|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Title:Increase in fees covering marine surveys; registration, transfer and mortgage of fishing vessels (RSS); and seaman training and certification (STC) **IA No:** DfT00275Lead department or agency:Maritime and Coastguard Agency (MCA)Other departments or agencies: Department for Transport (DfT) |

|  |
| --- |
| Impact Assessment (IA) |
| Date: 17/03/2014 |
| Stage: Consultation |
| Source of intervention:  |
| Type of measure:  |
| Contact for enquiries: sav.tibbs@mcga.gov.uk02380 329314 |
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|  |

 |
| Summary: Intervention and Options  | **RPC Opinion:**  |
|  |
| Cost of Preferred (or more likely) Option |
| Total Net Present Value | Business Net Present Value | Net cost to business per year (EANCB on 2009 prices) | In scope of One-In, Two-Out? | Measure qualifies as |
| £0m | -£31.19m | £3.08m |  |  |
| What is the problem under consideration? Why is government intervention necessary?The services covered in the impact assessment (such as surveys, certificates and other documents) are pivotal to maritime safety, helping to prevent loss of life and pollution incidents at sea. Since 2006 the Maritime and Coastguard Agency (MCA) has absorbed increases in all the costs of providing these services without increase fees. This has been achieved through cost savings, but is no longer considered possible and without an increase in fees cost recovery will not occur – leading to a government subsidy – or service levels will suffer. Fees are set in secondary legislation and therefore government intervention is required to increase them to allow full cost recovery. |

|  |
| --- |
| What are the policy objectives and the intended effects?To ensure MCA moves to full cost recovery as soon as possible in line with the principles of ‘Managing Public Money’.To prevent a reduction in quality of the service that the MCA offers. |

|  |
| --- |
| What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**Option 0:** (Do nothing scenario) Fees stay the same and the MCA is unable to continue to maintain adequate levels of customer service without government subsidy. **Option 1**: An increase in fees covering three areas: marine surveys; registration, transfer and mortgage of fishing vessels (RSS); and seaman training and certification (STC examinations)by 57%, 17% and 20% respectively. This option will allow for full cost recovery from providing services and prevent a reduction in the quality of service. |

|  |
| --- |
| Will the policy be reviewed? It will be reviewed. If applicable, set review date: 04/2015 |
| Does implementation go beyond minimum EU requirements? |  |
| Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base. | **Micro** Yes | **< 20**Yes | **Small** Yes | **Medium** Yes | **Large** Yes |
| What is the CO2 equivalent change in greenhouse gas emissions? (Million tonnes CO2 equivalent)  | Traded: NQ | Non-traded: NQ |

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

|  |  |  |  |
| --- | --- | --- | --- |
| Signed by the responsible Minister: |  |  Date: |       |

# Summary: Analysis & Evidence Policy Option 1

Description: An increase in fees covering marine surveys, RSS and STC examinations by 57%, 17% and 20% respectively.

FULL ECONOMIC ASSESSMENT

|  |  |  |  |
| --- | --- | --- | --- |
| Price Base Year 2010 | PV Base Year 2014 | Time Period Years 11 | Net Benefit (Present Value (PV)) (£m) |
| Low: N/A | High: N/A | Best Estimate: £0m |

|  |  |  |  |
| --- | --- | --- | --- |
| COSTS (£m) | Total Transition  (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
| Low  | N/A | N/A | £3.2m | £26.8m |
| High  | N/A | £5.2m | £43.5m |
| Best Estimate | N/A | £3.7m | £31.2m |
| Description and scale of key monetised costs by ‘main affected groups’ In order to ensure full cost recovery we need to increase fees by 57% for marine services, 17% for RSS and 20% for STC examinations from December 2014. Changes will affect all users of these MCA services. For the purpose of this analysis we assume this cost falls entirely upon business. |
| Other key non-monetised costs by ‘main affected groups’ No non-monetised costs compared to do nothing have been identified. |
| BENEFITS (£m) | Total Transition  (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
| Low  | N/A |     | £3.2m | £26.8m |
| High  | N/A | £5.2m | £43.5m |
| Best Estimate | N/A | £3.7m | £31.2m |
| Description and scale of key monetised benefits by ‘main affected groups’ The benefits are a financial transfer to the MCA from customers (assumed in this analysis to be entirely businesses) who use MCA marine survey, RSS and STC services. |
| Other key non-monetised benefits by ‘main affected groups’ Service delivery to MCA customers will continue at agreed levels. |
| **Key assumptions/sensitivities/risks** Discount rate (%) | 3.5 |
| Assumptions have been made on the costs to the MCA for the services carried out and that 2010-11 is a representative year for future costs and incomes. There is a risk that the fee increases are insufficient to cover MCA costs if demand is not similar to that seen in 2010-11. Equally it is also possible that the MCA over-recovers its costs with the fees being too high. It is not possible to know in advance whether either of these scenarios will occur. |

BUSINESS ASSESSMENT (Option 1)

|  |  |  |
| --- | --- | --- |
| Direct impact on business (Equivalent Annual) £m:  | In scope of OITO? |  Measure qualifies as |
| Costs: £3.08m | Benefits: £0m | Net: £3.08m | No | N/A |

# Evidence Base (for summary sheets)

### 1. Problem under consideration

The Maritime & Coastguard Agency (MCA) are required to adopt HM Treasury guidance[[1]](#footnote-1) for recovering the costs of services we provide. This approach intends to make sure government neither profits at the expense of consumers nor makes a loss for taxpayers to subsidise.

