



Consultation Document:

# CONSULTATION ON THE FUTURE OF THE UK SEAFARER MEDICAL EXAMINATION (ENG1) FEE 2022

May 2022

# Contents

<b><u>Section 1: Overview of this consultation</u></b>	<b>1</b>
<u>Aim</u>	1
<u>Views sought</u>	1
<u>Deadline for responses</u>	1
<b><u>Section 2: Areas for consideration</u></b>	<b>2</b>
<u>Background</u>	2
<u>Proposed Changes</u>	2
<u>Summary of Options and Recommendation</u>	2
<u>Supporting Information</u>	5
<b><u>Section 3: Responding to this consultation document</u></b>	<b>7</b>
<u>Consultees</u>	7
<u>Duration</u>	7
<u>Submitting your response</u>	7
<u>Freedom of Information and Data Protection</u>	7
<b><u>Section 4: Outline plans beyond this consultation</u></b>	<b>9</b>
<b><u>Section 5: Response form</u></b>	<b>10</b>
<u>Draft SI</u>	12
<b><u>Section 6: Conduct of this consultation</u></b>	<b>14</b>
<u>Consultation Principles</u>	14
<u>Feedback on conduct of consultation</u>	14
<u>MCA consultation feedback form</u>	15

## Section 1: Overview of this consultation

### Aim

- 1.1. This consultation seeks your views on removing the statutory set fee for the seafarer<sup>1</sup> medical (commonly known as the ENG1) from the Merchant Shipping (Fees) Regulations 2018 (“the Regulations”) and allowing for the fee to be set by market forces.

### Views sought

- 1.2. Your views are sought in the following areas: whether to continue with the status quo or whether to remove the ENG1 fee from the Regulations which will allow Approved Doctors (ADs) to charge a fee that is more comparable to the time taken for the medical.
- 1.3. A full list of consultation questions is contained in Section 5 of this consultation.

### Deadline for responses

- 1.4. Responses are welcomed from 19/05/2022 until 11/08/2022.

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<sup>1</sup> Where “seafarer” is mentioned with reference to medicals, this means both merchant seafarer and fishermen.

## Section 2: Areas for consideration

### Background

- 2.1 Under current legislation, the ENG1 Fee is limited by statute and the Maritime & Coastguard Agency (MCA) controls the availability of ADs (for quality control purposes), which contracts the market for the provision of UK seafarer medicals. The fact that the fee is controlled by regulations has made the process of increasing the fee protracted. The low ENG1 Fee has led to problems in the recruitment and retention of ADs in some areas, with other practices reducing the availability of appointments. In recent decades this has resulted in the fee remaining unchanged for long periods which does not allow ADs to recover their costs. Following on from a stakeholder engagement exercise conducted in February 2017, regulations came into force on 13 November 2018, and set the relevant fees as follows (depending on the date of examination):

Carried out on or after 13 November 2018 but before 13 November 2019	£95
Carried out on or after 13 November 2019 but before 13 November 2020	£105
Carried out on or after 13 November 2020	£115

The next uplift planned by the MCA for all fees is not until 2023 which means that the ENG1 Fee will remain at the level last set in November 2020. This level is on average much lower than other industry medical prices and also much lower than doctors' usual chargeable rates.

### Proposed Changes

- 2.2 The aim of removing this fee from the Regulations is to ensure that there is greater flexibility to respond to changing circumstances affecting Approved Doctors' costs, to ensure that ADs are properly remunerated, support the quality of the examination, help to ensure parity with other industries' medical fees and futureproof the supply of these essential medical examinations. The MCA, in line with its commitment to attempting to minimise the impact of fee changes on industry stakeholders, is therefore consulting with stakeholders on whether the ENG1 fee could be removed from the Merchant Shipping (Fees) Regulations 2018/1104.

