, commerce and the general public. As an intelligent customer, MMO will follow guidance in ['The Government Chief Scientific Adviser's Guidelines on the Use of Scientific and Engineering Advice in Policy Making'](#) in line with best practice.

The MMO will work with its sponsoring departments, their agencies and others within Government to identify the data and knowledge pertinent to

MMO functions and the Responsible Authorities best placed to deliver them. The MMO will help these authorities share relevant information in a manner that is conducive to the aims of the UK Location Programme<sup>1</sup> and other Government and community data initiatives.

The MMO will do this for the data and knowledge for which it is considered the Responsible Authority. Such data and knowledge, and the manner in which these will be shared, may be identified in MoUs if necessary between the MMO and the authority in question. The MMO will adopt best practice data and information management principles and will promote and comply with all relevant legislation and participate in relevant Government and community data initiatives.

#### *Use of information for policy development*

Government and the MMO have access to a large amount of data, information and intelligence. To ensure an effective policy and delivery relationship and to enable effective policies to be developed, reviewed and implemented, this information needs to be used and shared intelligently (i.e. not just through the provision of information when asked or through statutory returns). Effective relationships must be developed between the parties so that hard and soft information is passed on appropriately whilst respecting data protection/ownership issues.

Such use of information includes supporting UK Government in the formulation of policy. The MMO will be pro-active and intelligent in its use of information, immediately flagging up to Defra policy issues (such as, for example impending breach of UK quota or effort limits).

#### *Policy/ Delivery Relationship*

Policy development is in practice a close partnership: the sponsoring departments have responsibility for national policies driving the MMO's remit, while Arms' Length Bodies (including the MMO) contribute to the development of these policies through their evidence base, their expertise, their understanding of how policy is implemented on the ground and their interaction with stakeholders. Annex 6 sets out the MMO's relationship with various Government bodies.

The sponsoring departments and the MMO recognise that they are dependent on each other for successful policy development and delivering agreed objectives. HM Government respects the MMO's status as an arm's length body, whilst the MMO

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<sup>1</sup> The UK Location Programme implements the UK Government's Location Strategy and the EU INSPIRE Directive. Its objective is to deliver a significant change in the management of geographic or spatial data – one that introduces a new, innovative, and joined up service for government, business and citizens – not only from within the UK but also across the European Union (Ref: <http://location.defra.gov.uk/>).



respect that its principal role is to deliver Government policy. In accordance with best practice, departments should ensure that they engage the MMO in the policy-making cycle when appropriate. Likewise, the MMO will provide input and engage in the policy-making process when required. Senior executives in departments and the MMO have a responsibility to ensure that there is effective engagement in policy making. Government and the MMO work with each other in a spirit of collaboration, communication, consultation and mutual support to ensure that wherever possible there are 'no surprises'.

The relationship between the MMO and Government is embodied in the following partnership principles:

- Delivery body informs policy development and decision-making;
- Outcomes and targets are agreed with delivery body before publication;
- Policy rationale is understood and championed by both;
- Delivery body is empowered to achieve delivery, held to account by monitoring, audit, inspection;
- Strong two-way communications, with delivery body reporting back regularly to policy colleagues on the achievements of outcomes.

The MMO performs an important contributory role in the policy development process, through its impartial independent advice, technical expertise and experience on the ground. The MMO will always aim to ensure that it makes a constructive contribution to policy development.

Defra and joint sponsors will provide the MMO with an early opportunity to contribute appropriately and meaningfully on all policy development work that is relevant to its purpose and functions. The MMO should respect Government's role in framing the final policy recommendations to Ministers and, having been afforded the opportunity to provide advice, it should take care to avoid giving the impression that it is publically lobbying in support of the advice given, or against the Government's agreed policy position.

Occasionally, the MMO may identify the need to provide advice or challenge to Defra or the other sponsors, when it has not been specifically commissioned to do so and where it feels this advice is critical to its remit. In these cases, engagement with Government will be conducted with appropriate sensitivity. Where an issue is particularly sensitive, the MMO will discuss, and provide information and advice, to the policy team (and inform the sponsorship team), to enable Ministers to be advised, and to help reach an appropriate policy decision.

Adapting to a changing policy environment is also key. The functions that the MMO will deliver will evolve over time – either as a result of regulatory or statutory change or as a result of review and evaluation. Whilst respecting the different roles between

Government and delivery body, all parties will play a full and effective role as appropriate in the review of the policies and functions, and in the implementation of the necessary changes.

## **6 Public Comments and Complaints**

### **Public access to information**

The MMO is subject to the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIRs), which provide the public with rights of access to information held by public authorities, subject to certain exemptions to disclosure.

The MMO manages official records in accordance with the Public Records Act 1958 and undertakes to comply fully with the provisions of the Re-use of Public Sector Information Regulations 2005 regarding licensing documents for re-use on application under non-exclusive agreements.

### **Data handling and security**

The MMO is responsible for ensuring that any personal data (i.e. information relating to living people) for which it is responsible are held and used in accordance with the Data Protection Act 1998 (DPA).

Defra's Information Risk Policy details the top-level framework for managing information risk and appropriate procedures are adopted to comply with the framework. In addition, the MMO manages protected personal data in accordance with the DPA and Cabinet Office guidelines. Protected personal data is any information which either relates to 1,000 or more individuals that is not in the public domain or links an identifiable individual with other information which, if released, would put them at significant risk of harm or distress.

### **Customer Satisfaction**

The Chief Executive is responsible for ensuring that there are appropriate mechanisms for measuring customer satisfaction as a component of the MMO's overall performance. The annual results contribute to the Department's assessment of customer satisfaction.

### **Comments and complaints**

The MMO handles comments, suggestions and complaints in accordance with a clear procedure which is laid out on their [website](#).

If the complaint relates to a request for access to information under the [Freedom of Information Act 2000](#) (FOIA) or the [Environmental Information Regulations 2004](#) (EIRs), or a request for access to personal information under the [Data Protection Act](#)

[1998](#) (DPA), customers can write to the Board and Executive Services Manager at the MMO, who will arrange for the complaint to be investigated.

If, having heard the outcome of the complaint the customer is still dissatisfied, they have the right to apply directly to the Information Commissioner for a decision. Generally, the Information Commissioner cannot make a decision on FOI or EIR requests unless the MMO's own complaints procedure has been exhausted. However, s.42 of the DPA provides individuals with the right to ask the Information Commissioner for an assessment as to whether a data controller has complied with the DPA in respect of processing of their personal data.

### **Parliamentary Commissioner for Administration**

Members of Parliament have the right to refer complaints from the public to the Parliamentary Commissioner for Administration (also known as the Parliamentary Ombudsman) where an individual claims to have suffered injustice through maladministration.

The activities of the MMO will be subject to review by the Ombudsman. In the event of a referral, Defra's Permanent Secretary, as the Principal Accounting Officer, would ask the Chief Executive to reply to the Ombudsman about any complaints of maladministration in the MMO.

## **7 Machinery for Accounting, Audit, Monitoring and Reporting**

### **Corporate Plan**

The MMO will have a three year corporate plan which will be published on its [website](#). The corporate plan will be rolled forward and reviewed each year to produce a corporate plan for subsequent years. The plan should articulate how the MMO operates and is resourced over the short to medium terms, and what the organisation expects to achieve reflecting its statutory duties and priorities. The first year of the three year corporate plan will form the annual business plan, and will therefore be worked up in more detail to set out the MMO's immediate objectives, priorities, work plans and key performance indicators for the year ahead.

The plan should demonstrate how the MMO will contribute to the achievement of the joint sponsors' Business Plan priorities and wider strategic objectives. It will also set out opportunities and proposals for developing and securing benefits from closer joint working arrangements with sponsors and other bodies within the Defra delivery network (and, as appropriate, with other public bodies more generally).

The plan should be linked to budgeting information so that resources allocated to achieve specific objectives can be readily identified and cost effectiveness assessed.

The plan will be developed in liaison with Defra and joint sponsors, and submitted for the Secretary of State's approval, to a timetable agreed with the Marine Sponsorship Team. It should adhere to any guidance issued by the Cabinet Office or Defra on minimum requirements and best practice. The MMO should work within any format/structure that is devised and agreed for corporate plans across the Defra network.