Since September 2006, the MCA has not changed its fee level[[2]](#footnote-2) and has consequently absorbed increases in ship registration, survey and merchant navy training costs. As a result industry has benefitted from this under recovery of costs and in effect has received the services at below market rates. There has been a shortfall between income and costs for the services covered by this IA in each year since 2010-11 (and likely since 2006). The shortfall for 2010-11 (the base year) is estimated at £3.7m (in 2010 prices). MCA efficiency improvements have helped maintain standards at the current fee level (this has also been funded by income from other MCA services) however the MCA will be unable to cover the deficit in future.

### 2. Background

The MCA is an Executive Agency within the Department of Transport (DfT). It charges statutory fees for its activities set at levels which aim to recover the full economic cost of work undertaken, in accordance with HM Treasury guidance on fees and charges. Non-statutory charges are set at levels which at least recover the direct costs, unless there is HM Treasury agreement to the contrary.

The summary below shows the statutory services the MCA charges for and that are covered by this IA. A large number of services and fees fall under these categories and Annex A provides a full list of fees within scope of the IA. There are 135 fees in all.

Marine surveys

* Survey and Inspection

Registration, transfer and mortgage of fishing vessels (RSS)

* Registration, Transfer and Mortgage of Fishing Vessels and Related Matters
* Registration, Transfer and Mortgage of Ships (Other Than Fishing Vessels and Related Matters)

Seaman, training and certification (STC)

* Certificate of Competency and Examinations for Officers
* Miscellaneous Examinations and Other Certificates
* Certificate of Equivalent Competency
* Boatmasters’ Licences
* Seamen’s Documents
* Safe Manning Certificates

MCA fees for these services have not increased since 2006. Over this period the MCA cost base relative to income generating areas of the business has increased year on year and now there is an annual shortfall between costs and income for the services covered in this IA. For 2010-11 this is estimated at £3.7m (in 2010 prices). Even though MCA are achieving efficiency savings in its administrative cost base (e.g. through staff reductions), operational costs are expected to continue to increase during 2013-14 and beyond. From the last increase in 2006 to present the MCA income increased due to the demand for overseas surveys, however during the economic downturn this pattern of demand fell and only now are we seeing signs of recovery in volumes.

During Spending Round 2010 MCA was tasked with making efficiency savings of 15%. To date MCA has achieved significant efficiency improvements and is well on track to reach the 15% target. Despite these efficiency savings the MCA costing model shows a net deficit in-year of around £2.3m (2014 prices) for the first 9 months, because of the length of time taken since the last increase in 2006 to implement revised increases.

### 3. Rationale for intervention

The services covered in this impact assessment (such as surveys, certificates and other documents) are pivotal to maritime safety, helping to prevent loss of life and pollution incidents at sea. Some of these incidents, for example, the sinking of the tankers ERIKA off the coast of France in 1999 and PRESTIGE off Spain in 2002, have catastrophic implications for the natural environment and the livelihoods of coastal populations. Government intervention is necessary to allow the MCA to increase the fees in line with their economic costs so that we can continue to provide these critical services.

### 4. Policy objective

The policy objective of amending the MCA Fee Regulations is to move towards full cost recovery without reducing customer service levels. The Agency is currently undercharging and should move to full cost recovery as soon as possible in line with the principles of ‘Managing public money’.

### 5. Descriptions of options considered

**5.1 Description Do Nothing:**

A “do nothing” option would leave the fees as they are currently (i.e. at 2006 levels). By remaining at these fee levels means the MCA cannot implement government policy of moving towards full cost recovery for the provision of services. The MCA is subsiding those costs not covered by the present fee levels through other income sources and would likely require a government subsidy in future to cover the expected shortfall.

The policy option considered below is compared to the do nothing option.

**5.2 Option 1 (the preferred option):**

An increase in fees covering marine surveys; registration, transfer and mortgage of fishing vessels (RSS); and seaman, training and certification (STC) examinations by 57%, 17% and 20% respectively.

Under this option an increase would be applied to all of the fees within scope of the IA (see Annex A for a full list of proposed fees).

The MCA cost base has been increasing, and is expected to continue increasing in 2014/15. The MCA has achieved significant efficiency improvements (e.g. staff reductions of 12.3% between 2006/07 and 2012/13) to deliver services more efficiently that have helped absorb some of the cost increases. However, there will be an annual shortfall between income and costs for the services covered by this IA which was estimated at £3.7m (in 2010 prices) in 2010-11 due to rising costs which MCA are unable to absorb. The total income from the full range of fees covered by this IA is estimated at approximately £12.7m (in 2010 prices). To bridge the gap between costs and income, without reducing service standards, an increase in fees by 57% for marine services, 17% for RSS and 20% for STC examinations is needed. These increases are in effect a transfer between customers and the MCA and are shown as a cost to business and a balancing transfer of MCA income to deliver agreed services.

This is the preferred option because it will move to immediate cost recovery in line with the stated policy objective.

### 6. Monetised and non-monetised costs and benefits of each option

Please note that the appraisal period has been chosen as 11 years rather than the standard 10. This is because the fee increases will come into force in the final month of 2014 and the first full-year will be 2015. To reflect the cost in 10 full-years we have therefore chosen an 11 year appraisal period.

**6.1 MCA’s costs and income base**

*Costs*

Total costs of all MCA services range between £140m and £155m in the period 2010-11 to 2012-13. In 2013-14, if the trend for the first 9 months continues then we would expect to see total costs of around £160m. These figures are shown in table 1 (see further below) and account for all costs to the MCA. This includes costs for services out of scope of this IA (i.e. costs from services other than marine surveys, RSS and STC). The figures are from the MCA annual report and accounts and adjusted for expenses.[[3]](#footnote-3)

To calculate an individual cost for each service research was undertaken by the MCA in 2010 that estimated the time spent by staff on the different elements making up the service[[4]](#footnote-4). For instance, the cost of issuing a seaman’s document includes the following: opening the application, assessment, advice and quality check, etc. The time spent by staff, their grade and corresponding cost has been calculated and aggregated to derive a total cost. To this we add a number of overhead costs. Overheads include accommodation, IT depreciation, HR advisors, etc.

