Title: Workboat Code Edition 3 **Date**: 11/02/2022 **DMA No:** DfTDMA232 **Lead department or agency:** Maritime Coastguard Agency **Other departments or agencies:** Department for Transport	De Minimis Assessment (DMA) **Stage**: Consultation **Source of intervention**: Domestic **Type of measure**: Secondary
Summary: Rationale and Options	**Contact for enquiries:** codes@mcga.gov.uk

Total Net Present Value	Business Net Present Value	Net cost to business per year (EANDCB in 2019 prices)
£-4.25m	£-4.25m	£0.80m

Rationale for intervention and intended outcomes

Several issues have been identified with the current Workboat Code Edition 2 (WBC2), including ambiguities, disparities between sections, and some sections being open to interpretation. Updating the Code by introducing Workboat Code Edition 3 (WBC3) will allow clarifications to text which will resolve these issues, increasing clarity for vessel operators and providing consistency across the sector.

Introducing WBC3 will also allow standards to be updated, improving safety for crew and passengers. In addition, an annex will be introduced to lay the groundwork for new and emerging technologies.

Describe the policy options considered

Option 0 (do nothing): maintain the current WBC2 without changes. This would fail to resolve the issues identified and outlined above.

Option 1 (preferred option): implement the new Workboat Code Edition 3 (see below for full list of changes proposed). This option would resolve the issues, improving clarity and consistency in implementation of standards. Secondary benefits include improving safety standards and providing for future technologies.

Rationale for DMA rating

Cost calculations show the EANDCB to be £0.80m in the central scenario, far below the de minimis threshold. Benefits are expected to be realised, but these are not quantified.

The nature of the industry means small businesses will be impacted, but the changes are not expected to create significant burdens. Costs imposed (in total and per business) are expected to be very small.

The measures are not contentious or controversial as many standards are current recommendations or considered industry best practice. Many vessels are thought to already comply with the new regulations.

Will the policy be reviewed? No	If applicable, set review date: *n/a*			
Are these organisations in scope?	**Micro** Yes	**Small** Yes	**Medium** Yes	**Large** Yes

Senior Policy Sign-off:	✓	Date:	11/02/2022
Peer Review Sign-off:	✓	Date:	11/02/2022
Better Regulation Unit Sign-off:	✓	Date:	11/02/2022

1 Policy rationale

1.1 Policy background

1. Maritime Guidance Note (MGN) 280 was published in 2003, the technical annex of which combined the elements of the existing small vessel craft codes known as the colour codes (Brown, Yellow, Red, and Blue Code) into one harmonised Code of Practice. This harmonised Code of Practice attempts to cater to both the workboat industry and the sport and pleasure industry to simplify the standards that certifying vessels should meet. However, owners/operators of small commercial vessels are not legally obligated to follow the standards that are outlined in MGN 280 as it was never underpinned by its own Statutory Instrument (SI). This has resulted in vessels and Certifying Authorities (CAs) keeping and surveying to different standards, impacting on the enforceability of standards which are used to ensure that passengers, vessels and crew are not put under excessive risk.

2. As the workboat industry developed over the next decade, this harmonised approach of MGN280 meant that specific areas of the workboat industry (such as the offshore windfarm sector) were not appropriately catered for within the Code of Practice. These factors, along with the legal status of MGN 280 outlined above, prompted work to begin in 2013 to divide the Code of Practice and create a distinct set of standards for the workboat industry once again, seeking to replace both Workboat Code Edition 1 and MGN 280 under Workboat Code Edition 2 (WBC2). WBC2 was published on 31st December 2018, following development by an industry working group made up of multiple Certifying Authorities, which sought to set policy on developed or developing industry practices, and provide amendments in relevant international conventions and guidance to allow vessels and personnel to work safely.

3. Although WBC2 was published with consultation from industry throughout, as it was enforced, some aspects of the Code of Practice were found to fall short of the intended objective of its publication, either through unintended ambiguities that were introduced, discrepancies between the powers within WBC2 and the underlying Statutory Instrument, or areas that simply still do not provide sufficient policy solutions to industry in practice despite the intention to do so. Naturally, as with any publication of standards, as industry developed further over time, outdated policy on or reference to particular standards and regulations that the Code of Practice calls upon also arise that necessitate the need to produce an updated Code of Practice.

1.2 Problem under consideration

4. There have been a number of issues identified within WBC2 that either cause confusion through ambiguity of text or in some cases have made certain requirements open to interpretation which means the way that they have been applied varies between vessels and Certifying Authorities. Workboat Code Edition 3 (WBC3) intends to address these issues by clarifying text that is considered ambiguous by rewriting it to remove the ambiguity and where necessary added in new requirements to resolve issues that have left areas open for interpretation.

5. WBC3 also provides opportunity to update the Code with the latest references to regulations and provide a platform to launch standards on Remotely Operated Unmanned Vessels, a type of autonomy, and decarbonisation through alternative power sources such as hybrid and battery technologies.

1.3 Rationale for intervention

6. WBC2 can be considered in parts to be unclear, inconsistent or to provide incomplete information which may not produce appropriate standards for workboats. The issues identified could potentially result in varying standards being applied onboard workboats and during certification, putting those vessels and crew onboard at higher safety risks in terms of incidents/accidents and potentially in fatalities/injuries.

7. Government intervention is necessary to address these issues. Intervention will be carried out through regulatory means via amending of the underlying SI to close out discrepancies between the intended powers of the SI and the implementation within the Code of Practice, and via publication of a revised set of standards within the Workboat Code. This cannot be done through other means, so non-regulatory interventions were not considered.

8. The new Codes of Practice will ensure all vessels under its remit will be maintained to a unified standard which is appropriate based on workboats specific needs with no deviation unless specified, reducing the safety risks to vessels and crew as well as avoiding any negative impacts on the reputation and operations of the Maritime and Coastguard Agency (MCA). All new vessels (as defined in WBC3) will need to meet the requirements under WBC3 from the date of entry into force in order to gain certification; all existing vessels will need to meet requirements within a timeframe not exceeding five years specified under the transitional arrangements laid out in the Code in order to gain and maintain certification under it.

