
Enhanced authorisation scheme
Maritime and Coastguard Agency
Department for Transport
RPC rating: fit for purpose

The impact assessment (IA) is now fit for purpose as a result of the department's response to the RPC's initial review. As first submitted, the IA was not fit for purpose.

Description of proposal

UK merchant passenger and cargo ships are required to undergo surveys that ensure vessels meet required standards on issues such as safety and pollution. The MCA can delegate some of this survey work to Recognised Organisations (ROs) that are certified to complete inspections on behalf of the UK government.

The enhanced authorisation scheme (EAS) is a trial under which further responsibilities for survey work can be delegated to ROs. Under EAS, ROs can now conduct audits on issues such as safety management, ship and port security, and labour codes of conduct. EAS is voluntary and businesses are not required to use ROs for these audits.

Impacts of proposal

Four ship-owning businesses were eligible for the EAS trial. Of these, two companies responsible for 56 vessels voluntarily agreed to join the scheme. The remaining companies expressed interest in joining EAS once existing arrangements with ROs expired.

Based on MCA industry knowledge, the regulator states that RO charges for surveys are greater than the charges for survey work undertaken by the regulator. However, as ROs are based at a wide range of international ports, the regulator anticipates that ship owners will benefit from additional flexibility around the location of surveys. The assessment states that impacts of the proposal are positive, as businesses would not opt in to the arrangement if these benefits did not outweigh the additional cost from RO survey fees.

The regulator also notes that ROs will benefit from additional profits as a result of EAS. However, it could not monetise these benefits due to the commercially sensitive nature of RO costs.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of zero.

Quality of submission

As initially submitted for RPC scrutiny, the assessment was not considered fit for purpose as it did not describe the impacts of the proposal fully. The MCA has since provided a proportionate level of detail on the potential impacts of the proposal and explained which businesses will benefit from EAS.

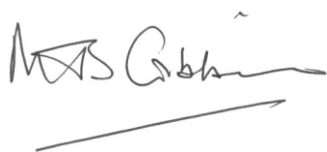
The assessment would benefit from further consideration of the benefits to ROs, given that benefits will presumably be less than or equal to the efficiency gains from increased flexibility.

Regulator assessment

Classification	Qualifying regulatory provision
Equivalent annual net cost to business (EANCB)	Zero
Business net present value	Zero
Business Impact Target (BIT) Score ¹	Zero

RPC assessment

Classification	Qualifying regulatory provision
EANCB – RPC validated ¹	Zero



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.