### **Annual report and accounts**

The MMO annual report of its activities together with its audited accounts must be published after the end of each financial year. The MMO must provide Defra with its finalised (audited) accounts as soon as practicable after the end of the Financial Year and in any case, by a date agreed with Defra.

The annual report covers any corporate, subsidiary or joint ventures under the MMO's control; complies with HM Treasury's [Financial Reporting Manual \(FReM\)](#); and outlines its main activities and performance during the previous financial year and sets out in summary form forward plans.

Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts are laid in Parliament and made available on the MMO's website in accordance with the guidance in the *FReM*.

A draft of the report is submitted, in tandem with a consolidation template, to Defra to an agreed timetable before the proposed publication date.

The accounts are prepared in accordance with the relevant statutes, timetables and specific HM Treasury accounts direction issued by Defra and HM Treasury as well as the *FReM*.

Defra's departmental reporting boundary includes all NDPBs and as a result, the annual report and accounts of the MMO will be consolidated in Defra's annual report and accounts, including key data for performance, delivery and sustainability. This departmental report will also be laid before Parliament.

## **Internal Audit**

The MMO must maintain arrangements for internal audit in accordance with HM Treasury's [Public Sector Internal Audit Standards](#) and any further guidance from HMT or Defra's Head of Internal Audit (HIA), and ensure Defra is satisfied with the competence and qualifications of the HIA and the requirements for approving appointments in accordance with Public Sector Internal Audit Standards. The MMO will also:

- Provide Defra HIA and Marine Sponsorship Team with the formal agreed internal audit strategy, periodic internal audit plans and annual internal audit report, including the HIA's opinion on risk management, control and governance.
- Recognise that Defra's internal audit service has a right of access to all documents prepared by the MMO's internal auditor, including where the service is contracted out.

The MMO must also maintain an audit committee of its Board in accordance with the Cabinet Office's [Guidance on Code of Practice for Public Bodies](#) and the [Audit Committee Handbook](#). In particular, the MMO will:

- ensure that agenda, papers and minutes of all A&RC meetings are shared with Defra MST and Defra's HIA.
- extend an invitation to Defra's HIA to attend A&RC meetings
- ensure that the operational risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate

governance, and develop a risk management strategy, in accordance with HM Treasury guidance [Management of Risk: Principles and Concepts](#)

The MMO should also:

- implement policies and practices to safeguard itself against fraud and theft, in line with the relevant chapters in HM Treasury guidance: [Managing Public Money](#). The MMO must also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.
- forward the audit strategy, periodic audit plans and annual audit report, including the MMO Head of Internal Audit opinion on risk management, control and governance as soon as possible to Defra HIA and Marine Sponsorship Team;
- notify Defra, as soon as possible, of any unusual or major incidents that could have a bearing on the governance of the MMO;
- keep records of, and prepare and forward to Defra an annual report on fraud and theft suffered by the MMO and notify Defra of any unusual or major incidents as soon as possible; and
- recognise that Defra will have a right of access, via agreement on timing with the Accounting Officer of the MMO, to all the MMO's records and personnel for purposes such as sponsorship audits and operational investigations.

## **External Audit**

The Comptroller & Auditor General (C&AG) must audit and sign-off the MMO annual accounts, which together with the C&AG's report is laid before Parliament. In the event that the MMO has set up and controls subsidiary companies, the MMO ensures that the C&AG is appointed auditor of those company subsidiaries it controls and/or whose accounts are consolidated within its own accounts. The MMO discusses with Defra the procedures for appointing the C&AG as auditor of the companies.

The C&AG:

- consults Defra and the MMO regarding who – NAO or a commercial auditor - undertakes the audit(s) on his behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the [Government Resources and Accounts Act 2000](#), held by another party in receipt of payments or grants from the MMO;

- shares with Defra information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on Defra's responsibilities in relation to financial systems within the MMO; and
- where asked, provides departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the MMO has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the *National Audit Act 1983*. In addition, the MMO shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

### **Managing Public Money and other Government-wide corporate guidance and instructions**

Unless agreed by Defra and, as necessary, HM Treasury, the MMO follows the principles, rules, guidance and advice in [Managing Public Money](#), referring any difficulties or potential bids for exceptions to the Sponsorship Team in Defra in the first instance. A list of guidance and instructions with which the MMO should comply is in Annex 7.

Once the budget has been approved by Defra, and subject to any restrictions imposed by statute, the Secretary of State's instructions and this document, the MMO has authority to incur expenditure approved in the budget without further reference to the sponsor departments, on the following conditions:

- the MMO complies with the delegations set out in Annex 5, which should be altered only with the prior agreement of Defra;
- the MMO follows any specific instructions included the budget allocation letter for that year, unless later suspended or amended by Defra
- the MMO complies with [Managing Public Money](#) regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget does not remove the need to seek formal departmental approval where any



- proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;
- the MMO provides Defra with such information about its operations, performance individual projects or other expenditure as may be reasonably required; and
  - the MMO provides Defra with such information to support consolidated Resource Accounts requirements where it falls within the Departmental Accounting Boundary.

## **Risk management**

The MMO Board must ensure that the operational risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of good practice in corporate governance as outlined in HM Treasury and Cabinet Office Guidance [Corporate governance in central government departments](#). A risk management approach should be developed, in accordance with HM Treasury guidance [Management of Risk: Principles and Concepts](#) and Defra guidance [Guidelines for Environmental Risk Assessment and Management \(2011\)](#).

The MMO adopts and implements policies and practices to safeguard itself against fraud and theft, in line with HM Treasury's guide: [Managing Public Money](#). The MMO also takes all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

## **Budgeting procedures**

Each year in light of decisions by Defra on the updated draft Corporate Plan and the Spending Review process, Defra will send to the MMO:

- a formal statement of the annual budgetary provision allocated by Defra in light of competing priorities across Defra and of any forecast income approved by Defra;
- a statement of any planned change in policies affecting the MMO.

Defra will arrange meetings with the MMO as necessary to advise and discuss any budget pressures and opportunities.

The approved annual Corporate Plan takes account both of approved funding provision and any forecast receipts, and includes a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year.

In year amendments to budgets cannot be ruled out. Should any in-year budget reviews be necessary, Defra commits to engaging the MMO in an open dialogue and to take into consideration the impact on the MMO's planned outcomes.

### **Grant-in-aid and any ring-fenced grants**

Any grant-in-aid provided by Defra for the year in question is a cash payment that scores outside of the budget and the Department's Supply Estimate.

The grant-in-aid (GIA) is normally paid in monthly instalments on the basis of written applications showing evidence of need. The MMO complies with the general principle that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds are kept to a minimum level consistent with the efficient operation of the MMO. The GIA lapses if not drawn down by the end of the financial year. Subject to approval by Parliament of the relevant Estimates provision, where GIA is delayed to avoid excess cash balances at the year-end, Defra makes available in the next financial year any such GIA that is required to meet any liabilities at the year end, such as creditors.

In the event that Defra provides the MMO separate grants for specific (ring-fenced) purposes, it issues the grant as and when the MMO needs it on the basis of a written request. The MMO must provide evidence that the grant was used for the purposes authorised by Defra. The MMO does not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

Where the MMO carries out functions for other Government departments (OGD), Defra will remain responsible for the payment of the GIA. Defra will seek to recover the costs of the OGD functions from the department concerned in accordance with *Managing Public Money* and with the agreement of the relevant accounting officers until such time as the resources can be formally transferred through the Department's Supply Estimate.

A budget for the fees, travel and subsistence expenses of the Chair and Board members is delegated to the MMO as part of the GIA. The Accounting Officer for the MMO will be responsible for ensuring the appropriate use of this money.

Chair and Board fees may only be changed by prior agreement with Defra. Any request for additional fees for a specific task must be the subject of a reasoned business case submitted to Defra for consideration before any additional work is carried out or commitments given. Any changes to annual remuneration, if approved by Defra, will, if appropriate, be submitted to HM Treasury and Cabinet Office for consideration. The Accounting Officer may provide an opinion on the case for any

increases but does not have the power not to authorise any increases or additional payments.

The MMO will set up checking and verification procedures for travel and subsistence which will include a register of claims and copies of all claims with supporting documents (e.g. invoices, receipts), which will be checked by Internal Audit as part of preparations for the Annual Report and Account.