### Summary of Options and Recommendations

#### 2.3 Option 1: Do nothing

As the fee has no more planned increases since November 2020 when it rose to £115, one option is to leave things as they are, with a statutory fee. However, the current fee continues to lag behind other comparable industry medical prices. If the issue of fee setting remains unsolved, Approved Doctor recruitment and retention will continue to

be affected. We have seen a recent example of an MCA Approved Doctor resigning due to it not being financially viable to continue carrying out seafarer medicals at current pricing levels. In our last consultation running from 14 September 2016 to 26 October 2016, we received responses from 49 respondents who were concerned with the capping of the ENG1 Fee.

Benefits:

- Minimum disruption.
- Continued certainty for seafarers/employers.

Disbenefits:

- Continuing uncertainty for ADs and adverse effect on retention, availability and recruitment.
- Risk of future delays due to shortage of ADs undertaking this work.
- ENG1 examination continues to be the “poor relation” to other professional medical examinations, with there being no clear reason for different treatment of this medical examination relative to other industries.
- Less flexibility for pricing to respond to changes to the medical examination (such as the planned introduction of on-line examination records for ADs and other changes in testing procedures).
- Overseas ADs continue to be unregulated while those in the UK are regulated (MCA’s powers do not extend to setting the fee outside the UK), creating an inconsistency disadvantaging UK-based ADs.
- Low fees may undermine the quality of the examination because ADs cannot afford to allocate the necessary time.

Option 2: ENG1 Fee to be set by market forces

Most occupational medical examination fees are not set by legislation, for example the Health and Safety Executive does not set fees for divers’ medical examinations, nor does the renewables industry. In other industries such as aviation and rail, the medical fees are not capped, so this policy will align Maritime with other UK transport sectors.

As the ENG1 Fee is paid directly by the seafarer or their employer to the Approved Doctor, it is an anomaly that the fee is set in statute. Removing the statutory fee would allow companies to negotiate contracts to supply medical services, including the statutory seafarer medical examinations, with ADs at mutually agreed rates, which could result in improved services for seafarers. In the larger ports as well as some remote areas, there is evidence that ADs consider their role as providing a community service and so would be unlikely to take advantage of an unregulated fee to increase their charges beyond “the going rate”.

#### Benefits:

- ADs could increase or decrease the fee in response to their own costs and market forces.
- Allowing the ADs to set their own fee at a level which covers their costs would help to ensure quality is maintained.
- ADs in different areas and different types of practice have given very different recommendations as to the real cost of the medical examination, so there would certainly be a cost differential across the UK which would give a choice to seafarers and shipowners regarding the price.
- Removing the cap on the ENG1 fee would improve recruitment and retention of ADs as they would feel free to charge a more realistic price to reflect their costs.
- It would remove the discrepancy between overseas doctors and those in the UK where the statutory fee applies.
- There would be greater flexibility for changes to the content (and therefore length/cost) of the medical examination.

#### Disbenefits:

- Costs for seafarers and shipowners will be more unpredictable.
- Employers may seek out doctors charging lower fees; seafarers may be disadvantaged if they are obliged to attend an Approved Doctor charging a lower rate at a distance from their home/place of work.
- Risk of larger fee increases from ADs in areas where there is no competition.
- ADs may use cost to limit demand, so reducing availability of appointments in some areas.

#### Discounted options

- Regulations to set ENG1 Fee with annual increase by RPI/CPI: this has previously been suggested by industry stakeholders as a way forward but does not, in our assessment, provide a workable solution.
  - It would be very difficult for industry or ADs to predict and plan for the fee in advance.
  - There would be difficulty in establishing the exact rate to link to, monitoring such an arrangement would be complicated, and consequently this option would bear the risk of challenge and create uncertainty.
  - This approach would not comprehensively mitigate some of the issues above created by the current capping of the ENG1 Fee.
  - Annual increases in RPI/CPI would not necessarily match the increase in doctors' costs.

