

Marine Review Stage 1 Terms of Reference

Defra's Arm's Length Bodies Transformation Programme

Marine Review Terms of Reference

Working Draft for Stage 1

Introduction and rationale

Defra is reviewing the form and function of its Arms-Length Bodies (ALBs) as part of its Transformation Portfolio. Such reviews support delivery of Defra's Single Departmental Plan (SDP) and contribute savings to align Defra with its recent Spending Review (SR) settlement over the 2016-2019 period.

In this context, given the multiple bodies involved in delivery of Defra's marine programme, Defra will conduct a review of its bodies with functions relating to the marine environment and fisheries.

The review presents an opportunity to build on existing collaboration across the marine bodies (including interdependences of work carried out under other Defra Directorates such as Chief Scientific Advisor) to improve benefits to customers and stakeholders, seek to explore whether further efficiencies on top of SR15 requirements can be achieved (including assessing the impact of those SR requirements) and address any common issues between marine delivery bodies. We will use this opportunity to assess the marine delivery landscape and its effectiveness in supporting Government's marine policy goals.

The review provides a framework to brigade work on wider transformation projects and take account of wider initiatives including the Maritime Growth Study; the Department's work to co-produce outcomes through industry and third sector operators in the marine and fisheries domains, to reduce the role of Government in any areas best delivered by others; opportunities to further commercialise activities¹ and leverage additional funding from other sources; and synergies with Defra's other environmental priorities.

The review will be conducted in two stages:

Stage 1) to collate baseline evidence on functions, interfaces, and views of key stakeholders and work out promising areas for review, if any, and to fit in with the Defra Group Target Operating Model (TOM) work.

¹ Noting that some of the bodies already include chargeable services and Cefas undertakes significant work for commercial customers.

Stage 2) A review to develop options for change as part of the wider change portfolio and scheduling of transformation projects. The mandate and scope of any Stage 2 would be subject to Defra Executive Committee decision in response to recommendations arising from Stage 1.

These Terms of Reference currently cover both Stage 1 and the assumed scope for any Stage 2. They will be refined as part of commissioning Stage 2.

Objective

To establish the most effective and efficient delivery model for the essential marine and fisheries functions delivered by Defra delivery bodies, now and in the future.

Outcomes

The desired outcomes of this review are to further improve: delivery of services to customers, including clearer definition of responsibilities discharged by bodies; collective delivery between Defra and all bodies to achieve efficiencies across Defra's marine functions; and, the way the structure of the delivery network helps deliver policy outcomes.

Scope of Review

Organisations and functions

For the purposes of this review 'marine' is taken to mean the area seawards from Mean High Water out to 200 nm or the median line. The review will focus on territorial and offshore waters around England only. Any UK-wide responsibilities are out of scope.

Bodies in scope for this review are:

- Marine Management Organisation (MMO)
- Centre for the Environment, Fisheries and Aquaculture Science (Cefas)
- Joint Nature Conservation Committee (JNCC) -marine functions in English offshore waters only
- Natural England (NE) - marine functions only
- Environment Agency (EA) - marine functions only
- Inshore Fisheries and Conservation Authorities (IFCA)

Links to Defra's marine policy functions² and to management of governance, risk and assurance will also be considered.

Although the Seafish Industry Authority will not be directly reviewed through this process, we will ask it what opportunities there might be to work more closely with the fishing industry, including co-producing outcomes and use of the levy.

Department for Transport will be asked to comment on any relevant issues for the Maritime and Coastguard Agency and will be represented on the Review Group.

Key questions

The review will ask:

1. How do the marine functions contribute to the objectives and strategic plans of Defra Group – what is going well on which we can build, what could be changed to further improve delivery, are all functions still needed?
2. Can efficiencies be made from how the bodies deliver together?
3. And is the current delivery model the most appropriate or should alternatives be considered?

The review will develop a baseline assessment of the marine functions of the bodies in the context of Defra's marine policy objectives in the Single Departmental Plan, Defra Business Plan and Marine directorate's 2016/17 Business Plan, as well as the outcomes of the Policy & Evidence Programme's process mapping of Defra's marine policy. This will take into account SR15 reductions and assumptions on transformation savings. The review will need to test, against this baseline assessment, possible changes to functions or how they are delivered. The review will focus on key areas identified by early analysis of evidence and through discussions with the bodies and key stakeholders. A communications strategy will be developed.