1.4 Policy objective

9. WBC3 aims to provide a clear and unified standard for vessels operating in the workboat industry. This version of the code is intended to address the identified problems with previous iterations and provide clear guidance and requirements to ensure all vessels are certified to a uniformed standard of safety by implementing the necessary changes to close out issues raised in correspondence since the publication of WBC2. It introduces standards on emerging technologies and industries (Battery Hybrid, Remotely Operated Unmanned Vessels) that is designed to both reflect the way technologies are developing, and sets a benchmark of requirements for future vessels of these types to certify as a workboat under the Code.

10. The intention of this revision of the Code of Practice is for all workboats certified to previous versions of the Code (Brown Code, MGN 280, WBC2) to transition to WBC3 in a timeframe not exceeding five years. Due to the number of changes and varying complexity in which they can be implemented, vessels holding certification under a previous Code of Practice are provided with three transitional period timeframes dependent on the version they are certifying from, and the section change requiring implementation. These are: (a) compliance with requirements at date of entry into force of WBC3; (b) compliance with requirements at first annual examination after date of entry into force of WBC3; (c) compliance with requirements at first renewal examination, or three years after date of entry into force of WBC3, whichever is later. This aims to reduce upfront costs and lessen the difficulties that may be faced when moving from older versions. The transitional timeframe has been written into WBC3, however this has not yet been consulted upon. There is a risk at public consultation that some elements in their current form are considered difficult to achieve in the transitional timeframes given – in which case we may need to review the proposed transitional periods post consultation.

11. WBC3 aims to provide a unified standard for workboats and has been developed in consultation with Certifying Authorities (CAs) and industry representatives through technical working groups and correspondence throughout the drafting process to mitigate the risk of changes causing unintended or unnecessary impact. This process allowed for proposed changes to be discussed, redrafted and reworked where required, such that we do not at present consider that any changes or amendments made have caused insurmountable barriers that prevent existing vessels transitioning into WBC3. However, there is a risk if potential issues have not been correctly identified, that some vessels may not be able to certify under WBC3 which could result in an extended transition period on a case by case basis.

1.5 Options considered

1.5.1 Option 0 (do nothing)

12. To do nothing would be to maintain Workboat Code Edition 2 Amendment 1 (WBC2) without changes. This option is not preferred as it would fail to address the issues identified above and continue the lack of clarity and consistency in the workboat sector.

1.5.2 Option 1 (preferred option)

13. In order to address the identified problems with Workboat Code Edition 2 (WBC2), Workboat Code Edition 3 (WBC3) introduces new requirements and changes to existing requirements that intend to improve upon and address issues in the current version of the Code of Practice (the Code). The changes listed below are those that are considered of a significant change from existing policy. Small editorial changes that seek to clarify wording with WBC2 but do not change the meaning or intention of the policy are not included in the breakdown below.

14. The following sections list all changes to the code in detail. Change and amendments are listed by section, stating the WBC3 section title and reference, and each change is prefixed by the relevant WBC3 reference. In cases where overarching title or section number has changed from WBC2, this is reflected in parenthesis adjacent to the section heading (in case of numbering) and in the list of changes under that heading in case of titles. Paragraph numbering is paused for this section to avoid confusion with Code section references.

Section 6: Weathertight Integrity (previously numbered Section 5 in WBC2)

- 6.2.1.1: Clarification that vessels with hatchways or accessways that lead below the weather deck should be weathertight.

- 6.2.4.2: Clarification that vessels with accessways of size to enter and exit the vessel should be operable from both sides of the opening.

- 6.2.4.3: Clarification on referral of alternative locations for hinge placement on hatchways is written into code to ensure that it is clear that such considerations should be addressed to the Certifying Authority.

- 6.2.5.1.2: Clarification that hatchways open at sea for lengthy periods should where practicable be aft facing.

- 6.3.7, 6.3.9: The requirement to carry portable blanks for windows situated above the weather deck is now only required for vessels operating in Area Category of Operation 0-3. This change lessens the requirement and scope across vessels to only those operating in sea areas most likely to pose risk to a vessel (by virtue of sea conditions and weather) in the event that a broken window or hatchway cannot be secured by a blank.

Section 8: Machinery, Propulsion and Fuel Systems (previously numbered Section 7 in WBC2)

- This section was previously titled “Machinery” in WBC2 but has been retitled to “Machinery, Propulsion and Fuel Systems” in WBC3 to better reflect its contents.

- 8.10.6: All vessels, regardless of fuel type or whether they have a watertight weatherdeck should now have a suitable receptacle to prevent fuel spillage draining overboard during fuel handling.

Section 9: Electrical Installations (previously numbered Section 8 in WBC2)

- This section was previously titled “Electrical Arrangements” under WBC2 but has been retitled to Electrical Installations within WBC3 to better reflect its contents.

- 9.2.4: The requirement for an appropriate level of light to be provided on working decks has now been written into code.

- 9.3.1.4: The requirement for back-up batteries to be fully charged prior to departure has been written into code. This aims to ensure that back-up batteries, where installed, can sufficiently serve their purpose in the event that they are needed during the vessel’s operations.

- 9.5.2: A new requirement that states lighting within hazardous spaces should be installed on two or more subcircuits has been brought into code. This is intended to reflect best practice installation of lighting within hazardous spaces and ensure that an appropriate level of light can be provided in the event of a circuit failure.

- 9.5.4: A new requirement that prohibits the passing of electrical cables where practicable through hazardous spaces unless powering equipment within the space has been brought into code. This aims to add clarity to an existing provision within WBC2 that states electrical installations in hazardous spaces should comply with a recognised standard.

Section 10: Steering, Rudder and Propulsion Systems (previously numbered Section 9 in WBC2)

- This section was previously titled “Steering Gear, Rudder and Propulsion Systems” under WBC2 but has been retitled to “Steering, Rudder and Propulsion Systems” in WCB2 to better reflect its contents.