- This idea was in fact already considered in a stakeholder engagement in 2017 but dismissed then because of the reasons mentioned above.
- Fee to be removed from regulations but the MCA to provide guidance on the expected duration of a medical examination and reference the British Medical Association suggested fees for services.
  - Under Treasury guidelines on government fees, the MCA can either set a statutory fee or leave the fee to be determined by market forces. Reference to a “guideline” fee would be a non-standard practice, would not carry enforceable legal authority, and may, practically speaking, create confusion as to what is actually legislated for.

### Preferred option

The MCA recommends Option 2, as, in the MCA’s assessment, this provides the best balance between improving recruitment and retention of ADs and safeguarding the interests of seafarers both in terms of preventing excessive increases in ENG1 fees and ensuring the availability and quality of ENG1 examinations. The potential results of Option 2 in the UK are subject to some unknowns and would be monitored closely if implemented, although this system is undertaken in some other countries without problems, including Norway, Sweden and New Zealand.

Moreover, the other type of UK Seafarer medical (ML5) does not have a statutory fee attached and the price is therefore set by GPs or ADs. Internet market research in June 2021 has shown prices for the ML5 ranging from £65, £75, £85, £95, £115 all the way up to £178.50. The ML5 medical, although not entirely comparable to the ENG1 in terms of the time it takes, has always operated in this way and allows seafarers to choose the price point which is right for them and gives an element of choice and geographical spread. The MCA has never received any complaints about pricing with regards to the ML5 medicals. The ML5 medical pricing pattern can be seen as an example of market forces working and without the ENG1 fee being statutory, we can therefore imagine a future where deregulated pricing could also work for ENG1 medicals in the same way.

However, we are conducting this consultation exercise to seek to understand the views of interested parties.

## Supporting Information

2.4 A full impact assessment has been developed and is provided as part of the package and an analytical assurance statement has given the policy proposal an assurance rating of Medium overall. (Both the Impact Assessment and the Analytical Assurance Statement are an addendum to the consultation). The Impact Assessment has been agreed with economists and the impacts are difficult to extrapolate. When this policy is enacted there will be no set fee for a seafarer medical. We would expect to see a whole range of pricing which could include regional and local variations

depending on location of ADs. This already happens in 40% of seafarer medicals carried out by ADs based outside of the UK.

The statutory medical examination set fee is below the market rate for similar medicals, and this is undermining our ability to maintain a network of doctors to deliver seafarer medical examinations for industry and puts at risk the quality of those medical examinations. There is no impact on costs to Government as ADs are not employed by the MCA. There will be additional costs to seafarers/fishermen and shipping companies if the ADs can charge the market rate for a seafarer medical.

- At the National Maritime Occupational Health & Safety Committee (NMOHSC) meeting in July 2020, Industry views from the Chamber of Shipping, Ferry companies, boat operating companies and unions were given after the proposal was introduced by the MCA. Their questions included:
  - How would we ensure that the fees do not rise and could we manage competition?
  - That for non-UK employers, seafarers would have to pay for price increases themselves and could the rate be linked to GDP or inflation?

These views above are addressed in the analysis on page 11 and 12 of the Impact Assessment.

## Section 3: Responding to this consultation

- 3.1. There are specific questions highlighted in section 5 of this document and information on how to respond to this consultation document.

### Consultees

- 3.2. Anyone may respond to this consultation and consideration will be given to all responses. We will be particularly interested to hear from: Ship Operators, Seafarers' Unions, Seafarers, Fishermens' Unions, fishermen, ADs.

### Duration

- 3.3. This consultation is open for 12 weeks from 19 May 2022. The deadline for responses is 11 August 2022.

### Submitting your response

- 3.4. The preference is for consultation responses to be emailed to [medical@mcga.gov.uk](mailto:medical@mcga.gov.uk). Any questions should also be sent to this email address. You can also send in your response by post. [During the current COVID-19 pandemic we are working away from the office and the collection of post is limited.]
- 3.5. When responding, representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions.