### **Other sources of income**

The MMO has the power to charge for services it provides under section 27 of the Marine and Coastal Access Act 2009. It may also be given power to levy charges under other primary legislation, or in limited cases can rely on secondary legislation. These charges should be on a full cost recovery basis in line with Chapter 6 of [Managing Public Money](#) and need to be factored into any fees strategy.

The Welsh Assembly Government (WAG) and any Northern Ireland department have the ability, under their existing devolution settlements (Government of Wales Act 2006 and Northern Ireland Act 1998), to ask another public body to undertake functions on their behalf. Under the MCA Act s.27 the MMO can charge for these services. No such provision exists in the Scotland Act.

The [Public Bodies Act 2011](#) gave Ministers power to modify the funding of the MMO by means of an order under s. 4 of that Act, either by modifying the extent to which the MMO is funded by Ministers or by conferring on the MMO powers to charge fees for a function.

### **Procurement**

#### *Sustainable procurement*

Sustainable procurement is recognised as a key tool to deliver the targets for performance on the government estate as well as wider sustainability policies. The MMO recognises the importance of embedding good sustainable procurement, which includes policy, processes and operations, across all areas of the organisation.

The MMO's expenditure on goods, services and works will be conducted in accordance with the requirements of Government best practice, the [Public Contract Regulations 2006](#) (as amended), the [Greening Government Commitments](#), the EC Treaty and any other relevant EU or international procurement rules. The MMO's procurement policies shall also reflect guidance from the Government Procurement Service and the Cabinet Office, including [Procurement Policy Note](#).

The MMO will ensure that staff undertaking procurement are qualified to the extent demanded by the complexity and value of the expenditure committed.

The MMO should abide by any new or short-term temporary spending restrictions introduced in year as a result of Defra network, or wider Government spending controls. Guidance on such restrictions and any relevant approvals procedures will be provided as appropriate.

### **Novel, contentious or repercussive proposals**

The MMO shall obtain the prior approval of Defra and HM Treasury before:

- incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by Defra;
- making any change of policy or practice which has wider financial implications (e.g. because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of resources required; and
- establishing a subsidiary company.

Failure to gain such approval may result in HM Treasury requiring the monies in question to be re-paid by MMO.

### **Reporting performance**

The MMO operates management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and indicators set out in the Corporate Plan. The MMO informs the sponsor departments of any changes that make achievement of objectives more or less difficult, reporting financial and non-financial performance (including performance in helping to deliver Government policies) and the achievement of key objectives on a regular basis to an agreed timetable. In addition, the Chief Executive formally reports quarterly to Defra's Supervisory Board.

Senior Responsible Owners within Government and Directors within the MMO are responsible for the performance management of their respective functional areas. In addition to regular informal meetings and discussions, a minuted periodic review meeting between the Marine Sponsorship Team and the Chief Executive and Directors of the MMO is held, to discuss the MMO's performance and any issues that need to be raised. Periodic review meetings are held at least twice a year. The

Secretary of State or Ministers will meet the Chair periodically to discuss alignment with Government objectives.

### **Providing monitoring information to Defra**

The MMO provides Defra with monthly information, in a format and according to a timetable agreed with Defra, which includes a budget profile, monthly financial data and a management information report. This will then enable the department to satisfactorily monitor:

- the MMO's cash management;
- its draw-down of grant-in-aid;
- forecast outturn by resource headings;
- other data required for the Combined On-line Information System (COINS);
- achievement against performance measures in the Corporate Plan including any changes which could affect future performance; and
- any relevant longer-term financial/budgetary issues.

In addition, at the beginning of April each year the MMO will provide Defra with an expenditure profile of the forthcoming financial year on an accruals basis. The profile shall identify its forecast expenditure by strategic outcome.

### **MMO/Marine Sponsorship Team arrangements**

The Marine Sponsorship Team will liaise regularly with the MMO to review the MMO's financial performance against plans, achievement against targets and expenditure against Defra's Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME) allocations.

### **Financial delegations**

The MMO Chief Executive has delegated authority as recorded in the Defra Delegated Authority document, summarised as follows:

- primarily responsible for securing financial authority, for preparing budgets and exercising budgetary control, and for general financial matters;
- ensuring that authorised, sub-delegated authorities are properly used; and
- ensuring that, within the delegated authorities system, important or unusual cases will be detected and referred to MMO senior management or the Chief Executive, as appropriate, for authorisation.

At all times the delegations are subject to the general requirements set out in the Defra Finance Manual and other departmental guidance. In addition, the MMO will consult Defra and obtain the Secretary of State's approval before making financial commitments not covered by these requirements, such as:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the MMO's annual budget as approved by Defra;
- incurring expenditure for any purpose that is or might be considered novel or contentious (as explained above), or which has or could have significant additional future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the sponsor departments;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in *Managing Public Money*.

The Limits to Delegated Authority (Capital Expenditure, Losses, Write-Offs, Special Payments and Unexpected Income) can be found at Annex 7.

### **MMO Triennial Review**

The MMO will be reviewed at least once every three years. The review process will follow Cabinet Office guidelines and best practice for [reviewing NDPBs](#) and will be a fundamental review of the functions delivered by the MMO and governance of the organisation.

## **8 Arrangements in the event that the MMO is wound up**

As a statutory body, the MMO can only be dissolved through legislation.

In the event that the MMO is subject to winding-up proceedings, the sponsor departments would put in place arrangements to ensure an orderly process and fair treatment of staff in line with Government codes of practice, honouring contractual obligations. In particular, sponsor departments are responsible for enacting provisions within the MCA Act to ensure that the assets and liabilities of the MMO are passed to any successor organisation and accounted for properly. In the event that there is no successor organisation, the assets and liabilities would revert to Defra if originating from the Marine and Fisheries Agency (MFA) or to the sponsors in the proportion to the funding they provide. To this end, Defra would:

- ensure that procedures are in place in the MMO to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of the MMO's assets and liabilities;
- ensure that staff are treated fairly and that their contractual rights are honoured.
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that funds are in place to pay for such audits. It would be for the C&AG to lay the final accounts in Parliament, together with their report on the accounts; and
- arrange for the most appropriate person to sign the closing accounts. In the event that another body takes on the role, responsibilities, assets and liabilities, the Accounting Officer of the succeeding body should sign the closing accounts. In the event that Defra inherits the role, responsibilities, assets and liabilities, Defra's Principal Accounting Officer should sign.

The MMO would provide Defra with full details of all agreements where the MMO or its successors have a right to share in the financial gains of developers. It should also pass to Defra details of any other forms of claw-back due to the MMO.

## 9 Appointments, Recruitment, Pay and Personnel Management

### *Composition of the Board*

In line with the Marine and Coastal Access Act 2009 and the Government's [Code of Practice on Corporate Governance](#), the Board will consist of a non-executive Chair together with a minimum of five and up to eight ordinary non-executive members. These members, as a whole, will have a balance and variety of skills and experience appropriate to directing the organisation's business and avoiding dominance by any particular sectoral interest. The exact composition of the Board, including whether the Board has a deputy chair, is determined by the Secretary of State following consultation with the Chair.

### *Board appointments - the Chair and Board members*

The Chair and Board members are appointed by the Secretary of State. The terms of appointment are to be determined by the Secretary of State, with no appointment longer than five years. Appointments can be renewed, but no person may be a member for a total period of more than 10 years, whether or not continuous. It is a mandatory requirement that a performance appraisal must have been completed if a member is re-appointed. These appointments must comply with the [Code of Practice of the Office of the Commissioner on Public Appointments](#).

### *Individual Board members' responsibilities*

Individual Board members should comply at all times with the *Board Members' Code of Practice* and with Treasury and Cabinet Office rules relating to the use of public funds and to conflicts of interest.

The Chair and Board are not eligible for bonuses. Remuneration is set at a level sufficient to cover participation in all Board meetings, sub-committee meetings and other ad hoc activities as required. Where the Chair anticipates that there will be a significant extra effort required then a business case must be submitted to and approved by Defra before any commitments are given or additional work can go ahead.

Information gained in the course of public service should not be used for personal gain or for political profit, nor to promote private interests or those of connected persons or organisations. Members are to comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments, and act in good faith and in the best interests of the MMO.