- 10.2.4: Vessels not fitted with emergency steering systems in cases where this was considered totally impractical shall now be limited to operation within area category of operation 4-6. This was previously a discretional implementation by the Certifying Authority that did not specify the area to which a vessel may be limited.

Section 11: Bilge Pumping (previously numbered Section 10 in WBC2)

- 11.1.2: It is now mandated that a vessel’s bilge pump suction line(s) are fitted with an appropriate strum box to prevent blockages. This was previously a recommendation that has been brought into code to remove the subjectivity of when they should be used and to mandate best practice installation.

- 11.1.3: It is now mandated that a vessel’s bilge pump suction lines are fitted with non-return valves to mitigate the risk of back flooding. This was previously a recommendation, the mandating of which is intended to remove the subjectivity of when installation of such valves is necessary.

Section 13: Freeboard and Freeboard Marking (previously numbered Section 12 in WBC2)

- 13.3.2: Clarification that in cases where a Certifying Authority considers that a freeboard mark is not practicable to apply, the Certifying Authority is the party that shall refer this to the Administration, not the owner/operator.

- 13.4.2: There is additional scope for vessels that do not meet the freeboard requirements to gain approval under the Code. This now extends to vessels operating in area category of operation 4-6 where previously it was limited only to vessels operating in area category of operation 6.

Section 14: Life-Saving Appliances (previously numbered Section 13 in WBC2)

- 14.4.3: It is no longer a requirement for 10% additional lifejackets to be carried, instead vessels must carry a minimum of two extra lifejackets on board. This is in line with an existing provision of WBC2.

- 14.4.5: It is now a requirement for vessels operating in Area Category of Operation 0-2 to carry lifejacket rearming kits for all lifejackets on board. This is to ensure personnel are continually protected by floatation devices should a lifejacket activate whilst on a voyage.

Section 15: Fire Safety (previously numbered Section 14 in WBC2)

- 15.2.4: The minimum distance that combustible materials and other surfaces which do not have a surface spread of flame rating can be located from an open flame appliance has been increased to 600mm vertically and 600mm horizontally. This is to align the requirement to the existing ISO 9094 standard for fire protection on small crafts and codify a minimum standard across all vessels operating under the Code.

- 15.2.7: It is now made mandatory for vessels to undertake a gas safety check of open flame gas appliances on annual basis. There is already a requirement within existing Code of Practice for gas safety checks to take place upon installation of new appliances, it was previously a strong recommendation that annual checks take place irrespective of equipment installation.

- 15.3.5: Clarification that vessels with heaters or open flame gas appliances should ensure that any outgoing products of combustion pass through sealed ductwork termination outside of the vessel, not into the vessel's interior spaces.

- 15.6.3.2: It is now a requirement that CO Detectors are heard from both within the space and the control position of the vessel.

- 15.8.1: It is now a mandatory requirement for vessels with stability information booklets or a total installed power greater than 750 kW to have a fire control and safety plan.

Section 16: Fire Appliances (previously numbered Section 15 in WBC2)

- 16.1.2.1, 16.1.2.2: A section on the use of Fire Ports has been written into code to reflect their use in vessel design and provide an additional option for vessels certifying under the Code to meet fire safety requirements in machinery spaces.

- 16.3.1.4: It is now written into Code that all vessels must ensure that fire extinguishers are readily accessible. This aims to ensure that the placement and number of fire extinguishers employed on vessels is sufficient for the size and layout of the vessel.

- 16.3.1.5: There is now provision in the Code to allow portable extinguishers to be stored in a locker or other protected or enclosed space providing that the locker or enclosed space is identifiable as containing a portable extinguisher. This has been added to primarily allow vessels without means to affix a fire extinguisher to the vessel (such as in Rigid Inflatable Boats or vessels without substantial enclosures) to store extinguishers in accessible locations.

- 16.3.1.6: Portable extinguishers not certified or listed for marine use which are located where they may be exposed to water shall have the extinguisher operating nozzle and triggering devices shielded. This is intended to ensure that the extinguisher is operable and not damaged by sea-water.

- 16.3.2: A maximum size limit of 2kg has been imposed on carbon dioxide-based fire extinguishers.

- 16.4.1.5: Vessels installed with fixed fire extinguishing systems must have the facility to visually alert when they are dispensing extinguishing medium, both outside the space where the medium is being dispensed and at the control position of the vessels.

Section 17: Radiocommunications Equipment (previously numbered Section 16 in WBC2)

- Personal Emergency Radio devices has been relocated from Section 13 of WBC2 to Section 17 of WBC3.

- 17.3.1: Vessels equipped with masts that carry sails are no longer required to carry an emergency aerial should that mast be used to mount the aerial.

- 17.6.1: It is now a requirement for all vessels operating within Area Category of Operation 0-4 for at least one crew member to carry a 406Mhz Personal Locator Beacon where they are working on open deck. This is mandating a strong recommendation in WBC2 and seeks to improve safety and aid rescue in the event of a man-overboard situation.

Section 18: Navigation Lights, Shapes and Sound Signals

- This section was previously titled “Navigation Equipment” under WBC2 but has been renamed to Navigation Lights, Shapes and Sound Signals in WBC3 to better reflect the content of the section.

Section 19: Navigational Equipment Miscellaneous Equipment

- This section was previously titled “Miscellaneous Equipment” under WBC2 but has been retitled to “Navigational Equipment” under WBC3 to better reflect its contents. Items within this section of WBC2 have been amalgamated into more suitable sections of the code.

- 19.2.6: Vessel Owner/Operators are now required to maintain a record of compass errors and deviation. This was previously a recommendation.

- 19.8.1.4: All vessels operating in Area Category of Operation 0-2 must now be equipped with a suitable Automatic Identification System (AIS) transceiver.

Section 20: Anchors and Cables

- 201.1: Vessels certified to operate in Area Category of Operation 5 and 6 must now carry two anchors. Previously this requirement applied to vessels in Area Category of Operation 0,1,2,3,4 only.

- 20.3.1: The provision for anchors of alternative designs to be considered for approval by a Certifying Authority has been written into code.