Timing

The review will take approximately nine months to complete and the plan is to deliver recommendations to Ministers in December 2016 to March 2017, depending on scope. Stage 1 is planned to complete by 27 June 2016 and Stage 2 would start in July, subject to ExCo mandate.

Assumptions

A starting assumption will be that there is unlikely to be an appetite for primary legislation in the next few years that could lead to substantial change of any of the

² This is primarily being delivered through Defra's Policy and Evidence workstream.

bodies but the review's recommendations could consider the case for legislation. The review will consider whether amendments could be made (to, for instance by the Public Bodies Act) that could lead to delegation, transfer or cessation of functions or whether work could be subcontracted between bodies through Memoranda of Understanding.

Defra's key policy goals are to meet the requirements of the 25 year Environment Plan, key domestic, European and international legislation, particularly the Marine Strategy Framework Directive, the Common Fisheries Policy, the Marine and Coastal Access Act and the Natura Directives. How these are delivered will be a key focus of the review.

It is assumed that this review will be used as a tool to brigade elements of Transformation Programmes in Defra that have marine delivery functions (or which relate to the form of marine delivery bodies) in scope. The Defra Group Single Department Plan, Business Plans for 2016/17 and Cluster Plans for 2016/17, as well as the outcomes of the Policy process mapping and team design exercise due to complete in March 2016, and outcomes from previous reviews, will all form part of the baseline of the review.

It is assumed that the governance framework of this review will allow progress on, and the outputs of, other parts of the Defra Change Programmes to be tracked by the Review Group and incorporated by the review team into this review's analysis and recommendations. It is assumed that work on the JNCC Review, on Evidence, Corporate Services, and if applicable, the Cabinet Office Regulators Review, will dovetail with the scope of this review.

Critical success factors and criteria for assessing options for future delivery of functions.

The review will aim to achieve the following critical success factors, which we will use to form the criteria by which we appraise options developed by any Stage 2 and therefore the kind of evidence we will collate in Stage 1:

1. Net costs of Defra's marine delivery functions are as low as feasible.
2. Costs of change are affordable.
3. Progress towards Government's key desired outcomes for marine environment and businesses gathers further pace and certainty.
4. Perception by customers of quality of customer service is further improved.
5. External stakeholders are positive about any changes proposed.

6. Colleagues working in the delivery bodies are motivated by any changes proposed.

Governance

A Review Group will take this work forward with representation from Defra and the marine delivery bodies in scope of the review (see Annex A for details). Paul Rew, Defra Non-Executive Director, will act as an independent member and provide a challenge function. Sonia Phippard will act as Senior Responsible Officer, reporting to Ministers through Defra's Permanent Secretary and Defra's Executive Committee. See Annex 1 for further information on the role of the Review Group.

Outline plan.

Stage 1: Evidence base

The review will collate an evidence base, agreed by the Review Group, drawing on evidence from Defra, the marine bodies, and key customers and partners, to develop and evaluate options that fit with the scope. This stage will proceed through:

Evidence gathering: In this stage we will focus on gathering the evidence required to assess the baseline of the critical success factors and an ability to judge the impact on these critical success factors of different options for change, including no change (Annex 1). We will adopt a "spirit of positive enquiry", looking for evidence of what is working well and/or already getting better, as well where improvements are needed. We will produce:

- A framework of functions, the activities undertaken by each function, and the outcome that the function is attempting to achieve. The functions will be categorised into the following groups, with a working group for each category:
 - Regulatory Functions: to include, for example, licensing and permitting, fisheries regulation, enforcement and compliance, and conservation regulation.
 - Advisory Functions to include, for example, marine planning, conservation (e.g. Marine Protection Areas), environmental quality advice, and emergency response.
 - Science and Evidence Functions to include, for example, monitoring and surveillance, high level assessments and reporting, data, applied and strategic science, and standards.
- For each function, broken down by delivery body, we will collate the baseline:

- Volume and type of outputs / transactions, e.g.: boats licenced per year.
- Net cost.
- Income generation.
- Staff numbers involved (FTEs and heads).
- Confidence in delivery of the outcome.
- Customers³, who they are, what they think of the service.

Initial assessment of evidence: to develop recommendations for ExCo on the most promising areas for any Stage 2:

- Current trends in any of these factors and any changes implied by SR15 or other commitments.
 - Extent of overlap of functions, especially of customers.
 - Legal or other constraints of change, e.g.: whether primary legislation would be required to delegate responsibility to another organisation, whether current Ministers have made public commitments about the future of a function.
- Proposals on which functions to investigate for options for changes to further improve achievement of the key success criteria.