## **Board responsibilities towards MMO staff**

Within the arrangements approved by the Secretary of State, the MMO Board has responsibility for the recruitment, retention, reward, performance management and motivation of its staff. The Board's responsibilities towards its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued and that appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and the MMO performance measurement systems are reviewed as appropriate and suitably equality impact assessed to ensure consistency and fairness;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the MMO's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the [Public Interest Disclosure Act 1998](#) are in place; and
- a code of conduct for staff is in place based on the Cabinet Office's [Model Code for Staff of Executive Non-departmental Public Bodies](#)

## **Staff costs and pay and conditions of service**

Subject to its delegated authorities, the MMO must ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them. The MMO should inform the Marine Sponsorship Team of the terms of an appointment before a recruitment process starts. The MMO should comply with any new or short-term recruitment guidance issued by the Department, for example a

freeze on recruitment should be respected unless permission to recruit is obtained from the Permanent Secretary.

The MMO should have regard to any central guidance currently available on staff issues in public bodies. As a Non-Departmental Public Body, MMO has pay delegation, but its staff are subject to levels of remuneration and terms and conditions of service approved through the annual pay remit process by the Secretary of State for Defra under the MCA Act (Schedule 1 section 17).

The MMO's pay award, along with any other proposals to change terms and conditions of employment, will require formal consultation and negotiation with the recognised Trade Unions.

The MMO will comply with all employment legislation including the EU Directive on contract workers, the [Fixed-Term Employees \(Prevention of Less Favourable Treatment\) Regulations](#).

#### *Travel expenses*

The nature of business sometimes necessitates travelling to liaise effectively with customers and stakeholders. The MMO recognises that this makes it even more important that staff travel only when necessary and use the most sustainable methods, having due regard for the efficient use of resources.

Travel and Subsistence rates for the Chair and Board members will be the same as those agreed for senior staff of the MMO. Reasonable actual costs shall be reimbursed.

#### **Exit policies**

The MMO Board has delegated authority for early severance/retirement schemes and for making redundancy decisions of its staff including the overall numbers and grades of staff concerned. The Sponsorship Team should be informed of any decisions, which will take account of the broader position within the Defra Network and good business process.

If, however, MMO proposes to offer early severance/retirement either to an individual member of staff or under a scheme, and this offer is outside or in excess of statutory or contractual terms, then it must be approved in advance by HM Treasury. This approval should be obtained through Defra Sponsorship Team.

#### **Pensions, redundancy and compensation**

New staff joining the MMO will be eligible to join the Civil Service Pension Scheme (CSPS). Staff may opt out of the occupational pension scheme provided by the

MMO, but that employers' contribution to any personal pension arrangement, including stakeholder pension would normally be limited to the national insurance rebate level.

The MMO will follow its own redundancy arrangements as per its redundancy policy. Any proposal by the MMO to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of Defra and HMT. Proposals on severance must comply with the rules in Chapter 4 of [Managing Public Money](#). Approval must be received from HM Treasury before any action is taken otherwise MMO may be required to repay any non-approved payments into central funds.

### **Personnel records**

The MMO Board is responsible for maintaining accurate personnel records, ensuring that suitable provision is made for the maintenance of accurate personnel records - including a staff database – in accordance with all data protection requirements.

### **Health and safety**

The MMO Board is accountable for all matters of health and safety associated with the MMO's business activities and will ensure that resources, organisation design, and arrangements are adequate for delivering effective performance. In practice this is the responsibility of the Chief Executive to manage on a day-to-day basis.

### **Staff relations**

The Chief Executive is responsible for maintaining good staff relations within the MMO. In ensuring this responsibility they will set up suitable arrangements in consultation with representatives of staff.

The Chief Executive will co-operate with management in Defra and may participate in departmental consultations with representatives of the staff on matters of mutual interest.

## 10 Estates

The MMO operates from its headquarters in Newcastle and from a number of Regional Offices in England. Although the MCA Act conveys property holding powers to the MMO, the right to exercise such powers is at the discretion of the Secretary of State. As a result:

- MMO property holdings are currently vested in Defra, and for so long as Defra remain the principal sponsor there is no practical requirement to transfer ownership and control to the MMO.
- Occupation and the allocation of accommodation costs will be governed by Defra in accordance with the prevailing estates strategy and policy.
- The MMO will be consulted on and engage in stakeholder representation in respect of key strategic estates strategy and policy development.
- Defra reports to Treasury on all property related activity and the MMO will provide its full co-operation in assisting Defra to fulfil its reporting obligations;
- property disposals should be undertaken and controlled by Defra.
- new acquisitions should be transacted by Defra subject to a full business justification produced by the MMO to the Marine Sponsorship Team.
- The MMO will comply with any national property controls or occupational standards, for the time being, imposed by Treasury and Cabinet Office and will support Defra in managing the application and implementation of those controls.

These measures are in line with developing Treasury guidance and policy and reflect HM Treasury's aim to reduce government exposure to property and create a sustainable government estate. Changes may take place in the future in line with rationalisation and sustainability policies.

### *Sustainability*

In order to achieve the highest standard of sustainability Defra must ensure that the existing estate is run as efficiently as possible, in accordance with industry best practice. Wherever possible, innovative technologies and practices will be introduced to reduce energy consumption, carbon emissions, water use and better manage the Department's waste. All property development projects undergo sustainability assessments, with new build/major refurbishment projects designed to deliver BREEAM (Building Research Establishment Environmental Assessment

Method) excellent ratings. The Estates Strategy also supports sustainable development throughout the Defra network. Defra Estates works in partnership with Defra's Executive Agencies and Non Departmental Public Bodies to ensure delivery of the [Greening Government Commitments](#).

There is a recognition that more needs to be done to improve the operational performance of this estate and in respect to the Greening Government Commitments. This estate is also focusing on Carbon Management as a priority area as an important way of increasing the overall sustainability of the whole estate.

## 11 Arrangements for Amending the Framework Document

Like other Non Departmental Public Bodies, the MMO will be subject to the requirement for a triennial review, in accordance with Cabinet Office guidance. This will be fundamental in reviewing the functions of the body, its governance arrangements and whether other delivery models would be more cost effective and in keeping with the Government's reform commitments. Reviews will be led by Defra, but the MMO will be consulted.

This Framework Document will be reviewed and amended by Defra, in consultation with the MMO, in the light of triennial review's outcome and recommendations. Certain other events may also trigger the need for the Framework Document to be reviewed, such as a significant change in Government policy relating to the MMO's business, the appointment of a new Chair or Chief Executive, or a change in the Senior Sponsor .

The MMO or the Sponsorship Group may propose changes to this Framework Document at any time, and these will be subject to agreement by the Secretary of State, the Sponsorship Group, the MMO Board and, where appropriate, HM Treasury. The Marine Sponsorship Team based in Defra is responsible for consulting all those concerned with proposals for amendments, including HM Treasury.

The Framework Document will be published by Defra. It will be widely available from the MMO website ([www.marinemanagement.org.uk](http://www.marinemanagement.org.uk)).

Signed      John Robbs  
Date        30 July 2013

(Chair of the Cross-Government  
Sponsorship Group, on behalf  
of the Government)

Signed      Bill Callaghan  
Date        29 July 2013

(Chair, on behalf of the MMO)

## **Annex 1- MMO Strategic outcomes and strategic objectives.**

The MMO is working towards the strategic outcomes set out in its [Corporate Plan](#). The MMO may also deliver marine policy aspects of joint sponsors' structural reform plans through their individual business plans. The structural plans for all departments can be accessed through the [Government's internet portal](#).

