 Regulatory Policy Committee	Validation of the One-in, Two-out Status and the Net Direct Impact on Business	
Validation Impact Assessment (IA)	The Merchant Shipping (Boatmasters Qualifications, Crew and Hours of Work) Regulations) 2014	
Lead Department/Agency	Department for Transport	
IA Number		
Origin	Domestic	
Expected date of implementation	SNR7	
Date of Regulatory Triage Confirmation	19 September 2014	
Date submitted to RPC	25 June 2014	
Date of RPC Validation	03 July 2014	
RPC reference	RPC12-FT-DFT-1879	
Departmental Assessment		
One-in, Two-out status	OUT	
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	-£0.57 million	
RPC assessment	VALIDATED	
Summary RPC comments		
<p>The Validation IA is fit for purpose. The Department estimates that lowering some existing training requirements for boatmasters will result in savings to industry of £5.89 million over 10 years, based on an assumption that 41 boatmasters each year will benefit. Based on the evidence presented, the RPC can validate the EANCB of -£0.57 million as robust.</p> <p>Following the RPC seeking clarification on the consistency of the figures, the Department has resubmitted the validation IA with a revised EANCB of -£0.57million. This figure can now be considered to be robust.</p>		
Background (extracts from IA)		
What is the problem under consideration? Why is government intervention necessary?		
<p><i>“The existing Merchant Shipping (Inland Waterway and Limited Coastal Operations) (Boatmasters' Qualifications and Hours of Work) Regulations 2006 do not adequately address industry needs for appropriate risk based qualifications and have resulted in continued unresolved areas of conflict. Some aspects of the current qualifying requirements (national tidal licences required for use in local restricted areas) are disproportionate to the risks involved and as much of the industry are small to medium enterprises (SMEs) many are now struggling to maintain financially viable businesses.</i></p>		

Government intervention is necessary to address the areas of concern to reduce the burden and costs to businesses.”

What are the policy objectives and the intended effects?

“The objective of the policy is to implement a range of amendments including a) introducing a restricted local tidal licence; b) extending the list of acceptable equivalent qualifications and training; c) addressing safety issues not provided for in the existing regulations and amending and simplifying the existing regulations for ease of public accessibility. This will enable an industry made up primarily of SMEs to continue operating viable businesses and maintain the local areas they serve including transport networks, tourism, services to other vessels and employment.”

RPC comments

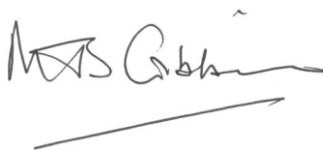
The proposal will reduce the legislative and financial burdens on industry imposed by the Merchant shipping regulations 2006. In particular, the proposal will amend and recast existing regulation to allow boatmasters wishing to operate on local tidal waters to obtain a restricted local tidal licence. The proposals will also provide greater recognition for alternative qualifications that could be held in lieu of the more comprehensive and more expensive national Boat Master’s License (BML). These changes are deregulatory and will have a net beneficial impact on business.

The IA explains that to maintain the competence of existing boatmasters and ensure safety of passengers, vessels and cargo as a result of the deregulation, the Department proposes to introduce additional safety measures. In particular, the proposed regulations will introduce the requirement for revalidation of some high risk specialist operation endorsements. The Department expected these to cost industry £23,442 over ten years.

However, these costs will be more than offset by a less burdensome licensing regime, including extending the scope of the qualifications to recognise equivalent or superior training. Existing competent boatmasters will no longer be required to retrain or obtain the more rigorous and expensive BML certification. The Department calculates that together these measures will provide an expected net benefit of £5.89 million over 10 years.

On this basis, we are able to validate the EANCB of £0.57 million.

Signed



Michael Gibbons, Chairman