Section 21: Accommodation and Recreational Facilities

- 21.1.6: All vessels fitted with toilet facilities must now be equipped with a waste disposal receptacle for sanitary disposal of non-flushable waste products.

- 21A2.2: A provision now exists within WBC3 for vessel owner/operators to choose to carry water treatment facilities to aid in meeting the requirement to carry an emergency supply of drinking water.

Section 22: Protection of Personnel

- 22.2.6.2: Owner/Operators must now provide immersion suits for all personnel on board for vessels operating in Area Category of Operation 0-2 when operating in areas with sea conditions of 10 degrees Celsius or less.

Section 24: Tenders and Daughter Craft

- 24.2.3: A new classification of tender, “Type 3” has been introduced under WBC3. This aims to provide additional scope and options for vessels to be classified as a tender where they may previously had not been able to fit the requirements of either Type 1 or Type 2.

Section 28: Manning (previously numbered Section 26 in WBC2)

- 28.2.5: It is now a mandatory requirement when vessels are operating single-handed that the skipper is equipped with a 406mhz personal locator beacon. This was previously a strong recommendation.

Section 31: Safety Management (previously numbered Section 30 in WBC2)

- 31.2: All vessels operating under WBC3 must implement a Safety Management System (SMS) which complies with the principles of the International Safety Management (ISM) Code but is commensurate with the size and complexity of the vessels and company’s operations. This was previously a strong recommendation, the mandating of which aims to improve the overall level of safety of vessels working in industry.

- 31.3: All vessels must now implement a cyber-security measures to protect the vessel and crew from risks associated with cyber-attacks. The required extent of the measures shall be commensurate with the size, complexity and type of operation of the vessel. This is intended to ensure vessels have adequate systems in place to protect against cyber-attacks for their equipped electronical devices, but is more widely applicable to vessels operating with emerging or developing technologies such as in Remote Operated Unmanned Vessels (ROUVs).

2 Rationale for de minimis rating

15. The Equivalent Annual Net Direct Cost to Business (EANDCB) is estimated to be far below the £5m de minimis threshold, at about £0.80min the central scenario, and £0.97min the high scenario. This demonstrates that impacts are extremely likely to be limited and to not exceed the threshold.

16. Small and micro businesses are likely to be impacted due to the nature of the workboat market. Exemptions are not appropriate because changes are technical in nature or relate to safety standards. See below for more detail (3.5.1). No distributional impacts have been identified.

17. The changes are not considered novel or contentious. Many of the measures are considered best practice for the industry and some were previously recommendations in WBC2, becoming requirements in WBC3 (meaning many vessels are thought to be already compliant). The measures have been developed in consultation with the industry, which led to changes to the approach to some measures. No other significant issues were raised, so the changes are likely to be uncontroversial.

3 Costs and benefits

3.1 Option 0 (do nothing)

18. Option 0 is to not update the Workboat Code. This would keep the Workboat Code as it is, with Edition 2 Amendment 1 as the latest version. The costs and benefits of the existing Code have not been monetised, and the analysis of the preferred Option 1 is relative to the Option 0 baseline, i.e. changes are assessed relative to the requirements of the current Code.

3.2 Option 1 (update the Workboat Code)

19. This section summarises our methodology to costs and benefits. These changes do not apply to every vessel in the same way, and we have considered each of the 42 amendments to the Code separately. Where possible, we have quantified costs of the measures over the appraisal period. We have also detailed non-monetised costs and the non-monetised benefits where applicable.

20. The first part summarises considerations in our approach, including data and assumptions used to calculate the number of vessels; the costs of each change; labour costs; and overarching costs (3.2.1). There are then detailed tables which record the specific assumptions used to calculate the impacts of each individual change (3.2.2). Finally, summary tables show the total quantified costs (3.2.3). This is followed by discussion of benefits, which are not quantified (3.2.4).

3.2.1 Description of approach to quantification of costs

Number of vessels impacted

21. The number of vessels theoretically in scope of each change depends on the operating area categories specified in the code. We have used the Maritime Coastguard Agency's (MCA's) Small Vessel Database (SVD) to see the number of vessels currently registered under each category, and how this has changed over time. (Note that some vessels' categories are not registered; we have dealt with these by simple extrapolation, assuming they fall into categories in the same proportion as vessels which do have data.) These figures are shown below in Figure 1.

22. In some cases, there are vessels out of scope due to lacking features. For example, some changes apply only to closed boats (vessels with substantial enclosures), so open boats have been removed from those calculations (open boats, rigid inflatable boats, boats with a buoyant collar, those without substantial enclosures vessels known to be open top).

23. For most changes, it is thought that a significant proportion of vessels will already be compliant with the new requirement. There is no data on this, so high/central/low scenarios are constructed by assuming 90%, 60% and 25% of vessels in scope and with features already comply with new requirements[1], as summarised in Figure 2 ("low" refers to fewer vessels incurring future costs). Due to data limitations, this is subject to uncertainty and the assumptions intended to create a wide range of outcomes. These proportions are applied to the total number of vessels in scope, and the number of existing and new vessels affected per year is calculated as described in paragraphs 24 and 25.

24. The number of existing (non-compliant) vessels in scope is divided by five (inspections are every five years, so an even distribution is assumed) and phased in from the first year the regulations apply (typically the first year after implementation, but for some changes, vessels have up to three years before they have to comply, in which case costs are phased in from the third year after implementation).

25. It is assumed that the fleet of workboats will continue to grow, and the average growth per year is based on MCA SVD data on newly built vessels between 2013 and 2020[2] (it is assumed that future annual growth will reflect average growth in this period). The data is segmented by operating category, so the percentage for each measure is based on the data for the categories in scope of that measure. The number of new vessels is taken as a percentage, so the absolute number of new vessels per year increases throughout the appraisal period. Growth rates per category are shown in Figure 1. Because all vessels first certified after implementation of Workboat Code 3 will be obliged to comply with the

[1] For WBC3 section 19.8.1.4, requiring carriage of an AIS tracker, data suggests the vast majority of vessels already comply. For this change only, assumptions around existing compliance have been changed to 95%, 90% and 80% in the low, central and high scenarios respectively.