## Annex 2 Relevant High-Level Legislation

The latest versions of all legislation may be found on the website [legislation.gov.uk](http://legislation.gov.uk)

- Marine and Coastal Access Act 2009;
- Coast Protection Act 1949;
- The Conservation of Habitats and Species Regulations 2010 (S.I. 2011/490),
- Conservation of Seals Act 1970;
- Electricity Act 1989 (section 36);
- Energy Act 2004 (section 95);
- Food & Environment Protection Act 1985;
- Harbours Act 1964;
- Planning Act 2008;
- Sea Fish (Conservation) Act 1967;
- Sea Fisheries (Shellfish) Act 1967;
- Sea Fisheries (Wildlife Conservation) Act 1992;
- Wildlife and Countryside Act 1981
- Public Bodies Act 2011



## **Annex 3 The MMO's Functions**

The current functions of the MMO are:

### *Conservation*

- protect rare and valuable marine species and habitats;
- issue and revoke licences to take or kill seals;
- issue and revoke licences in certain circumstances to protect wild birds, wild animals, wild plants, introducing new species into the wild and selling invasive non-native species;
- provide information, data, technical expertise and knowledge to assist central Government in the development, negotiation and implementation of policy;
- have responsibility for making bye-laws;
- provide advice during marine pollution emergencies, including reviewing oil spill emergencies plans and support emergency responses; and
- conduct tests ascertaining the probable effect on the marine area of oil and chemical treatment substances and surface fouling cleaners.

### *Economic*

- ensure that fishing vessels maintain a genuine economic link with the United Kingdom
- deliver final management and closure of the European Fisheries Fund grants scheme , while preparing for implementation of the European Maritime and Fisheries Fund; and

### *Fishing*

- manage UK fisheries quota and days at sea regimes;
- manage, record and provide data on fishing activities and catches.
- manage fishing fleet capacity;
- license commercial fishing vessels;
- grant exemptions from certain restrictions relating to sea fishing;
- monitor and control fishing activities under the Common Fisheries Policy;
- implement EU marketing regime through inspection and compliance with standards; and
- prepare and submit statutory returns required by EU fisheries legislation.

### *Licensing*

- license certain construction activities, mineral extraction, sub-marine cable laying, dredging, burial at sea of human remains, the use of underwater explosives (other than activities excluded under the MCA Act) and other activities taking place below mean high water springs;

- issue section 36 Electricity Act consents for offshore energy installations with a generating power of 100MW and below;
- declare safety zones around offshore energy installations with a generating power of 100MW and below;
- issue harbour orders for harbour developments not considered nationally significant infrastructure projects;
- monitor, inspect and enforce those marine licences that it issues in line with its Enforcement Policy;
- provide advice on the marine aspects of nationally significant infrastructure projects in line with Government guidance; and
- monitor, inspect, enforce and vary marine licences deemed to have been granted by the Infrastructure Planning Commission as part of development consent under the Planning Act 2008.

### *Planning*

- prepare and deliver a series of marine plans to implement the shared UK Marine Policy Statement in areas where UK Government is responsible for marine planning. Amend plans when required.
- to keep under review matters, including monitoring where necessary, which may affect the way it carries out its planning functions – including: the effects of the policies in the marine plan; the effects of those policies in securing the objectives for which the marine plan was prepared and adopted are met; the progress being made towards securing those objectives and in particular the progress being made towards securing the objectives of the Marine Policy Statement in that region.
- prepare and publish reports on marine plans or amended marine plans in line with MCAA timetables
- to keep under review the development and cumulative implementation of marine plans and the marine planning system to determine whether Government objectives and in particular those outlined in the marine policy statement are being met.
- advising the IPC (and successor arrangements), Devolved Administrations and other Planning Authorities on the interpretation of marine plans.
- to make effective use of the national evidence base, gathering and accessing data where appropriate in developing, using and reviewing marine plans.

### *Inshore Fisheries and Conservation Authorities*

- hold statutory seat on each IFCA;
- responsible for appointing volunteer members of the IFCAs;
- provide input, advice and challenge into IFCA decisions;
- provide overview of IFCA membership effectiveness and inform future recruitment;

- work with IFCA on quality-assuring IFCA byelaws, enforcement of byelaws and other legislation, and the management of Marine Conservation Zones; and
- ensure IFCA has information necessary to carry out their duties.

Further detail on the MMO's relationship with IFCA is at Annex 6

### **Competent Authority**

- Where the UK is required to have a single competent authority for matters within the MMO's remit, the MMO be designated in that role, together with other commitments that reasonably relate to the organisation's legal and institutional span of obligations.

## Annex 4 - Sponsorship Arrangements

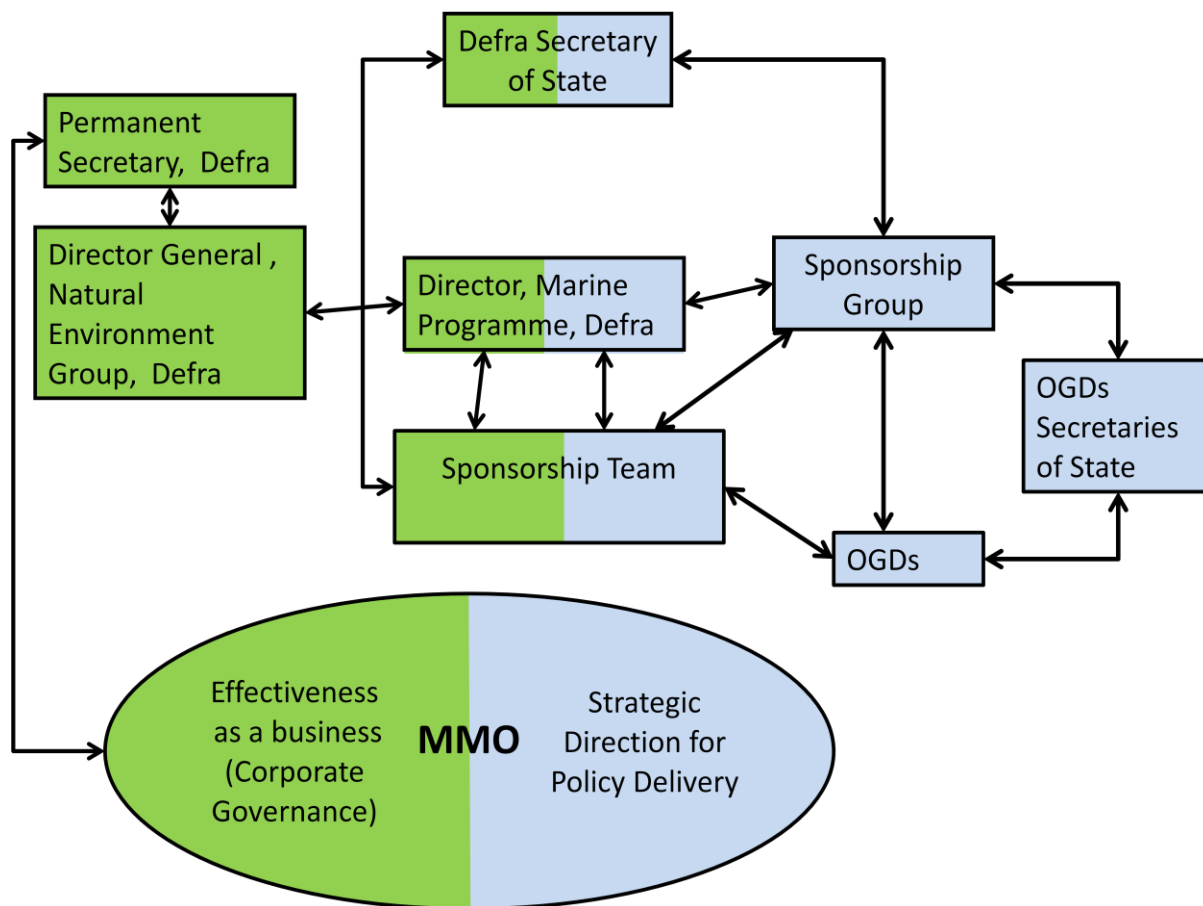


Fig.1 Illustration of sponsorship arrangements between Government and the MMO

### Formal review, periodic reporting and Board-level challenge

Cabinet Office and HM Treasury guidance describes good practice in managing the relationship between Non-Departmental Public Bodies (NDPBs) and Government.

Quarterly periodic reporting meetings will be held between the Sponsorship Team and the MMO Senior Executive Team to review the MMO's ongoing performance. Agenda items will be agreed in advance and shared five working days before the meeting. A formal minute will be taken of the discussion and actions arising will be managed by the Defra Marine Sponsorship Team. Significant findings will be escalated appropriately.

