

Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Clarification for boatmasters using Standards of Training, Certification and Watchkeeping certification after 1 January 2017
Lead Regulator	Maritime and Coastguard Agency (MCA)
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Date of assessment	23 March 2017
Commencement date	1 January 2017
Origin	Domestic
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	England, Wales, Scotland and Northern Ireland Maritime sector

Brief outline of proposed new or amended regulatory activity

Following a request for clarification from industry, Marine Information Note (MIN) 539 has been published by the MCA to explain training requirements for those boatmasters holding training certificates issued in accordance with the Standards of Training, Certification and Watchkeeping (STCW) Convention.

In order to qualify for a Boatmasters' Licence (BML) applicants are required to complete three safety training courses in water safety, fire safety and first aid. These courses are taught to a standard which enables the holder to work on *non-seagoing vessels* within scope of The Merchant Shipping (Boatmasters' Qualifications, Crew and Hours of Work) Regulations 2015 ("the BML Regulations"). Alternative courses which meet or exceed the learning outcomes of the BML safety training courses are also acceptable in lieu of the BML safety training courses.

To enhance their mobility within the maritime sector some boatmaster applicants voluntarily complete STCW courses in Personal Survival Techniques (PST), Fire Prevention and Fire Fighting (FPFF) and Elementary First Aid (EFA) in lieu of the BML safety training courses. The STCW courses are taught to a higher standard to that required for the BML safety training courses as they enable the holder to work on *seagoing vessels* to which the STCW Convention applies and, as such, they are an acceptable alternative to the BML safety training courses.

From 1 January 2017 STCW PST and FPFF training must be refreshed by completing an updating training course within five years of the original course completion. This provision is described in The Merchant Shipping (Standards of Training, Certification and Watchkeeping)

Regulations 2015¹ ("the STCW Regulations") and applies if the holder works on *seagoing vessels* within scope of the Convention.

In summary, MIN 539 does not introduce a policy change but clarifies that those boatmasters with PST and FPFF certificates, which would usually require updating training every five years under the STCW Regulations, are not required to complete this training provided they work solely on those *non-seagoing vessels* to which BML Regulations apply.

Which type of business will be affected? How many are estimated to be affected?

It has been some time since a comprehensive study of the composition of the inland waterways and limited coastal sector of the industry has been completed. The MCA works with industry through the BML subgroup of the Domestic Passenger Ship Safety Group and feedback from this forum indicates that the industry is predominantly composed of sole owner/operators and companies with less than 20 staff.

For this reason the cost burden for completing updating training would be likely to fall on the individual boatmaster. There are approximately 3216 boatmasters with valid licences² at the time of writing. There are 12 training centres offering BML safety training courses, approximately 80 offering the STCW PST course and around 50 offer the STCW FPFF course³.

Summary of costs and benefits

Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2017	01.01.2017	10 year appraisal period	£0.78m	£0.78m	-£0.1m	-0.5

¹ SI 2015 No 782 and IA DfT00256 refer. The costs and impacts of introducing updating training were considered in the IA for these regulations.

² This figure is based on a count of valid licence records held on the MCA's BML Database and completed on 26 January 2017.

³ Lists of approved training providers are maintained by the MCA on the GOV.UK website.

Please set out the impact to business clearly with a breakdown of costs and benefits

The MIN clarifies that those boatmasters with PST and FPFF certificates working solely on those non-seagoing vessels to which the BML Regulations 2015 apply do not need to complete updating courses in PST and FPFF. The benefit of the MIN is the costs avoided by these boatmasters by not having to complete these courses.

The extent of this benefit depends on the following:

- The number of boatmasters affected, which is the number with PST and FPFF certificates working solely on those non-seagoing vessels to which the Merchant Shipping Regulations 2015 apply;
- The cost of completing updating courses in PST and FPFF, which depends on the cost per course and the frequency with which the courses need to be completed.

We estimate the first of these using the total number of boatmaster licences (BML) in circulation, on which we have reliable data, and estimating the proportion of these with PST and FPFF certificates. We estimate this proportion based on a random sample of 25 of each of the four types of BML licence. We use a sample as we judge that checking each of the 3000+ BML records individually would be disproportionate.

Total number of BML licences in circulation = 3,216.

Table 1: Estimated Number of Boatmasters with STCW Certificates

Boatmaster Licence (BML) Type	Total of this type	Based on Random Sample*				Est Total STCW Certs	Est Total Non-STCW Certs
		STCW Certs	Non-STCW Certs	% STCW Certs	% Non-STCW Certs		
Tier 1 Level 1*	10	4	21	16%	84%	2	8
Tier 1 Level 2	856	19	6	76%	24%	651	205
Tier 2 Level 1	899	2	23	8%	92%	72	827
Tier 2 Level 2*	1451	10	15	40%	60%	580	871
Total	3216					1304	1912

*Sample size = 25 for each licence type.

*Including pre-2015 Tier 2s.

*In April 2015 the Tier 2 licence was split into levels in the same way as the Tier 1 Licence. We have numbers for Tier 2 Level 1 and 2 based on new entrants who have applied since April 2015 or those holders of existing Tier 2s who have revalidated their licence since April 2015. There are also 1,179 licences that are valid but where the holder has yet to apply to revalidate. As an estimate we would expect in the region of two-thirds of these to become Tier 2 Level 2s and the remaining one-third to become Tier 2 Level 1s assuming the holder applies to revalidate. The numbers in the table reflect this assumption.

Estimated total number of boatmasters affected by the MIN = 1,304.

The cost of completing updating courses in PST and FPFF is £125 and £252 per person, respectively. And the requirement is that this training be completed every five years. We therefore estimate the cost saving resulting from the MIN clarification at £125 plus £252 multiplied by 1,304, every five years.

On this basis, we estimate the total annual direct financial benefit to business as £0.1m (2014 base year).

This estimate assumes the following:

- The sampling approach accurately estimates the number of boatmasters with STCW certificates;
- This number remains the same over the ten year appraisal period;
- The cost of completing updating courses remains the same over the ten year appraisal period (including no increase for inflation);
- Boatmasters holding STCW certificates would have undertaken the updating training in the absence of the MIN, i.e. the clarification provided in the MIN is necessary;
- Boatmasters holding STCW certificates will not undertake the updating training as a result of the MIN. This assumes they read and understand the MIN;
- In terms of when in the ten year appraisal period the cost-savings fall, we assume that one fifth of affected boatmasters would avoid the costs of updating training each year.

In terms of costs, we estimate that there will only be a very low familiarisation cost, restricted to making the time to read the MIN and update an operator's written procedures. As this is estimated to be very low we have not attempted to monetise it. The MIN is 2 pages of information and clarifies the content of 1 paragraph in 2 associated marine notes. However, the MIN can be read as a standalone document as, by virtue of being qualified as a boatmaster, we would expect the reader to be familiar with the associated marine notes already.

As we estimate the cost burden for completing updating training would have been likely to fall on the individual boatmaster, the size of business affected is uniform.

Please provide any additional information (if required) that may assist the RPC to validate the BIT Score

Table 2: Types of BML

Boatmaster Licence (BML) Type	Scope of Operating Area
Tier 1 Level 1	A licence valid for all non-tidal waters in the UK
Tier 1 Level 2	A licence valid for all non-tidal and tidal waters in the UK
Tier 2 Level 1	A licence valid for a specified area of non-tidal waters in the UK
Tier 2 Level 2	A licence valid for a specified area of tidal waters in the UK
Tier 2	A licence valid for a specified area of tidal or non-tidal waters in the UK. Now superseded by the Tier 2 Level 1 and Tier 2 Level 2