Through this exercise the MCA estimated that in 2010 marine surveys accounted for approximately 6% of total MCA costs, RSS and STC accounted for 1.3% and 1.8% of MCA total costs respectively. It is assumed that these proportions of total costs continue in subsequent years. The estimated costs of each service from 2010 to 2014 are presented in table 1.

It should be noted that the MCA has been reducing costs over this period with staff reductions of 12.3% between 2006/07 and 2012/13, renegotiated contracts with major ICT providers, review of other contracts/suppliers and stopping the provision of Emergency towing vessels.

*Income*

Total MCA income per annum has ranged between approximately £13m and £15m between 2010 and 2013. This figure includes income from other services that are out of scope of this IA. Income from the services in scope of this IA are presented in table 1. This is based on MCA accounts.

Costs not incurred in the provision of the services in this IA are paid for by central government through the MCA budget.

Note that costs and income do not move together in a predictable or linear fashion because a large part of the cost base is fixed, in particular the support function for surveying.

*Fee increases for cost recovery*

With the current fee level the MCA is not covering its costs of providing marine surveys, RSS and STC services. This under recovery is presented in table 1. Without a change in fee levels we would expect this trend to continue. However, we should note that demand for MCA services is very volatile and uncertain. This is reflected in the financial years 2011-12 and 2012-13 where total under recovery exceeded the £3.7m seen in 2010-11. Because it is not possible to predict the demand for services in the future we have made assumptions about future costs, incomes and what year is an appropriate example upon which to increase in the fee level.

For this analysis we use a high and low fee increase scenario for marine survey fees of 72% and 53% respectively. These are the highest (in 2011-12) and the lowest (2013-14[[5]](#footnote-5)) deficits seen since 2010. Similar sensitivity testing is done for RSS and STC where we use the following high and low fee increase scenarios 43% (2012-13) - 4% (2013-14) and 29% (2011-12) - 12% (2013-14) respectively.

Given the uncertainty over future volumes it is impossible to definitively select the ‘right’ figure within these ranges and an argument could be made for any figure falling within them. We have therefore decided to use 2010-11 as the representative year. This is because there is more robust data in this year. All the calculations regarding costs of the individual services were conducted in this year. Additionally demand for MCA services in 2011-12 and 2012-13 was considered uncharacteristic because general demand was lower reflecting the economic downturn whilst 2013-14 had a slight increase in demand for surveys prior to ratification of the Maritime Labour convention (and is consequently expected to see a smaller under recovery than that in 2010-11).

Within each of the headings: ‘marine surveys’, ‘RSS’ and ‘STC’ there are a number of different services and fees. Because of the volatile nature of demand we are proposing to increase all fees within the three headings by the same percentage (marine surveys 57%, RSS 17% and STC 20%). If future years turn out to be similar to 2010-11 then we would expect full cost recovery with minimal over or under charging for services.

***Question to consultees – Do you have any comments on our methodology for calculating costs and incomes? If you disagree with it what methodology would you propose?***

***Question to consultees – Is it reasonable to assume that the profile of services demanded in 2010-11 is a good indicator of future years?***

***Question to consultees – Should all fees within the three headings (‘marine surveys’, ‘RSS’ and ‘STC’) be increased by the same percentage? If not how should they be increased and how could we ensure full cost recovery?***

Table 1:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2010-11** | **2011-12** | **2012-13** | **2013-14** |
| Total MCA Cost  | £141,165,651 | £154,128,966 | £149,465,385 | £158,241,812 |
| Total MCA Income  | -£13,739,506 | -£15,483,095 | -£12,176,819 | -£13,466,667 |
|  |  |  |  |  |
| Marine survey Cost | £8,428,949 | £8,620,569 | £8,337,856 | £7,801,488 |
| Marine survey Income | -£5,384,893 | -£5,000,401 | -£4,940,759 | -£5,092,082 |
| hours worked by MCA Staff on survey work | 46,907 | 43,605 | 42,339 | 42,555 |
| Net position each year | £3,044,056 | £3,620,168 | £3,397,097 | £2,709,406 |
|  |  |  |  |  |
| RSS gross cost  | £1,768,427 | £1,808,404 | £1,749,097 | £1,636,579 |
| RSS income  | -£1,517,061 | -£2,011,185 | -£1,224,536 | -£1,570,617 |
| Net position each year | £251,366 | -£202,781 | £524,561 | £65,962 |
|  |  |  |  |  |
| STC cost | £2,557,030 | £2,614,032 | £2,528,305 | £2,365,661 |
| STC income | -£2,139,192 | -£2,019,762 | -£2,086,878 | -£2,109,318 |
| Net position each year | £417,838 | £594,270 | £441,427 | £256,343 |
|  |  |  |  |  |
| Survey fees % increase for cost recovery | -57% | -72% | -69% | -53% |
|  |  |  |  |  |
| RSS fees % increase for cost recovery | -16.6% | 10% | -43% | -4% |
|  |  |  |  |  |
| STC fees % increase for cost recovery | -19.5% | -29% | -21% | -12% |
|  |  |  |  |  |
| Total under recovery | £3,713,261 | £4,011,657 | £4,363,085 | £3,031,711 |

\* All negative (-) values indicate income to the MCA

\*\* 2013-14 total figures are estimated using the first 9 months of the year

\*\*\* Figures are in the price base of their respective years and have not been discounted

**6.2 Direct costs and benefits to business**

The customer base for MCA services covered by this IA is divided between businesses and private individuals from the UK and overseas. Private individuals form only a small part of the customer value base and data held by MCA does not link customer type to individual fees without disproportionate effort. Therefore all income for services covered by this IA have been treated as costs to businesses.