The Sponsorship Team will schedule at least one routine meeting each year between the Minister, the MMO Chair and/or Chief Executive and, in their respective roles as Principal Accounting Officer and Accounting Officer, the Defra Permanent Secretary and the MMO Chief Executive.

A cross-Government Sponsorship Group will provide oversight of the governance arrangements between HM Government and MMO. Additionally, it will enquire, challenge and provide advice to the MMO Chair on performance, governance and internal control of the organisation.

## **Cross-Government Sponsorship Group Terms of Reference**

### **Aim**

The Sponsorship Group (supported by the Defra Marine Sponsorship Team) will be the primary source of advice to the Defra Secretary of State on the discharge of their responsibilities to the MMO.

The Sponsorship Group will provide a forum for dialogue on the management of risks relating to the MMO's role as a strategic delivery partner.

It will enquire and, when necessary, perform a challenge function in relation to the MMO's general sustainable development objective. This will enable the interests of HM Government departments to be represented without compromising the clear lines of responsibility necessary to ensure proper accountability.

### **Chair**

The Group will be chaired by the Senior Sponsor, currently the Director of the Marine Programme in Defra. The Chair will be neutral; their role is to build consensus and provide a balanced view to the Secretary of State, which reflects that of the Group as a whole.

### **Membership**

The Sponsorship Group will comprise one member per department at Director-level. The member must be able to provide input, challenge, offer advice and make decisions on behalf of their department. In principle, there should be neither delegations nor substitutions without the prior agreement of the Chair. The departments represented on the Group will be:

- Department for Communities and Local Government (DCLG)
- Department of Energy and Climate Change (DECC)
- Department for Environment, Food and Rural Affairs (Defra)
- Department for Transport (DfT)

In the normal course of business, the Secretariat will arrange meetings so that all members can be present.

The Secretariat will circulate papers five working days before the meeting. If a member is unavailable at short notice and cannot attend the meeting, they may pass on views and comments in advance so that the Chair may reflect these during the meeting or, if practicable, audio or video conferencing may be arranged. The Secretariat will ensure that members are notified of the decisions to be taken at each meeting to enable them to prepare accordingly. Issues may be cleared by correspondence, by agreement. Meetings may be called at short notice to deal with emergency situations (for example where circumstances affect the MMO's abilities to deliver its objectives). In such a case, the Sponsorship Group is quorate when two members plus the Chair are in attendance.

The Chair of the MMO Board is expected to attend but is not a member of the Sponsorship Group.

### **Observer Status/Advisory Capacity**

Any member of the MMO Board or Executive as may be required by the MMO Chair to provide support, may attend

Any other person may be invited to attend by the Chair of the Sponsorship Group as required on a case by case basis.

### **Secretariat**

Secretariat functions are provided by the Defra Marine Sponsorship Team

### **Role/functions**

The key purposes of the Sponsorship Group are:

- to support and advise Defra's Secretary of State on the discharge of their duties under the Marine and Coastal Access Act 2009 (this may include giving the MMO either direction on the exercise of its functions or for the implementation of UK obligations under EU treaties or other international agreement (section 37), guidance on its contribution to the achievement of sustainable development (section 2(4)) or its functions (section 38) and to set objectives from time to time with regard to the quality and effectiveness of the MMO's performance (section 3(1));

- to enquire how the Chair and MMO Board deliver ongoing, effective corporate governance of the MMO, challenge appropriately and advise when necessary so that the Chair of the MMO may be held to account; and
- to provide collective strategic guidance for the MMO on behalf of the Secretaries of State of all the sponsoring departments.

In doing so, the Sponsorship Group will ensure collective ownership of the MMO and collective responsibility for the decisions it takes.

The Sponsorship Group will:

- advise the Secretary of State on appropriate strategic objectives and performance framework (including annual performance targets) for the MMO in the light of available resources;
- agree the key corporate documents (and recommend sign off, where necessary by Ministers);
- monitor how well the MMO is achieving its strategic objectives and performance targets and whether it is delivering value for money and advise the Secretary of State (and Ministers from sponsoring departments) accordingly;
- have an oversight of corporate governance issues and if concerned, recommend an audit be carried out;
- seek to resolve any disagreements between the MMO and any of its sponsoring departments or others that cannot be resolved at bilateral operational level, and provide an escalation route where necessary;
- be kept informed about court cases/judicial reviews involving the MMO; and
- provide any other advice to the Secretary of State on the discharge of their responsibilities in relation to the MMO as may be required.

The Sponsorship Group will not:

- debate policy (although it will discuss policy priorities within the context of national policy statements and statutory guidance on sustainable development);
- tell the MMO how to deliver its strategy; and
- tell the MMO how resources should be used.

The Sponsorship Group recognises that the Chair and Board of the MMO have responsibility for strategic leadership of the MMO to enable delivery of the outcomes required by the MCA Act or the Secretary of State if he or she should so direct.

The Sponsorship Group will be the primary mechanism to involve relevant departments in the functioning of the MMO.

At meetings members of the Group represent their departments' views. They will be responsible for managing their respective departments' input, including keeping their Ministers informed, seeking agreement from Ministers where necessary and escalating issues where appropriate.

Where cross-government agreement is needed at ministerial level, a ministerial write-round will be conducted. Day-to-day engagement with the MMO should be managed on an exception basis (i.e. most issues dealt with by the Marine Sponsorship Team, with reference when necessary to the Secretary of State and/or Sponsorship Group, depending on the issue).

### **Frequency of Meetings**

The Sponsorship Group will meet each spring to review MMO performance against targets. It will meet more frequently if agreed with the Chair of the Group.

Outside the formal meetings it may be possible to resolve any issues arising, by correspondence.

Members of the Sponsorship Group will be supported and advised by a Working Group, drawing one member from each of the sponsoring departments.

### **Conduct of Meetings**

Any papers tabled for the Sponsorship Group's consideration will be circulated with the Agenda, at least five working days in advance of the meeting. Draft minutes will be circulated for comments five working days after the meeting and the formal minutes issued, where possible, within three weeks of the meeting.

### **The Working Group**

Membership of the Working Group will be drawn from the sponsoring departments at a level to whom Sponsorship Group members can delegate management decisions for preparatory or delivery tasks. Each department's Working Group member will support the respective Sponsorship Group member.

The Working Group will be chaired by the Head of the Defra Marine Sponsorship Team and attended by one or more MMO officers by invitation.

The Working Group will meet two weeks before the Sponsorship Group and operate by correspondence at other times. It will support and advise members of the Sponsorship Group, particularly with regard to monitoring how well the MMO is



achieving its strategic objectives and performance measures and whether it is delivering value for money.

The Working Group will be tasked to monitor and scrutinise MMO's performance on a regular basis. Working Group members will review Performance Reports and provide commentary, from their departmental perspective, which the Marine Sponsorship Team will have regard to in its comments to the Defra Secretary of State (or Minister) who chairs the departmental Supervisory Board.

## Annex 5: The Marine Sponsorship Team roles and responsibilities

The Marine Sponsorship Team supports the Secretary of State, Defra's Principal Accounting Officer and the Sponsorship Group to:

- a. **Maintain an overview** of the MMO's operations and delivery in respect of :
  - governance and appointments (e.g. making sure structures and processes are effective and efficient, and that the Board has the right skills and do deliver) ensuring that annual performance appraisals of the Chair and Board are completed, and in line with the Government's guidance on [Making and Managing Public Appointments](#)
  - agreeing the MMO's strategic outcomes and objectives and performance management framework with joint sponsors and Ministers and hold the MMO to account for its performance;
  - agreeing an appropriate budget for MMO in the light of the Government's overall public expenditure priorities;
  - addressing in a timely manner any significant problems arising in the MMO, whether financial or otherwise, advising Defra's Principal Accounting Officer to make such interventions as judged necessary;
  - periodically to carry out a risk assessment of the MMO's activities to inform the oversight of the MMO; make proposals for strengthening these arrangements if necessary; and amend this Framework Document accordingly. The risk assessment will take into account the nature of the MMO's activities; the public monies at stake; the MMO's corporate governance arrangements; its financial performance; internal and external auditors' reports, the openness of communications between the body and its sponsors; and any other relevant matters;
  - Monitoring performance and delivery of outcomes (e.g. in-year, at year-end and at the end of spending review periods). This will include monitoring progress on delivery and risk to Defra at the strategic level through an adequate and timely flow of information from the MMO on performance, budgeting, control and risk management. It will also involve troubleshooting as necessary, spotting and escalating issues, and briefing Ministers, non-executive directors and senior officials on strategic and performance issues.
- b. **Assisting and challenging Defra and joint sponsor policy teams** in ensuring that delivery aspects are integrated into policy decision-making, planning and review processes.
- c. **Facilitating clear lines of communication with the MMO** to:
  - ensure a clear understanding of Defra's, joint sponsors' and the MMO's respective priorities and requirements, co-ordinating and channelling

effective two way communication, and issuing specific guidance or instructions as necessary;

- inform the MMO of relevant Government policy in a timely manner; advise on the interpretation of that policy; and issue specific guidance to MMO as necessary; and
- bring concerns about the activities of the MMO to the attention of the Chief Executive, seeking explanations and assurances that appropriate action has been taken.