[2] Data on newly-built vessels is used rather than new registrations due to data availability. This is not expected to make a significant difference.

new regulations, costs of compliance are calculated for these vessels on the basis that the costs would have been avoided in the counterfactual of no updates to Workboat Code 2.

Figure 1: Vessel fleet size: data and assumptions, from MCA SVD

Operating area	Known number of vessels (raw data)	Assumed number of total vessels (extrapolating unknown)	Annual increase in fleet size (extrapolating unknown)
0	6	6	0.0%
1	91	95	5.1%
2	668	694	1.5%
3	598	622	1.7%
4 (including 3R)	375	390	1.4%
5 (including 4R)	53	55	1.5%
6	126	131	0.4%
Unknown or Other	76	0	
TOTAL	**1,993**	**1,993**	**1.6%**

Figure 2: Proportion of vessels incurring future costs, assumptions

	Low	Central	High
Vessels in scope incurring future costs: all changes except 19.8.1.4	10%	40%	75%
Vessels in scope already compliant (and incurring retrospective costs): all changes except 19.8.1.4	90%	60%	25%
Vessels in scope incurring future costs: change 19.8.1.4	5%	10%	20%
Vessels in scope already compliant (and incurring retrospective costs): change 19.8.1.4	95%	90%	80%

Component costs

26. For each individual change to the Code, one of **two types of costs** were considered. For some changes[3], the change has administrative implications and the cost is a time cost. Our approach to these is covered in the next section on labour costs. For the majority of changes, the cost is the cost of installing a physical component.

27. To estimate **component costs**, MCA policy advisers have collected data on a range of current market prices of example components that could be used to meet new requirements. Low/central/high scenarios were constructed by applying the minimum/mean/maximum of prices the components found. These values should be treated only as estimates of component costs. The section below lists details of the specific assumptions per change, including the central cost estimate for each component[4]. (For some changes, several individual components are required, as shown in the tables below.)

28. All prices are assumed to be constant in real terms, i.e. rising with inflation over the appraisal period, in the absence of evidence to suggest a different rate of inflation for these components.

29. **Replacement costs** are also considered where they are thought to be applicable, i.e. for physical components which need to be replaced every few years (e.g. if the lifetime of the component is five

[3] As listed below, these are WBC3 sections 15.8.1, 19.2.6, 31.2 and 31. 3. For WBC3 section 15.3.7, requiring an annual safety check of gas appliances, the cost of the check was taken as a 'component' and task-specific costs were inputted, rather than treating this as a labour cost.

[4] In order to give a range of scenarios, the low/central/high scenarios for vessels not already compliant (see above) were paired with the low/central/high cost scenarios for component costs.

years, the number of vessels that bought the component five years previously will also be considered in the current year). Note replacement costs include vessels already compliant, with an even distribution assumed (e.g. for components with a five-year lifecycle, the number of already-compliant vessels would be split in fifths across the first five years).

Labour costs

30. For **labour costs,** we have used the ONS Annual Survey of Hours and Earnings (ASHE) 2021. For managerial tasks (familiarisation), we have used the category *managers and directors in transport and logistics*. For all other tasks, we have used *marine and waterways transport operatives* in the low scenario, *ship and hovercraft officers* in the high scenario, and used the average of these two categories in the central scenario.

31. In line with Transport Appraisal Guidance (unit 4.1 p3), labour costs are calculated by applying an uplift of 26.5% to wages, to account for overheads and non-wage costs. Labour costs are assumed to be constant in real terms, i.e. increasing with inflation, as other "wage inflation" assumptions would be disproportionate and introduce additional uncertainty. Figures 3 and 4 summarise labour costs.

Figure 3: Managerial wage rates (ONS ASHE 2021 table 14.5a row 26)

	Scenario	**Wage rate (£/hr)**	**Labour cost (£/hr)**
25th percentile wage + uplift	Low	£12.28	£15.53
mean wage + uplift	Central	£17.49	£22.12
75th percentile wage + uplift	High	£20.11	£25.44

Figure 4: Operative wage rates (ONS ASHE 2021 table 14.5a rows 455 and 207)

	Scenario	**Wage rate (£/hr)**	**Labour cost (£/hr)**
mean wage + uplift	Low	£14.54	£18.39
average of two values	Central	£21.35	£27.00
mean wage + uplift	High	£28.15	£35.61

Overarching costs

32. **Familiarisation costs**: it is assumed that one senior manager per vessel will read the new Workboat Code to familiarise. Familiarisation costs were calculated based on Workboat Code 3 being 242 pages, as indicated by MCA colleagues, and that it takes 2 minutes per page to read. The cost is assumed to be equal to the labour cost of the manager's time. These costs were all assigned to the policy implementation year, with new vessels not considered as this cost entirely replaces the cost of reading Workboat Code 2 which would have occurred in the counterfactual.

33. **Inspection costs**: because Workboat Code 3 imposes new requirements, it is assumed that each inspection will take slightly longer in the future. As changes to the inspection process are likely to be very minor, it is assumed that each inspection will take three minutes longer (based on 2.5% of a two-hour inspection, as agreed with MCA colleagues). These costs *are* applied across the appraisal period, including to new vessels, with each vessel assumed to be inspected once every five years.

Approach to retrospective costs

34. In addition to future costs imposed, retrospective costs have also been calculated. This is to account for previous recommendations becoming mandatory parts of the code: although retrospective costs

are sunk costs as they were incurred before implementation, they are tracked for the purposes of Better Regulation reporting. Discounting and inflation adjustment are not applied to retrospective costs[5].

35. Where retrospective costs are calculated, the number of vessels included in the calculation is based on the number of vessels assumed to already be compliant (see paragraph 23 and Figure 2 above)[6].

Approach to totals and discounting

36. Once the number of vessels in scope per year and costs per vessel per year have been established, the costs of each change are calculated by multiplication and total costs from the sum of all changes.