We should note that smaller operators are likely to be hardest hit by an immediate uplift as they are less able to absorb cost increases. Larger operators may choose to ‘flag out’ of UK and register under another flag state, although there is evidence that considers these impacts to be minimal for larger operators. The biggest impact on business is with regards to survey fees. However, in most cases, the cost of fees paid to MCA ship surveys forms only a small part of the cost of owning or operating vessels. For instance the impact of increasing survey fees on large internationally trading container vessels will be from 0.2% to 0.3% of total operating cost. Mid-sized continental cargo ships would see increases from around 0.3% to 0.5%, while domestic passenger vessels and fishing boats would face increases of 0.3% to 0.9%. The data used to estimate these effects are from an internal report commissioned by MCA from the Oxford Economics.

**6.3 Monetised and non-monetised costs and benefits of each option (including administrative burden)**

Option 1 would increase fees by 57% for marine services, 17% for RSS and 20% for STC examinations. This equates as a transfer equal to around £3.7m per annum (in 2010 prices) to the MCA from customers (predominantly businesses) who use Marine, RSS and STC services. The MCA would use the income received to deliver the same level and quality of service as it currently does. Because customers would continue to receive the same service levels as at present this option has no non-monetised costs or benefits compared to the ‘do nothing’ option.

### 7. Rationale and evidence that justify the level of analysis used in the IA (proportionality approach)

The approach to this assessment has been considered proportionate to the costs imposed upon businesses. The figures relating to the fee increase have been supplied by the MCA finance team from the MCA’s financial accounts. The level of analysis undertaken is in line with the depth of available information.

### 8. Risks and Assumptions

We have been made a number of assumptions:

* Costs have been calculated based on a 2010 MCA study of the proportion of staff time spent on different elements of providing each service;
* Overheads have been added to each service proportionately to the cost of that service compared with MCA total costs
* Marine surveys, RSS and STC have, and will remain the same proportion of MCA overall costs as 2010-11
* 2010-11 is the most representative year for forecasting future demand for services, costs and income
* The final 3 months of 2013-14 will be similar to the first 9 months in terms of costs and income

There is a potential risk with the increase of fees as stakeholders may rush to complete surveys before the higher fee come into force. This will put increased pressure on MCA to cope with demand and impact on estimated income if industry rushes to use services under the current fees structure. There is also a risk that the fee increases are insufficient to cover MCA costs if demand is not similar to that seen in 2010-11. Equally it is also possible that the MCA over-recovers its costs with the fees being too high. It is not possible to know in advance whether either of these scenarios will occur.

### 9. Direct costs and benefits to business calculations (following OITO methodology)

The customer base for MCA services covered by this IA is divided between businesses and private individuals from the UK and overseas. These private individuals form only a small part of the customer base and data held by MCA does not link customer type to individual fees without disproportionate effort.

We have estimated that there will be an annual cost to business of £3.08m per year (EANCB in 2009 prices).

The proposals alter the amount of fees but do not change the level of regulation and as such are out of scope of OITO as per section 1.9.8 of the Better Regulation Framework Manual[[6]](#footnote-6).

### 10. Wider impacts

**10.1 Equalities Assessment**

The change would impact equally on all businesses regardless of their employees or owners age, ethnic origin, gender, nationality, race, sexual orientation or disability.

These proposals are therefore considered to have no adverse impact as regards statutory equality duties.

**10.2 Small and Micro Business Assessment**

Smaller operators are likely to be the most affected by an immediate uplift as they are less able to absorb cost increases. Larger operators may choose to ‘flag out’ of UK and register under another flag state, although there is evidence that considers these impacts to be minimal for larger operators.

In most cases, the cost of fees paid for MCA ship surveys forms only a small part of the cost of owning or operating vessels. The impact of increasing survey fees on a typical cross section of vessel operating costs, between fees paid to MCA and typical operating costs for businesses of various sizes operating vessels. The analysis estimates that the annualised flag state fees for large internationally trading container vessels will be from 0.2% to 0.3% of total operating costs. Mid-sized continental cargo ships would see increases from around 0.3% to 0.5%, while domestic passenger vessels and fishing boats would face increases of 0.3% to 0.9%. The data used to estimate these effects are from an internal report commissioned by MCA from the Oxford Economics.

It has not been considered appropriate to exempt or charge different fees by size of business for small and micro business because this would not achieve the policy objective of full cost recovery. The services covered in this IA are critical to maintaining safety and preventing environmental incidents and therefore all businesses must use them. It would therefore leave an uneven playing field with larger operators paying more for services than smaller ones if we introduced different fees based on business size.

***Consultees are invited to provide any additional evidence on the potential impacts of the fee increases on small and micro businesses.***

**10.3 Competition Assessment**

The increase in fees is expected to be a relatively small proportion of business costs (see above) and therefore is unlikely to have a significant impact on competition. However, for a small number of ships it is possible that the fee increase makes the business not commercially viable and therefore reduces the number of businesses in the market. Since businesses have in effect been receiving services at below market rates due to under recovery of costs this impact would simply restore the competitive market position.

***Consultees are invited to offer any additional evidence on the potential for the fee increases to impact on competition.***

### 11. Summary and preferred option with description of implementation plan

The preferred option is to increase fees for Marine survey, RSS and STC by 57%, 17% and 20% respectively. The changes are planned to take effect in December 2014.

### 12. Environmental issues

The changes proposed by this impact assessment will affect operating costs. Any increase in CO2 would be determined by businesses and spread across a variety of factors (e.g. fuel efficiency). The effect of a fee increase on these factors is not quantifiable without disproportionate effort.