## **Annex 6: Relationships with other Government Departments and other bodies**

### *Centre for Environment, Fisheries and Aquaculture Science (Cefas)*

As an executive agency of Defra, Cefas delivers marine and freshwater science advice and service to Government and its agencies. In providing marine science and advice to the MMO Cefas is building on its existing relationships across Government. A Partnership Agreement sets out the general provisions for this collaboration, specifying provision of services by Cefas to support specific areas of MMOs work.

### *Department for Energy and Climate Change (DECC)*

DECC is a regulator in the marine area and is responsible for making decisions on oil and gas licensing, gas unloading & storage and Carbon Capture & Storage (CCS). Like the MMO, it is guided by the Marine Policy Statement and marine plans and advice provided by the MMO in making these decisions. It implements offshore environmental regulations relevant to the offshore oil & gas, gas unloading & storage and CCS activities including licensing function under the MCA Act. DECC's Energy Development Unit is the licensing body for all oil & gas, gas unloading & storage and CCS, subject to devolved responsibilities. The MMO consults and work closely with DECC (e.g. DECC consults MMO on oil & gas and CSS licensing, and the MMO consults DECC on the potential impact on oil& gas and CCS activities due to the MCA Act licensing function administered by the MMO to ensure an effective strategic partnership. DECC is also one of the MMO's joint sponsors.

### *Devolved Administrations*

The MMO works closely with the Devolved Administrations where they have responsibility for regulation in adjacent sea areas to the MMO, to ensure a joined-up approach to license applications and enforcement near, on or across the border. MMO will coordinate with the Devolved Administrations on the development of marine plans to ensure cross-border consistency.

Both Wales and Northern Ireland can ask the MMO to undertake functions on their behalf. This is permitted under the devolution settlements. This arrangement is not in place for Scotland. Section 27 of the MCA Act makes it clear that the MMO can charge Wales and Northern Ireland for any services it undertakes on their behalf.

### *Environment Agency*

The Environment Agency (EA) has a key role managing coastal waters and on which the MMO will involve EA. The MMO and EA also work together on certain marine licensing activities in coastal areas and pollution issues. Roles and

responsibilities are scoped in a MoU and the MMO and EA are encouraged to work collaboratively together and with other delivery bodies to achieve savings and remove duplication.

*The Planning Act 2008 major infrastructure regime*

The major infrastructure Planning regime, established by the Planning Act 2008, sets out the framework governing the examination and consenting of applications for major infrastructure projects in England and Wales (including the inshore and offshore areas) in accordance with the National Policy Statements (NPS), and for The regime also covers decisions in Scotland in relation to onshore oil and gas pipelines that cross into England and are not constructed by a Gas Transporter<sup>2</sup>. When these decisions affect the marine area (essentially for large renewable energy projects and the largest ports) the Secretary of State must also have regard to the MPS and relevant marine plans.

The Planning Act allows the Secretary of State to issue a deemed marine licence when considering an application which would fall within the scope of the marine licensing regime. The MMO will play a key role in advising the Secretary of State when it is considering such applications. The MMO, as the specialist marine licensing authority, will license development projects in the marine area of a size below the thresholds set out in the Planning Act, including renewable energy installations of 100MW or less.

The MMO is a statutory consultee for potential applicants under the major infrastructure regime and also a statutory interested party to the examination process. It therefore has a key role in providing its marine advice and expertise to both applicants and the Secretary of State.

Marine Management Officers will use enforcement powers in the Marine and Coastal Access Act for monitoring compliance with consent conditions set by the Secretary of State, and for any enforcement action that may be necessary at sea except in the territorial waters around Wales. The Secretary of State will be able to deem that a marine licence is issued for those aspects of a project which are in the marine area. As part of its enforcement role the MMO will therefore be able to modify or add conditions to this deemed licence where appropriate (e.g. in light of new evidence), or even revoke it if necessary.

Under the Planning Act 2008 around a dozen National Policy Statements (NPS) have been or are being produced for key infrastructure sectors to provide a clear

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<sup>2</sup> Pipelines under s.21 of the Planning Act cover oil, gas and chemical pipelines when in England and Wales, but only oil and gas pipelines when it comes to Scotland.

statement of Government policy for decisions on nationally significant infrastructure projects. These cover energy, ports, water and waste infrastructure and set out the national need for development of each type of major infrastructure, providing a clear framework within which promoters of infrastructure can bring forward projects and which the Secretary of State will use when examining and determining applications.

#### *Inshore Fisheries and Conservation Authorities (IFCAs)*

IFCAs have a duty to sustainably manage inshore sea fisheries resources, which, according to the MCA Act 2009, means any animals or plants (other than migratory fish) that habitually live in or are cultivated in the sea. Inshore waters are those up to 6 nautical miles from the coast, but unlike SFCs the IFCAs responsibilities extend up tidal estuaries and to the inland boundaries of their component local authorities.

The IFCAs have a vision to *“lead, champion and manage a sustainable inshore marine environment by successfully securing the right balance between social, environmental and economic benefits to ensure healthy seas, sustainable inshore fisheries and a viable industry”*. As such, they are one of MMO’s key delivery partners.

IFCAs are either a committee or a joint committee of local authorities and are made up of local authority representatives, with the MMO, the Environment Agency and Natural England each having a statutory seat (except the Isles of Scilly IFCA, where the Environment Agency has no remit). The remainder of the IFCA members are volunteers that are appointed by the MMO and include people acquainted with the needs and opinions of the local fishing community, and those with knowledge or expertise in marine environmental matters. Having a statutory seat on each IFCA means that the MMO can work closely with each Authority, providing advice and input to decisions taken by the IFCA as a whole, and an appropriate level of challenge to ensure that those decisions are balanced and based on good evidence. The MMO representative will also be able to take an overview of the effectiveness of the Authority membership and to inform future IFCA appointments processes.

As well as in their role in appointing IFCA members and being part of the Authority, the MMO will work closely together with IFCAs on quality-assuring IFCA byelaws, enforcement of byelaws and other legislation, and the management of Marine Conservation Zones. The MMO and IFCAs will also work together to make the best use of their data and other information. This will require close co-operation between both bodies, including the exchange of knowledge, research and statistical information. The MMO will ensure that IFCAs have access to the necessary information to allow them to carry out their duties.

IFCAs have a statutory duty to co-operate with relevant public authorities – which will include the MMO - to ensure that the fisheries and conservation needs within their Districts are properly addressed. In return, the MMO will consult IFCAs on issues that will affect the management of the inshore marine environment.

#### *Maritime and Coastguard Agency (MCA)*

The MCA is an executive agency of DfT responsible for:

- minimising loss of life amongst seafarers and coastal users;
- responding to maritime emergencies 24 hours a day;
- developing, promoting and enforcing high standards of maritime safety and pollution prevention for ships; and
- when pollution occurs, minimising the impact on UK interests.

The MMO and MCA need to work constructively together on areas of mutual interest and have set out the nature of their relationship in a MoU.

#### *Natural England and the Joint Nature Conservation Committee*

The MMO takes advice from Natural England (NE) and work with NE and the Joint Nature Conservation Committee (JNCC) on designating and managing Marine Conservation Zones. JNCC advises the MMO on the discharge of its functions, and the MMO have also taken on some regulatory functions that contribute to nature conservation. Working arrangements have been set out in two separate MOUs with NE and JNCC respectively. The MMO, NE and JNCC are encouraged to work collaboratively together and with other delivery bodies to achieve savings and remove duplication.