37. Once summed, costs are discounted at the standard Green Book rate of 3.5% per year, starting from year 1. The standard ten-year appraisal period was used. Equivalent annual costs were calculated by dividing the discounted total by the ten-year annuity rate of 8.608, as per Impact Assessment guidance.

38. No explicit inflation adjustment is made, as costs are assumed to be constant in real terms. WBC3 will be implemented in 2023, so this is the first year of appraisal and costs are implicitly in 2023 prices.

39. See the "BIT calculations" section below (3.3) for Business Impact Target (BIT) figures. All future costs are included, but BIT scores require certain discounting and inflation adjustments.

3.2.2 Detailed assumptions for each individual change

40. There are 42 individual changes to the Code under consideration. The tables in this section summarise the specific assumptions used to calculate costs for each change or discusses why impacts have not be quantified. The tables group changes by which types of costs have been considered.

41. Please note that "vessels in scope" counts the number of vessels theoretically in scope. In the central case, it is assumed that 60% of vessels in scope already comply and are therefore discounted from the initial cost of purchase (though they are included in calculating replacement costs). "Annual growth" lists the yearly growth rate for the section of the fleet in scope (see Figure 1 above).

Changes with initial costs only: component costs (Figure 5)

WBC3 section	Description of policy	Scope of change	Vessels in scope	Annual growth	Components per vessel	Cost per component (central)	Total costs (central, ten years)
16.4.1.5	Alarms to indicate trigger location (component: light)	Closed vessels	1,803	1.6%	2	£5.00	£10,391
17.6.1	Personal locator devices required	Area 0-4	1,807	1.7%	1	£251.39	£266,742
19.8.1.4	AIS tracker required	Area 0-2	795	1.9%	1	£1,520.34	£375,935
28.2.5	Personal locator beacons to be worn	Area 5-6 (single-handed vessels only)	5	0.7%	1	£251.39	£597

[5] RPC guidance recommends counting retrospective costs as falling in the first year of costs for the purposes of discounting, i.e. applying a discount rate of 1. Assuming constant real prices is consistent with the approach to other costs.

[6] Please note that because the low/central/high scenarios are named in reference to the number of vessels complying in the future, the numbers are reversed: the highest number of vessels counted for retrospective costs is in the "low" scenario. To keep consistency between the scenarios, the same costs as described above were applied to low/central/high scenarios, meaning the direction of change is ambiguous between the retrospective costs (i.e. compared to low, central has fewer vessels but a higher cost per vessel).

Changes with initial and ongoing costs: component costs (Figure 6)

WBC3 section	Description of policy	Scope of change	Vessels in scope	Annual growth	Components per vessel	Replacement frequency	Cost per component (central)	Total costs (central, ten years)
11.1.2	Bilge pumps required to have a strum box	Vessels >6m in length	1,877	1.6%	1	Every 10 years	£33.27	£73,465
11.1.3	Bilge pumps required to have a non-return valve	Vessels >6m in length	1,877	1.6%	1	Every 10 years	£14.51	£32,028
14.4.5	Lifejacket cannisters to be carried	Area 0-2	795	1.9%	11	1 every 3 years	£25.16	£192,549
15.2.7	Annual check of gas appliances	Closed vessels	1,803	1.6%	1	Every 1 year	£78.33	£1,432,975
15.6.3.2	CO alarm must be audible everywhere	Closed vessels	1,803	1.6%	1	Every 6 years	£22.30	£78,925
16.3.1.5	Storage of extinguishers must be marked (component: sticker)	Closed vessels	1,803	1.6%	3	1 every 5 years	£1.49	£973
20.1.1	Vessels to carry two anchors (one additional)	Area 5-6	186	0.7%	1	Every 10 years	£375.60	£75,094
21.1.6	Vessels to provide sanitary bin	Closed vessels	1,803	1.6%	1	Every 10 years	£12.50	£26,511
22.2.6.2	Immersion suits required	Area 0-2	795	1.9%	11	1 every 10 years	£161.84	£941,970

42. The highest-costing individual change is 15.2.7, the new requirement for an annual check of gas appliances. This cost is likely to be an overestimate of the actual costs of the measure, because not every closed-top vessel will have gas appliances needing inspection. Therefore, this total represents a maximum bound on the total costs of change 15.2.7.

Changes with initial and ongoing costs: labour costs (Figure 7)

WBC3 section	Description of policy	Scope of change	Vessels in scope	Annual growth	Initial time per vessel	Recurring time per vessel	Labour cost (central)	Total costs (central, ten years)
15.8.1	Fire control plan required	All	1,993	1.6%	4 hours	0.5 hours per year	£27.00	£381,543
19.2.6	Compass deviations to be recorded	All	1,993	1.6%	1 hour	0.5 hours per year	£27.00	£288,505
31.2	Safety management system required	All	1,993	1.6%	8 hours	1 hour per year	£27.00	£763,087
31.3	Cyber-security policy for vessels	Closed vessels	1,803	1.6%	4 hours	0.5 hours per year	£27.00	£416,109

Changes with ongoing cost savings only (Figure 8)

WBC3 section	Description of policy	Scope of change	Vessels in scope	Components per vessel	Replacement frequency	Benefit per component (central)	Total benefits (central, ten years)
17.3.2	Spare aerial no longer required	Sail vessels	2	1	Every 5 years	£58.65	£200

Changes with no quantified impact (Figure 9)