### 13. List of questions for consultees

***1. Question to consultees – Do you have any comments on our methodology for calculating costs and incomes? If you disagree with it what methodology would you propose?***

***2. Question to consultees – Is it reasonable to assume that the profile of services demanded in 2010-11 is a good indicator of future years?***

***3. Question to consultees – Should all fees within the three headings (‘marine surveys’, ‘RSS’ and ‘STC’) be increased by the same percentage? If not how should they be increased and how could we ensure full cost recovery?***

***4. Consultees are invited to provide any additional evidence on the potential impacts of the fee increases on small and micro businesses.***

***5. Consultees are invited to offer any additional evidence on the potential for the fee increases to impact on competition.***

**Annex A - MCA table of fees (current and new)**

 The fee tables show, for each service, the present fees from September 2006, the proposed fee after the increases are applied.

|  |  |  |  |
| --- | --- | --- | --- |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** | **New fee** |
| **Survey Fees** |
| 1 | Survey or Inspection of a vessel  | £94 | £147 |
|  |  | £94 | £147 |
| 2 | Waiting time before and during survey or inspection, per hour or part of an hour after the first hour | £94 | £147 |
| 2a | a) in the UK | £94 | £147 |
| 2b | b) overseas | £94 | £147 |
| 3 | Abortive visits, per hour or part of an hour (excluding the first hour) | £94 | £147 |
| 3a | a) in the UK | £94 | £147 |
| 3b | b) overseas | £94 | £147 |
| 4 | Work at unusual hours | £94 | £147 |
| 4a | a) Mon to Fri (6pm to 8am) plus Saturdays | £47 | £74 |
|  |  |  |  |
|  |  |  |  |
| **Table A: Examinations and certificates of competency: deck or marine engineer Officer (fishing vessel)**Seaman Training and Certification Fees  |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** | **New fee** |
| 1 | An examination for a certificate of competency, on each occasion that a person presents himself for the practical oral part of the examination as a deck Officer (fishing vessel) Class 1, 2 or 3, or as a marine engineer Officer Class 1 or 2 | £201 |  £220 |
| 2 | Resitting an item 1 examination | £176 |  £159 |
| 3 | The consideration of an application for an item 1 examination where the applicant cancels his application (so that the fee for that examination will be refunded) - |   |   |
|   |   |   |
| **(a)**if cancellation is before a notice of eligibility for examination has been issued |  £39 |  £88 |
|   |   |   |
| **(b)**if cancellation is after a notice of eligibility for examination has been issued | £54 |  £110 |
|   |   |   |
|   |   |   |
|   |  |   |
| 4 | The issue or endorsement of a certificate of competency as an Officer - |   |   |
|   |   |   |
| **(a)**if sent by courier | £45 |  £127 |
|   |   |   |
| **(b)**otherwise | £25 |   £127 |
| 5 | The rejection of an application for a certificate of competency | £51 |   £219 |
| 6 | The replacement of a lost certificate of competency | £58 |   £77 |
| 7 | An application for the issue of a certificate of competency not requiring an oral examination  | £58 |  £77 |
| 8 | The addition or removal of or amendment to an endorsement | £52 |  £73 |
| 9 | The grant of a certificate of continued proficiency and updating of knowledge in respect of (a “revalidation” of) a certificate of competency | £36 |  £54 |
|   |
| **Table B: Examinations and certificates of competency: master, deck Officer or marine engineer Officer (merchant ship)** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | An examination for a certificate of competency, on each occasion a candidate presents himself for the practical oral part of the examination as master, chief mate, Officer of the watch (deck department), chief engineer, second engineer or Officer of the watch (engine department) | £201 |  £220 |
| 2 | An initial assessment for qualification as a marine engineer Officer (merchant ship) | £57 |  £121 |
| 3 | The consideration of an application for an item 1 examination where the applicant cancels his application (so that the fee for that examination will be refunded) - |   |   |
|   |   |   |
| **(a)**if cancellation is before a notice of eligibility for examination has been |   |   |
| issued | £39 |  £88 |
|   |   |   |
| **(b)**if cancellation is after a notice of eligibility for examination has been issued |   |   |
|   | £54 |  £110 |
| 4 | Resitting an item 1 examination | £176 |  £159 |
| 5 | The issue or endorsement of a certificate of competency as an Officer - |   |   |
|   |   |   |
| **(a)**if sent by courier | £45 |  £127 |
|   |   |   |
| **(b)**otherwise | £25 |  £127 |
| 6 | The rejection of an application for a certificate of competency | £51 |  £219 |
| 7 | The replacement of a lost certificate of competency | £58 |  £77 |
| 8 | An application for the issue of a certificate of competency not requiring an oral examination | £58 |  £77 |
| 9 | The addition or removal of or amendment to an endorsement or tanker endorsement | £52 |  £73 |
| 10 | The grant of a certificate of continued proficiency and updating of knowledge in respect of (a “revalidation” of) a certificate of competency | £36 |  £54 |
|   |
|  |
| **PART 3** |
|   |
| **Miscellaneous Examinations and Other Certificates** |
|   |
| **Table A: Miscellaneous qualifications** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | An examination for a licence as marine engine operator or senior marine engine operator and for the grant of a certificate on passing the examination | £170 |  £215 |
| 2 | The grant of a licence of service as a marine engineer operator | £25 |  £215 |
| 3 | The grant of a certificate of service (fishing vessel) (deck or engineer) | £25 |  £59 |