The NE and JNCC also provide statutory advice on marine licensing consents and marine plans.

#### *English Heritage*

English Heritage is the Government's statutory advisor on the historic environment for England. The MMO needs to take advice from English Heritage on the historic environment, for example wrecks, in the UK territorial sea relating to England. The MMO will take account of both the historic landscape and historic sites in developing marine plans, and determining licences. An MoU between English Heritage and MMO sets out provisions for this relationship.

#### *The Crown Estate*

The Crown Estate is the main owner of the UK seabed and a large part of the near shore areas. The MMO will engage in open discussion with the Crown Estate in areas of mutual interest (for example, in relation to marine spatial

planning and data management) to achieve their respective objectives in contributing to the sustainable development of the marine environment. MMO and CE also work together on marine licensing consents. An MoU has been established as a framework for this co-operation.

*Secretary of State's Representative for Maritime Salvage and Intervention (SoSRep)*

The UK created the role of the Secretary of State's Representative for Maritime Salvage and Intervention (SoSRep) in 1999, following a recommendation contained in Lord Donaldson's *Review of Salvage and Intervention and their Command and Control*.

The role of SoSRep is to represent the Secretaries of State for the DfT (in relation to ships) and DECC (in relations to offshore installations) by removing or reducing the risk to safety, property and the UK environment arising from accidents involving ships, fixed or floating platforms or sub-sea infrastructure. On behalf of the Secretary of State, SoSRep has the power to oversee, control and – if necessary – intervene in salvage operations within UK waters involving vessels or fixed platforms where there is a risk of significant pollution. To reduce the risk of pollution of our seas and coasts, SoSRep can direct vessels which are in difficulties to a suitable place of refuge.

During an incident SoSRep receives advice and guidance from the Environment Group. MMO marine inspectors are members of Standing Environment Groups around the coast of England who attend Environment Groups in the event of a significant pollution incident occurring.

MMO representatives advise on fisheries and other marine activities to help inform appropriate pollution response decisions with a view to maximising environmental protection. The MMO will also advise and where relevant give approval to use Oil Spill Treatment Products in the event of an oil spill, and co-ordinate the environmental response to marine pollution incidents.



## Annex 7 - Limits of Delegated Authority: Capital Expenditure, Losses, Write-Offs, Special Payments and Unexpected Income

Ref	Category of loss/expenditure	Marine Management Organisation (MMO) Chief Executive	Other limits
	<b>EXPENDITURE &amp; INCOME</b>		
	Commit expenditure, including all contractual commitments	£100 million	
	Certifying expenditure	£100 million	
	Authorise payments	£100 million	
	Accept receipts	Unlimited	
	Marketing & advertising	£100,000	
	Property related	£100,000	Includes the signing of new leases, renewals of existing leases, the non-exercise of lease break options, any new property acquisitions, new build developments, sale and leaseback, and any freehold sales as part of national property controls
	<b>CAPITAL EXPENDITURE</b>		
	Building - Per project	£100,000	See above on property related expenditure.
	Equipment - Per project	£1 million	
	IT system hardware & software - per project	£1 million	
	Management and IT Consultancy - per project	NO AUTHORITY	Refer to current Cabinet Office and ERG rules on the clearance of consultancy contracts.
	<b>LOSSES, WRITE-OFFS AND SPECIAL PAYMENTS</b>		
<b>A</b>	<b>CASH LOSSES</b>		
ii)	<b>Cash Losses:</b> Losses by theft, fraud, arson, sabotage or gross carelessness	£100,000	
ii)	<b>Bookkeeping losses:</b>		
	Physical loss of cash or equivalent due to fire, accident or other similar cause	£100,000	
iii)	<b>Exchange rate fluctuations:</b> Major losses due to fluctuations in exchange rates or revaluations in currencies and write-offs	NO AUTHORITY	All queries should be directed to Defra FAB
iv)	<b>Losses arising from</b> Overpayments of pay; pensions and allowances; under deductions of social security	£100,000	
v)	<b>Losses arising from</b> Overpayments of Grants and Subsidies etc.	£100,000	
vi)	<b>Losses</b> due to failure to make adequate charges for the use of public property or services	# Limit £25,000	# No delegation except in the case of sub-letting property to non-governmental bodies at below market value:
<b>B</b>	<b>LOSSES OF ACCOUNTABLE STORES</b>		

i)	Losses known to be due to fraud, theft, sabotage or where there is any other culpable cause (including malicious damage to buildings, stores etc.)	£100,000	
ii)	Losses due to other causes	£100,000	
<b>C</b>	<b>FRUITLESS PAYMENTS AND CONSTRUCTIVE LOSSES</b>		
i)	(Fruitless payments) Payments for travel tickets or accommodation etc. wrongly booked or not used	£100,000	
ii)	(Constructive losses) Goods purchased or paid for by the MMO proven to be less useful than expected when the expenditure was authorised	£100,000	
<b>D</b>	<b>CLAIMS WAIVED OR ABANDONED (including remission of capital repayments)</b>	£100,000	
<b>E</b>	<b>SPECIAL PAYMENTS*</b>		
i)	extra-contractual payments	NO AUTHORITY	HM Treasury have removed Defra's delegated authority to approve any special payments. Approval must now therefore be obtained from Treasury through Defra Financial Control.
ii)	extra-statutory and extra-regulatory payments	NO AUTHORITY	
a)	compensation payments	NO AUTHORITY	
b)	special severance payments	NO AUTHORITY	
c)	Gifts of stores or property	£10,000 pa	
d)	Gifts to visiting Dignitaries - cumulative value	£500 pa	
e)	Rabies quarantine costs	£100,000	
iii)	<b>Compensation payments</b>		
a)	<b>Loss or damage</b> for staff on official business	NO AUTHORITY	HM Treasury have removed Defra's delegated authority to approve any special payments including compensation payments. Approval must now therefore be obtained from Treasury through Defra Financial Control. The exceptions are payments made under the Civil Service Injury Benefits Scheme which may go ahead.
b)	<b>Injury payments to non – staff</b> * - official vehicles	NO AUTHORITY	As above
c)	<b>Personal injury - non staff -</b> suffered on Defra premises	NO AUTHORITY	As above
d)	<b>Other compensation claims</b> e.g. from measures taken under the Animal Health Act 1981	NO AUTHORITY	As above, except where legislation requires compensation payments; in these cases they may go ahead without HM Treasury approval.
iv)	<b>Extra-statutory and extra-regulatory payments</b>	NO AUTHORITY	As above
v)	<b>Leasing property</b> at above market rate (NPV +costs)	£100,000	See above on property related expenditure.
	<b>GIFTS RECEIVED</b>		
	Gifts received by MMO	Unlimited	

## Annex 8 - Compliance with Government-wide corporate guidance and instructions

The MMO complies with the following general guidance documents and instructions:

- this Framework Document;
- Appropriate adaptations of sections of [Corporate Governance in Central Government Departments: Code of Good Practice](#)
- [Managing Public Money](#) (MPM):
- [Government Internal Audit Standards](#):
- [Management of Risk: Principles and Concepts](#) (the Orange Book)
- [Government Financial Reporting Manual](#) (FReM):
- Fees and Charges Guide, [Chapter 6](#) of MPM
- [Departmental Banking and Managing Cash](#) (annex 5.6 of MPM); Relevant 'Dear Accounting Officer' letters:
- [Regularity, Propriety and Value for Money](#)
- The Parliamentary Ombudsman's [Principles of Good Administration](#):
- Consolidation Officer Memorandum, and relevant DCO letters;
- relevant [Freedom of Information Act guidance](#) and instructions
- [Model Code](#) for Staff of Executive Non-departmental Public Bodies
- Relevant Cabinet Office Efficiency Reform Group (ERG) requirements on property and procurement
- Other relevant guidance and instructions issued by HM Treasury in respect of Whole of Government Accounts and Clear Line of Sight
- other relevant instructions and guidance issued by the central Departments;
- *Joint Code of Practice for Research* (BBSRC, Defra et al) and other relevant good practice guidelines on evidence processes
- specific instructions and guidance issued by Defra; and
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the MMO.