### Freedom of Information

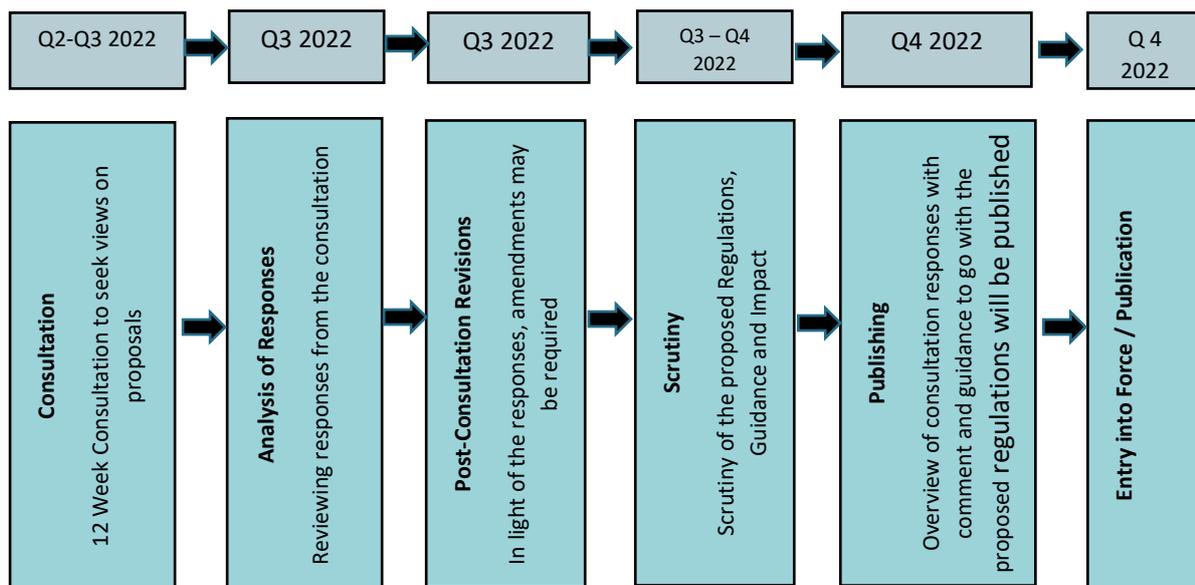
- 3.6. Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.
- 3.7. If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
- 3.8. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department/MCA.
- 3.9. The MCA will process your personal data in accordance with the data protection framework and, in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

## Data Protection

- 3.10. The MCA is carrying out this consultation to gather evidence to inform the development and implementation of policy and legislation [under the enabling provisions of the Merchant Shipping Act 1995 Section 302]. This consultation and the processing of personal data that it entails is necessary for the exercise of our functions as a government department. If your answers contain information that allows you to be identified, under data protection law, the MCA, as an Executive Agency of the Department for Transport, will be the Controller for this information.
- 3.11. The MCA will use your contact details to send you information about the consultation, for example if we need to ask follow-up questions. You do not have to give us this personal information but if you do choose to provide it, it will not be used for any other purpose without your permission.
- 3.12. Details about how the MCA looks after personal data, your rights, how to complain, and how to contact our Data Protection Manager can be found on gov.uk at:  
<https://www.gov.uk/government/organisations/maritime-and-coastguard-agency/about/personal-information-charter>
- 3.13. Your information will be kept securely on the MCA's IT system and any written responses will be held in a secure file and cabinet and kept until a post-implementation review has been completed.
- 3.14. If you do not wish to remain on this list, please let us know at [medical@mcga.gov.uk](mailto:medical@mcga.gov.uk)