WBC3 section	Description of policy	Reason for lack of quantification
6.2.1.1	All access ways to be weather tight	This is a technical change which is expected to have very little impact, because any hatch large enough for a person to pass through will be able to be made weathertight at negligible cost.
6.2.4.2	Accessways to open from both sides	This is a technical change which is expected to have very little impact, because any hatch large enough for a person to pass through is likely large enough to open from both sides already.
6.2.4.3	CAs to approve hatchway hinges	This is a minor clarificatory change to the wording around the administrative process and is not expected to lead to changes in practice.
6.2.5.1.2	Open hatchways must face backward	This could theoretically necessitate minor changes to practice (procedures needing hatchways to be left open will need to be done from the back of the vessel). Any impacts would be hard to monetise and as impacts are expected to be very small it is not proportionate to attempt quantification.
6.3.9/ 6.3.7	Vessels no longer need blanks for windows	Blanks vary very considerably in size and cost, and the minimum cost for a blank likely to be approved by authorities is thought to be low. Note this change is reducing requirements for replacing blanks, so any impacts will be a cost saving to vessels in scope.
8.10.6	Vessels must have a suitable receptacle to prevent fuel spillage draining overboard during fuel handling	This change clarifies wording and is expected to be met with a drip tray, but it is possible that a nozzle gaiter or rag could be used (very cheap components). It is thought that the vast majority of vessels will already be doing this (and vessels with fixed tanks are designed with drip trays), so the change is unlikely to affect many vessels.
9.2.4	Vessels operating at night must have lighting	This is a minor clarificatory change to strengthen wording. Certifying authorities already check for suitable lighting so this change is not expected to necessitate any changes to practice.
9.3.1.4	Back-up batteries required to be charged prior to departure	These provisions are aimed at autonomous vessels, which do not presently exist for commercial use. (As carrying a fully charged back-up battery is best practice, formalising the requirement is not likely to be seen as an additional burden.)
9.5.2	Hazard area lighting to be on multiple circuits	Certifying authorities already check lighting in hazard areas, so this is a clarificatory change unlikely to necessitate any change in practice.
9.5.4	No unnecessary cables in hazard area	Certifying authorities already check wiring in hazard areas, so this is a clarificatory change unlikely to necessitate any change in practice.
10.2.4	Emergency steering system required	This change clarifies existing limits on operating area for vessels with insufficient emergency steering. Because the limits already exist (and breaches are thought to be very infrequent), the clarification is not expected to lead to any significant additional restrictions on practice. In theory there could be indirect impacts if the restrictions limit commercial activities, but such impacts are expected to be very minor.
13.3.2	Freeboard mark exemptions taken to CAs	This is a minor clarificatory change to the wording around the administrative process and is not expected to lead to changes in practice.
13.4.2	Flexibility for vessels if freeboard mark is n/a	This situation is very rare (estimated fewer than one vessel per year). Costing the requirement to demonstrate safety is hard because various methods may be accepted by CAs, so quantification is disproportionate.

14.4.3	Two spare lifejackets must be carried	Two is already the minimum requirement. Previously, there was an additional requirement to carry one spare jacket for every ten passengers was required, if that number exceeded two. However, no vessels in scope carry more than 20 people, so that requirement was not used. Therefore, there is effectively no change (theoretically, any change would be a saving for large vessels, but no vessels are large enough to be affected).
15.2.4	Increased minimum distance between combustible substances	This may require the replacement or repositioning of materials without an appropriate surface spread of flame rating, although different vessels will be affected differently. Data does not allow an estimate of how many vessels would be affected, or how much each adjustment would cost.
15.3.5	Ductwork venting on gas appliances	It is not expected that any vessels will need to change to comply because any vessels not already doing what the section requires would be venting harmful gases into the interior of the vessel, which poses safety risks that would be picked up in inspections.
16.1.2.1	Provisions for vessels with fire ports	This section is added for clarity and states that fire ports must be able to dispense extinguishers without a person entering the space. As this is standard functionality of a fire port, no requirements are imposed.
16.1.2.2	Fire port standards	Fire ports are optional so not all vessels are in scope. The new section describes basic functions of a fire port, and it is very unlikely that any vessels will fail to meet the standards. Therefore, costs will be negligible.
16.3.1.4	Extinguishers to be readily available	This could theoretically require change in practice (moving extinguishers or buying additional ones). Any impacts would be very small and hard to quantify, so monetisation is not proportionate.
16.3.1.6	Non-marine extinguishers to be protected from water damage	Protecting non-marine extinguishers to retain the functionality of their trigger mechanisms could, for example, include being covered with a plastic bag. This is thought to be a small change affecting a small number of vessels, but data does not allow an estimate of impacts.
16.3.2	CO2 extinguishers not to exceed 2kg	2kg is the standard extinguisher size so the number of vessels affected is likely to be small, but there is no data to estimate vessel numbers. Extinguishers are thought to be around £22, so the overall impact is not likely to be significant. No reduction in fire safety is anticipated.
20.3.1	CAs to approve requests for alternative anchor designs	This minor change clarifies the wording around the administrative process and is not expected to lead to any change in practice. (This would apply only when usual anchor designs cannot be used, which is rare.)
21A2.2	Vessels may carry water treatment facilities	This is a permissive change which does not require any vessels to do anything, therefore its impact is no worse than zero net cost.
24.2.3	Creating a new class of tender	Although the change does allow certain requirements to be lifted for small tenders (therefore creating a potential cost saving to vessels in scope), there are no tenders that the regulations would apply to and it is not possible to estimate how many might be in scope in the future.

43. As shown in Figure 9, the majority of the non-quantified measures are expected to impose zero or negligible costs. There are a few cases where there may be some costs to some businesses; for example, it is possible that a few vessels will need to buy new components to comply with section 8.10.6 (drip trays), 15.3.5 (ductwork venting) and 16.3.2 (fire extinguishers). All these costs are expected to be small and applying to just a small number of vessels, so quantification would not be proportionate. In addition, these costs are offset by a small number of the measures would be expected to show a small benefit if quantified (e.g. 6.3.9/6.3.7, 13.4.2 and 24.2.3).

44. Because the total quantified costs, which cover the vast majority of regulations expected to impose costs, are far below the de minimis threshold, there is no risk that the unmonetised costs could bring the total near the threshold. More detail is available in section 3.3, which demonstrates that costs would have to be more than *six times* greater than the quantified estimated in order to exceed the threshold.