| 4 | The grant of a certificate of qualification as efficient deck hand where the examination has been taken at a centre specially approved by the Secretary of State | £15 |  £34 |
| 5 | The grant of a certificate of proficiency in survival craft where the examination has been taken at a centre specially approved by the Secretary of State | £15 |   £34 |
| 6 | An examination by an approved medical practitioner on application for a medical fitness certificate under the Merchant Shipping (Medical Examination) Regulations 2002(10) | £80 |   £85 |
| 7 | An application for the issue of a Vessel Traffic Services Certification Logbook | £31 |   £57 |
| 8 | An application for the issue of a Yacht Rating Certificate | £26 |    £57 |
| 9 | An application for the issue of a Watch Rating Certificate | £26 |    £57 |
| 10 | An application for an examination leading to the issue of a Compass Adjuster’s Certificate | £262 |    £462 |
|   |
| **Table B: Certificates of competency as A.B.** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | The issue of a certificate of competency as A.B. | £15 |    £34 |
| 2 | Supplying a copy of a certificate of competency under regulation 10 of the Merchant Shipping (Certificate of Competency as A.B.) Regulation s 1970 (11), except where the loss or destruction of the original is occasioned by the wreck or loss of a ship or a fire on board ship | £15 |    £34 |
|  |
|  Seaman Training and Certification Fees  |
| **PART 4** |
| **SECTION 2: MERCHANT NAVY** |
|   |
| **Table A: Certificates** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | An application for consideration of a person’s qualifications for issue of a certificate of equivalent competency, including the issue of such a certificate | £76 |    £109 |
| 2 | The issue of a subsequent temporary certificate of equivalent competency | £76 |    £109 |
| 3 | The issue of a certificate of equivalent competency as an Officer | £25 |    £74 |
| 4 | The rejection of, or failure to continue with, an application for issue of a certificate of equivalent competency | £51 |    £59 |
|   |
| **Table B: Examinations** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | An oral examination for competency, on each occasion a person presents himself | £141 |    £134 |
| 2 | An oral examination to assess a person’s standard of English language, on each occasion he presents himself | £94 |    £86 |
| 3 | An oral examination to assess a candidate’s standard of knowledge of United Kingdom legal and administrative processes, on each occasion he presents himself | £94 |    £86 |
| 4 | An oral examination to assess a person’s standard of English language together with his standard of knowledge of United Kingdom legal and administrative processes, on each occasion he presents himself | £141 |    £126 |
|   |
| **Table C: Endorsement and revalidation** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | The addition or removal of, or amendment to, an endorsement or tanker endorsement | £52 |    £73 |
| 2 | The grant of a certificate of continued proficiency and updating of knowledge in respect of (a “revalidation” of) a certificate of equivalent competency | £76 |    £109 |
|   |
| **SECTION 2: FISHING VESSELS** |
|   |
| **Table D: Certificates** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | An application for consideration of a person’s qualifications for issue of a certificate of equivalent competency, including the issue of such a certificate | £76 |     £109 |
| 2 | The issue of a subsequent temporary certificate of equivalent competency | £76 |     £109 |
| 3 | The issue of a certificate of equivalent competency as an Officer | £25 |     £74 |
| 4 | The rejection of, or failure to continue with, an application for issue of a certificate of equivalent competency | £51 |     £59 |
|   |
| **Table E: Examinations** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | An oral examination for competency, on each occasion a person presents himself | £141 |     £134 |
| 2 | An oral examination to assess a person’s standard of English language, on each occasion on which the candidate presents himself | £94 |     £86 |
| 3 | An oral examination to assess a candidate’s standard of knowledge of United Kingdom legal and administrative processes, on each occasion on which the candidate presents himself | £94 |     £86 |
| 4 | An oral examination to assess a candidate’s standard of English language together with his standard of knowledge of United Kingdom legal and administrative processes, on each occasion on which the candidate presents himself | £141 |     £126 |
|   |
| **Table F: Endorsement and revalidation** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  |
| 1 | The addition or removal of, or amendment to, an endorsement | £52 |     £73 |
| 2 | The grant of a certificate of continued proficiency and updating of knowledge in respect of (a “revalidation” of) a certificate of equivalent competency | £76 |     £109 |
|   |
| **PART 5** |
|   |
| **Boatmasters’ Licences** |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | The combined practical and oral examination for a boatmaster’s licence taken on the same occasion | £141 | £241 |
| 2 | The practical test part of the assessment for the boatmaster’s licence  | £94 | £195 |
| 3 | The oral test of the assessment for the boatmaster’s licence | £94 | £65 |
| 4 | The issue of-1. a boatmaster’s licence
2. a boatmaster’s certificate
 | £22£22 | £23£23 |
| 5 | The revalidation of-1. a boatmaster’s licence
2. a boatmaster’s certificate
 | £28£28 | £31£31 |
| 6 | The upgrading of-1. a Tier 1 (Level 1) boatmaster’s licence to Tier 1 (Level 2)
2. a Group B boatmaster’s certificate to Group A
 | £28£28 | £31£31 |
| 7 | The endorsement of an additional operational area on a Tier 2 boatmaster’s licence | £62 | £62 |
| 8 | The replacement of a lost boatmaster’s licence or boatmaster’s certificate, except where the loss occurred through no fault of the holder | £18 | £23 |