## Section 4: Outline of plans beyond this consultation

- 4.1. Once this consultation closes, we will review all responses. In considering the responses we will apply appropriate weight to those from organisations and individuals with specialist knowledge of the subject area.
- 4.2. We will be analysing the responses during Quarter 3 2022. Our aim is to publish an overview of the responses and the MCA's comments by late Quarter 3 2022, which will be available on [www.gov.uk](http://www.gov.uk) along with the consultation.
- 4.3. Where appropriate the draft Regulations/Guidance, accompanying guidance and impact assessment will be revised to take into consideration the consultation responses.
- 4.4. Our aim is for the legislation to come into force in Q4 2022. The Regulations will be published on [www.legislation.gov.uk](http://www.legislation.gov.uk)
- 4.5. Every effort will be made to publish the revised accompanying guidance on gov.uk in advance of the new regulations being laid.
- 4.6. An overview timetable is below for reference:



## Section 5: Response form - THE FUTURE OF THE UK SEAFARER MEDICAL EXAMINATION (ENG1) FEE 2022

What is your name? \_\_\_\_\_

What is your email address? \_\_\_\_\_

What is your job title? \_\_\_\_\_

**When responding please state whether you are responding as an individual or representing the views of an organisation:**

- I am responding as an individual
- I am responding on behalf of an organisation

(Name of organisation) \_\_\_\_\_

**Please check the box that best describes you as a respondent and the size of your organisation:**

### Respondent Type

- Classification Society
- Government Agency/Department
- Individual
- Legal representative
- Protection & Indemnity
- Seafarer
- Fisherman
- Ship Operator
- Ship Owner
- Fishing vessel Operator
- Fishing vessel Owner
- Trade Union
- Other

(Please describe) \_\_\_\_\_

### Size of Organisation

- Large business (over 250 staff)
- Medium business (50 to 250 staff)
- Small business (10 to 49 staff)
- Micro business (up to 9 staff)

## Section 5.1 Consultation Questions

Please let us have your views on the two options presented.

- A. Which option would you favour and why? (Option 1: Do nothing or Option 2: ENG1 Fee to be set by market forces).
- B. Are there other benefits and disbenefits which the MCA has not identified above?
- C. Are there other models for charging that could be considered?

## Section 5.2

Do you have any additional comments to add to the response?

**Please return completed response forms to [medical@mcga.gov.uk](mailto:medical@mcga.gov.uk) by 11 August 2022.**

Alternatively, responses may be posted to arrive by 11 August 2022 to:

Medical Administration Team  
Seafarer Safety & Health Branch, Bay 2/19  
Maritime & Coastguard Agency Spring Place  
Spring Place, 105 Commercial Road  
Southampton, SO15 1EG

**202[2] No. 0000**

**MERCHANT SHIPPING**

**The Merchant Shipping (Fees) (Amendment) Regulations 202[2]**

*Made* - - - - - \*\*\*  
*Laid before Parliament* \*\*\*  
*Coming into force* - - - \*\*\*

The Secretary of State, in exercise of the powers conferred by section 302 of the Merchant Shipping Act 1995<sup>(2)</sup>, and with the consent of the Treasury, makes the following Regulations.

**Citation and commencement**

1. These Regulations may be cited as the Merchant Shipping (Fees) (Amendment) Regulations 202[2] and come into force on [date].

**Amendment of the Merchant Shipping (Fees) Regulations 2018**

- 2.—(1) The Merchant Shipping (Fees) Regulations 2018<sup>(3)</sup> are amended as follows.  
(2) In Part 4 to Schedule 1 (table of miscellaneous qualifications), omit item 4.

Signed by the authority of the Secretary of State for Transport

Address \_\_\_\_\_ *Name*  
Date \_\_\_\_\_ Parliamentary Under Secretary of State  
Department for Transport

We consent to the making of these Regulations

Address \_\_\_\_\_ *Name*  
Date \_\_\_\_\_ Two of the Lords Commissioners of Her Majesty's Treasury *Name*

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<sup>(2)</sup> 1995 (c. 21).  
<sup>(3)</sup> S.I. 2018/1104.