Stage 2) Developing options, subject to ExCo mandate.

- Options for further improving delivery of the key priorities mandated by Defra ExCo with scope of options to include no change beyond that already committed, cessation of the function, moving responsibilities between organisations, initiatives for incremental improvements, and reconfiguration of delivery bodies.
- Consideration of innovation in funding models.
- An assessment of options, including the likely costs, benefits, risks and opportunities (as well as implementation timelines) associated with these.
- Preparation of report and conclusions for Ministers views.

³ Defined as:

1. An organisation or individual who pays for goods, outputs, services or deliverables from an ALB
2. An organisation or individual who receives goods, outputs, services or deliverables from an ALB which is paid for by someone else on their behalf.

- Communicating the outcome (internally and externally) and developing an outline plan to handover to implementation.

The review will consider any wider changes to Defra's requirements for marine regulation, evidence and advice, as well as broader developments across their ALB networks. The review will also consider, together with the bodies' functions, other related functions currently carried out by other organisations⁴, where relevant. It will also take account of opportunities for bodies to commercialise activities and leverage funding from other sources, where these are viable within the SR period and demonstrate compliance with HMT's *Managing Public Money*.

The final product of the review will be a business case with recommendations on the future delivery of marine functions and any associated funding and form changes, as well as a communications plan and an outline implementation plan. This will be submitted to Ministers for consideration.

[Version as at: 19th April 2016]

Annex 1 to Annex A

Proposed role and membership of Review Group

The Review Group will be responsible for the successful running of the review, ensuring timely delivery against the review objective. It will meet periodically, as needed, to assess progress against the objective of the review, challenge emerging findings and consider risks and ways of overcoming obstacles to the timely completion of the review. The Review Group will make recommendations and report via the Chair to the SRO, Sonia Phippard, and through the SRO to Defra ExCo and Ministers.

Members of the Review Group will be responsible for providing views, evidence and expertise from the organisations they represent.

To support this, there will be a series of Working Groups tasked by the Review Group to conduct analysis and report back within defined timeframes to the Group. Membership of the working groups will be agreed by the Review Group and will comprise of policy representatives and representatives from the relevant marine bodies (note not all working groups might be relevant to all bodies). Working groups will review the baseline data provided by the marine bodies and generate a limited number of scenarios (total number to be agreed by the Review Group) for the future delivery of functions. The Review Group will consider the scenarios and agree which to put forward for further Working Group assessment on the basis of evidence.

⁴ Particularly the Maritime and Coastguard Agency and Ministry of Defence.

Working Group members will respect the sensitive nature of the discussions they will be party to and not share these outside the Working Group membership, except by agreement with the Review Group. Where required, the Working Groups can draw in expertise from the organisations they represent or other relevant organisations, if this is agreed in advance by the Review Group or Defra project team. Communications on the review will be agreed by the Review Group, with support from their communications experts, and led by the Defra project team.

The resourcing of the review will be agreed by the Review Group, with clear allocation of tasks. The Chair of the Group and project management of the review will be provided by Defra officials. Defra officials will also provide secretariat support for the Review Group.

One individual, agreed by the Group, will sit on the Review Group in order to provide a challenge function for the review in line with Cabinet Office guidance.

Proposed Membership

Organisation	Member	Role
Defra	Tanya Arkle	Chair
Defra	Jonathan Capstick	Deputy Chair
Defra	Dominic Driver	Project Manager, Review Team
Defra	Amy Holmes or Gemma Harper	Marine policy
Defra	Zoe Bond	Defra Chief Scientific Adviser's Office
Defra	Jen Ashworth / Rory MacDonald	Review team (secretariat)
MMO	John Tuckett	CEO
Cefas	Tom Karsten	CEO
Natural England	Alan Law / Jonathan Burney	Chief Officer / Marine Director
Environment Agency	Pete Fox	Director, Water, Land & Biodiversity
JNCC	Marcus Yeo	CEO
Seafish	Tom Pickerell	Technical Director
Association of IFCA's	Stephen Bolt	Chief Executive of the AIFCA
DCLG	TBC	TBC
DfT	TBC	TBC
Defra Non-Executive Director	Paul Rew	Independent challenge