| 910  | An assessment for a specialist or relevant local knowledge endorsement on a boatmaster’s licence |  |  |
| 1. taken with a generic licence assessment
2. if taken separately
 | £100£109 | £212£109 |
| An assessment for a supplementary licence by the holder of a Rhine navigation licence | £109 | £109 |
|  |  |  |
|  |
| **PART 6** |
|   |
| **Safe Manning Certificates** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | An application for a safe manning certificate for a passenger ship | £752 |  N/A |
| 2 | An application for a safe manning certificate for any other vessel | £141 |  £199 |
| 3 | An application for a technical amendment, e.g. involving manning changes, or other amendment, e.g. change of name of vessel or owner | £94 |  £141 |
| 4 | The issue of a safe manning certificate for a sister ship where the manning requirements are identical to the ship which has previously been issued a safe manning certificate | £94 |  £83 |
|   |
| **PART 7** |
|   |
| **Exemptions** |
|   |
| **Table of fees** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** |  **New fee** |
| 1 | The consideration of any application for an exemption from the requirements of any of the statutory instruments mentioned in Section K of the Table in paragraph 1 of Part 1 of this Schedule - |   |   |
|   |   |   |
| **(a)**involving one ship or person only |  £160 |   £119 |
|   |   |   |
| **(b)**involving more than one ship or person | £160 |  £119 |
|   |  |  |
|   |   |   |
|   | £119, plus £40 for each further person or ship included in the initial exemption or added later |  |
| 2 | [The consideration of an application for exemption from the requirements of the Merchant Shipping (Certification of Ships’ Cooks) Regulations 1981[15]](http://mld.mcga.gov.uk/mnet-mld/mnet-mld-type/mnet-regulatory-holding/mnet-regulatory/mnet-si/mnet-fin-cd-si-20062055-p3.htm#a15) | £122 |  N/A |
| 3 | [The consideration of an application for exemption from the requirements of the Merchant Shipping (Ships’ Doctors) Regulations 1995[16]](http://mld.mcga.gov.uk/mnet-mld/mnet-mld-type/mnet-regulatory-holding/mnet-regulatory/mnet-si/mnet-fin-cd-si-20062055-p3.htm#a16) | £122 |   N/A |
| **PART 8** |
|   |
| **Registration, Transfer and Mortgage of Ships (Other than Fishing Vessels) and Related Matters** |
| **(1) Item** | **(2) Subject of fee** | **(3) Fee** | **(3)** **(New Fees)** |
| 1 | The registration of a ship, including registration of a ship whose registration has expired | £124 | £153 |
| 2 | The registration of transfer of ownership of a registered ship - |   |  |
|   |   |  |
| **(a)**for the first or only transfer | £80 | £105 |
|   |   |  |
| **(b)**for the second and each subsequent transfer | £15 | £20 |
| 3 | The renewal of a registration under regulation 42 of the Merchant Shipping (Registration of Ships) Regulations 1993 (17) | £49 | £72 |
| 4 | The registration of a mortgage - |   |  |
|   |   |  |
| **(a)**for the first or only mortgage | £84 | £101 |
|   |   |   |
| **(b)**for the second and each additional mortgage | £15 | £19 |
| 5 | The registration of a notice of intended mortgage | £25 | £37 |
| 6 | The issue of a duplicate certificate | £21 | £32 |
| 7 | Issue of transcripts of entries in the Register relating to any one ship - |   |  |
|   |   |  |
| **(a)**for current entries | £21 | £29 |
|   |   |  |
| **(b)**for other entries | £32 | £46 |
| 8 | Personal inspection of the Register (per hour or part of an hour) | £9 | £11 |
| 9 | The registration of a change of name of a ship | £37 | £46 |
| 10 | The registration of a change of port of choice | £37 | £46 |
| 11 | The registration of a change of measurement, tonnage or engine particulars recorded in the Register | £37 | £46 |
| 12 | Transfer to a port in a British possession | £35 | £52 |
| 13 | Transfer from a port in a British possession | £115 | £135 |
| 14 | An application to the Registrar for provisional registration of a ship | £117 | £175 |
| 15 | The registration of a ship following provisional registration by the Registrar | £55 | £75 |
| 16 | The issue of a certificate of registration for a small ship in Part III of the Register, or an amended certificate or duplicate copy of the certificate | £25 | £35 |
| 17 | The issue of a transcript of entries in Part III of the Register relating to any one ship - |   |  |
|   |   |  |
| **(a)**for current entries |  £21 | £29 |
|   |  |   |
| **(b)**for other entries |  £32 | £46 |
|   |  |  |
| **PART 9** |
|   |
| **Registration, Transfer and Mortgage of Fishing Vessels and Related Matters** |
| **Table of fees** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Fee** | **(3)** **(New Fees)** |
| 1 | The registration of a fishing vessel, including registration of a vessel whose registration has expired - |   |  |
|   |   |  |
| **(a)**with full registration | £131 | £196 |
|   |   |   |
| **(b)**with simple registration | £111 | £159 |
|   |  |  |
| 2 | The registration of transfer of ownership of a registered fishing vessel - |   |  |
|   |   |  |
| **(a)**with full registration | £80 | £105 |
|   |   |  |
| **(b)**with simple registration | £63 | £88 |
|   |   |  |
| **(c)**where more than one transfer is registered on any occasion, for each additional transfer | £15 | £21 |
|   |  |  |
| 3 | The renewal of a registration under regulation 42 of the Merchant Shipping (Registration of Ships) Regulations 1993 | £49 | £70 |
| 4 | A change of registration from simple to full registration | £61 | £88 |
| 5 | The registration of a mortgage - |   |  |
|   |   |  |
| **(a)**where one mortgage only is registered | £84 | £101 |
|   |   |  |
| **(b)**where more than one mortgage is registered on any occasion, for each additional mortgage | £15 | £13 |
| 6 | The registration of a notice of intended mortgage | £25 | £37 |
| 7 | The issue of a duplicate certificate | £21 | £32 |