## **EXPLANATORY NOTE**

*(This note does not form part of the Regulations)*

These Regulations are made in exercise of the powers conferred by section 302 of the Merchant Shipping Act 1995. These Regulations amend the Merchant Shipping (Fees) Regulations 2018 (S.I. 2018/1104) to remove the prescribed fee for an examination by an approved medical practitioner for a medical fitness certificate for certain seafarers under the Merchant Shipping (Maritime Labour Convention) Medical Certification Regulations 2010 (S.I. 2010/737) and for fishermen under the Merchant Shipping (Work in Fishing) Medical Certification Regulations 2018 (S.I. 2018/1108).

A full regulatory impact assessment of the effect that this instrument will have on the costs of business has been produced. Copies may be obtained from the Department for Transport, Great Minster House, 33 Horseferry Road, London, SW1P 4DR. Alternatively, copies can be obtained from the Department for Transport's website, which is at [www.gov.uk](http://www.gov.uk). It is also published with the Explanatory Memorandum alongside the instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk).

## Section 6: Conduct of this consultation

- 6.1. This consultation has been conducted in accordance with the Cabinet Office Consultation Principles.

### Consultation principles

- 6.2. The Cabinet Office Consultation Principles can be found at [Consultation Principles 2018](#)

### Feedback on conduct of consultation

- 6.3. If you have any comments regarding the conduct of this consultation, please contact the Consultation Co-ordinator at [consultation.coordinator@mcga.gov.uk](mailto:consultation.coordinator@mcga.gov.uk).
- 6.4. We are continually trying to improve the way in which we conduct consultations and appreciate your views. We would be grateful if you could complete and return the attached feedback form. These should be submitted to the Consultation Co-ordinator and are not affected by the deadline for this consultation.
- 6.5. If you require this consultation in an alternative format, please contact either the Consultation Co-ordinator or the named official conducting this consultation.

## MCA CONSULTATION FEEDBACK FORM

1. Please indicate on which Consultation you are providing feedback:

.....

2a. Please indicate whether you are responding on behalf of:

- Yourself as an Individual
- A Trade Association
- A Company
- A Government Organisation
- A Trade Union
- Other  
(Please specify) \_\_\_\_\_

2b. If you are representing a company, please indicate the size of your company:

- Micro (1-9 employees)
- Small (10-49 employees)
- Medium (50-249 employees)
- Large (250+ employees)

2c. Please indicate whether you accessed this consultation package through:

- post
- email
- website

3. Please rate the quality of this consultation regarding accuracy, good English and spelling:

- Very good
- Good
- Average
- Poor
- Very Poor

4. Please rate the format of the consultation presentation (layout, Annexes etc.):

- Very good
- Good
- Average
- Poor
- Very Poor

5. Please rate the consultation in terms of how clear and concise you felt it was:

- Very good
- Good
- Average
- Poor
- Very Poor

6. Did you feel that the consultation was conducted over a sufficient period of time?

- Yes
- No

7. Were any representative groups, organisations or companies not consulted who you felt should have been?

- Yes
- No

If yes, who? \_\_\_\_\_

8. Please let us have any suggestions for improvement or other comments you wish to make about this consultation below:

Thank you for your time. Please return this form to:

Consultation Co-ordinator,  
Maritime and Coastguard Agency,  
Spring Place, Bay 3/26, 105 Commercial Road  
Southampton SO15 1EG  
Or e-mail it to: [consultation.coordinator@mcga.gov.uk](mailto:consultation.coordinator@mcga.gov.uk)

If you are happy to supply your name in case we need to contact you to discuss your views further, please enter it below (this is optional, and your feedback will still be taken into account if you wish to remain anonymous):

Name \_\_\_\_\_

Tel. No. \_\_\_\_\_

**Please note that the deadline for responses to the Consultation itself does not apply to the return of this form.**