| 8 | The issue of a transcript of entries in the register relating to any one fishing vessel - |   |  |
|   |   |  |
| **(a)**for current entries | £21 | £32 |
|   |   |  |
| **(b)**for other entries | £32 | £46 |
|   |  |  |
| 9 | Personal inspection of the register (per hour or part of an hour) | £9 | £11 |
| 10 | The registration of a change of name of a fishing vessel | £37 | £53 |
| 11 | The registration of a change of port of choice or port number or both | £37 | £53 |
| 12 | The registration of a change of measurement, tonnage or engine particulars recorded in the register | £37 | £53 |
| 13 | An application to the Registrar for provisional registration of a fishing vessel - |   |  |
|   |   |  |
| **(a)**with full registration | £122 | £179 |
|   |   |  |
| **(b)**with simple registration | £105 | £155 |
|   |  |  |
| 14 | The registration of a fishing vessel following provisional registration by the Registrar | £55 | £175 |
|   |
| **PART 10** |
|   |
| **Copies of, and Extracts from, Documents** |
| **Table of fees** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** | **3) Amount of fee (new Fee)** |
| 1 | A copy of a document relating to the registration of a ship (for each hour or part of an hour required for copying) | £13 | £15 |
| 2 | A copy of any other document (for each hour or part of an hour required for copying) | £13 | £15 |
|  |
|  Seaman Training and Certification Fees  |
| **PART 11** |
|   |
| **Seamen’s Documents** |
|   |
| **Table of fees** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** | **3) Amount of fee (new Fee)** |
| 1 | The issue of a British Seaman’s Card to a British seaman under regulation 5 of the Regulations | £40 | £55 |
| 2 | The issue of a British Seaman’s Card to a person who would, but for regulation 9 of the Regulations, be regarded as the holder of such a card | £40 | £55 |
| 3 | The issue to a British seaman of a discharge book under regulation 17(1) or 18(1) or (2) of the Regulations | £40 | £55 |
|   |
| **Survey Fee** |
| **PART 12** |
|   |
| **Compulsory Insurance Certificates** |
| The fee for the granting by the Secretary of State of a Certificate of Compulsory Insurance against the liability of pollution is £31. |
| **PART 13****Additional Charges (Waiting Time, Attendance at Unusual Hours)** |
|  |
| **Table of fees** |
|   |
| **(1) Item** | **(2) Subject of fee** | **(3) Amount of fee** | **3) Amount of fee (new Fee)** |
| 1 | Waiting time prior to the commencement of an inspection, survey or test in the United Kingdom or (if resulting from a disruption of that inspection, survey or test) during the inspection, survey or test | £94 | £147 |
| 2 | Waiting time prior to the commencement of an inspection, survey or test outside the United Kingdom or (if resulting from a disruption of that inspection, survey or test) during the inspection, survey or test | £94 | £147 |
| 3 | Time wasted as a result of an abortive visit in or outside the United Kingdom - |   |   |
|   |   |   |
| **(a)**after the first hour at the place of the survey, inspection or test | £94 | £147 |
|   |  |  |
| **(b)**in travelling to and from that place (to which the limitation provided for in regulation 5(1) does not apply) | £94 | £147 |
|   |   |   |
|   |  |  |
| 4 | Work performed during unusual hours - |   |   |
|   |   |   |
| **(a)**if undertaken between 6 p.m. and 8 a.m., Monday to Friday, or at any time on Saturday | **£47** | **£74** |
|   |  |  |
| **(b)**if undertaken on Sunday or a Bank holiday | **£94** | **£147** |
|   |  |  |
|   |
| **Survey Fee** |
| **PART 14** |
|   |
| **Waste Management** |
|   |
| [1.    The fee for the Secretary of State’s consideration and, if appropriate, approval of a waste management plan prepared and submitted by a harbour authority or terminal operator in respect of a harbour or terminal pursuant, as the case may be, to regulation 6(1) or (2) or 8(1) of the Merchant Shipping and Fishing Vessels (Port Waste Reception Facilities) Regulations 2003[20] (“the Regulations”), or for the preparation of a waste management plan in respect of a harbour or terminal by the Secretary of State pursuant to regulation 9 of the Regulations, is to be charged at the hourly rate of £147.](http://mld.mcga.gov.uk/mnet-finandgov/fin-cd/fin-cd-si/mnet-fin-cd-si-20062055-index/mnet-fin-cd-si-20062055-p4.htm#a20) |
|   |
| **2.**The fee for the granting by the Secretary of State of an exemption in respect of a harbour authority or terminal operator pursuant to regulation 15(1) and (2) of the Regulations, or in respect of a ship pursuant to regulation 15(3) of the Regulations, is £147. |
|  **Survey Fee** |
| **PART 15** |
|   |
| **Strategic Ships** |
|   |
| [The fee for the granting by the Secretary of State of an exemption, pursuant to section 48 of the Act (power to exempt from manning requirements), from the requirements in regulation 3 of the Merchant Shipping (Officer Nationality) Regulations 1995[21] relating to a strategic ship is £250.](http://mld.mcga.gov.uk/mnet-finandgov/fin-cd/fin-cd-si/mnet-fin-cd-si-20062055-index/mnet-fin-cd-si-20062055-p4.htm#a21) |

1. <https://www.gov.uk/government/publications/managing-public-money> [↑](#footnote-ref-1)
2. The fee has been fixed in nominal terms i.e. it has not risen with inflation. [↑](#footnote-ref-2)
3. <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/283016/mca-annual-report-accounts-2011-2012.pdf>

<https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/283021/mca-annual-report-accounts-2012-2013.pdf> [↑](#footnote-ref-3)
4. Note this research has not been published [↑](#footnote-ref-4)
5. Note that this based on an incomplete year – see Table 1 [↑](#footnote-ref-5)
6. <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/211981/bis-13-1038-better-regulation-framework-manual-guidance-for-officials.pdf> (page 41) [↑](#footnote-ref-6)