3.2.3 Results and summary of total quantified costs

Total future costs, by change (Figure 10)

WBC3 reference	Future costs, low (£)	Future costs, central (£)	Future costs, high (£)
15.2.7	1,162,506	1,432,975	1,532,808
22.2.6.2	429,401	941,970	1,806,196
31.2	464,821	763,087	1,130,565
31.3	287,880	416,109	538,762
15.8.1	232,410	381,543	565,282
19.8.1.4	223,085	375,935	740,901
19.2.6	202,025	288,505	368,063
17.6.1	108,962	266,742	507,977
14.4.5	97,947	192,549	365,817
15.6.3.2	51,984	78,925	107,275
20.1.1	73,922	75,094	75,844
11.1.2	43,805	73,465	110,970
11.1.3	23,757	32,028	35,680
21.1.6	10,604	26,511	42,417
16.4.1.5	2,989	10,391	23,382
16.3.1.5	825	973	1,147
28.2.5	184	597	1,237
17.3.2	-166	-200	-203
All other changes	0	0	0
Familiarisation	249,741	355,698	408,982
Inspections	32,069	32,069	32,069
TOTAL undiscounted	**3,698,750**	**5,744,965**	**8,395,169**
TOTAL discounted	**3,220,318**	**5,049,790**	**7,446,783**

45. Figure 10 shows total costs are estimated to be £5.74m in the central scenario, with a range from £3.70m to £8.40m. This demonstrates that the costs of the measures are very highly likely to fall below the de minimis threshold (see section 3.3 on Business Impact Target calculations for detail of the equivalent annual net direct cost to business (EANDCB) and net present value (NPV)).

Total retrospective costs (Figure 11)

	Low (£)	Central (£)	High (£)
Retrospective costs	3,081,455	3,106,448	2,526,540
GRAND TOTAL (undiscounted)	6,780,205	8,851,413	10,921,710

46. Figure 11 show total retrospective costs are estimated to be £3.11m in the central scenario.

47. The “Grand Total” line sums retrospective costs with the undiscounted total costs from Figure 10 to generate an overall figure for the impact of the changes. This is £8.85m in the central scenario.

3.2.4 Benefits (not quantified)

48. Monetisation of benefits has not been considered proportionate because benefits are largely non-tangible and difficult to quantify.

49. WBC2 contained unclear, inconsistent and incomplete information. Amending the Code to clarify the text will reduce the varying standards being applied onboard workboats and during certification, reducing safety risks for vessels and crew onboard. Bringing as many vessels as possible onto a

common code of certification will also improve clarity and consistency across the sector and reduce administrative burdens for the Maritime Coastguard Agency (MCA) and certifying authorities (CAs).

50. Adding sections on new and emerging technologies will help prepare the Code for the future and will smooth the introduction of technologies which will likely bring benefits to the sector. Because it is very difficult to predict the trajectory of these technologies, it is not possible to quantify this benefit.

51. The updated Code will also have safety benefits. It is difficult to monetise these areas, and with many small changes, it is difficult to assign benefits (reduced incidents may not be attributable to particular measures). However, the package of changes means vessels should become safer to crew and passengers and reduce pollution. Examples of interventions which improve safety include sections 6.2 (better use of hatchways), 9.2.4 (appropriate lighting), 9.5 (safer electrics in hazard areas), 15.2.7 (checks of gas appliances), 15.6.3.2/16.4.1.5 (improved alarm systems), 15.8.1 (fire control plans), 16.3.1 (fire extinguishers to be marked and readily available), and 31.2 (safety management systems). In addition, section 8.10.6 (preventing fuel spills) will benefit the environment.

52. As discussed above, some changes will create savings for firms, including 6.3.9/6.3.7 (reduced blanks requirements), 13.4.2 (administrative flexibility) and 24.2.3 (reduced requirements for small tenders). In addition, very small monetised cost saving for section 17.3.2 (reduced aerial requirements) has been included in the cost totals above.

3.3 Business Impact Target calculations

53. All future costs imposed are considered to be in scope of the Business Impact Target (BIT).All costs are costs to business, as owners and operators of workboats will need to spend to comply with the updated regulations[7]. All costs are direct because they are the immediate result of the regulatory changes. None of the changes result directly from international obligations.

54. Retrospective costs are included in the BIT score (and EANDCB) on the basis that previous recommendations were complied with due to the implied prospect of future regulation mandating compliance. There is very little evidence around this, so the assumption has been made that no vessels would have complied had recommendations not been included in past Codes. This brings past action to comply in scope of the BIT, in line with RPC guidance on "constructed counterfactuals"[8].

55. Although they are included in the BIT score and EANDCB, retrospective costs are excluded from the NPV because they are sunk costs and will not be incurred in the future as a result of the policy.

56. Figure 13 summarises the costs of the policy in the three scenarios. The "cost calculations" lines are the same as the costs shown in section 3.2.3 above (future plus retrospective costs in 2023 prices). The "BIT reporting" lines convert totals into 2019 prices, with discounting starting from 2020, in line with Better Regulation guidance and the Government's Impact Assessment calculator.

57. The EANDCB is £0.80m in the central scenario, with a range from £0.62m to £0.97m, **far below the de minimis threshold** of £5m even in the high scenario. Costs would need to be more than six times greater than the central quantified estimated to exceed the threshold. This justifies the conclusion that a de minimis assessment provides a suitable level of analysis and scrutiny for this policy.

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[7] Therefore, the "net present value (NPV)" is both the net present social value (NPSV) and the business net present value (business NPV).

[8] See RPC guidance on counterfactuals here. In particular, including retrospective costs in the BIT score is based on the assumption that vessels complied with previous recommendations on the understanding such recommendations may become legal requirements in the future (see p12-13 of the guidance). As some measures may have been complied with voluntarily, this is a conservative assumption, meaning the calculations demonstrate an EANDCB well below the threshold even when taking the maximal approach to retrospective costs.

Figure 12: Business Impact Target calculations

	Low (£)	Central (£)	High (£)
Cost calculations			
Undiscounted total	6,780,205	8,851,413	10,921,710
Discounted total	6,301,773	8,156,238	9,973,323
Annualised total (2023 prices, discounted from 2023)	732,110	947,553	1,158,653
BIT reporting			
NPV (2019 prices, discounted from 2020)	-2,707,308	-4,245,338	-6,260,479
EANDCB (2019 prices, discounted from 2020)	615,482	796,604	974,075
BIT score (assuming a five year Parliament)	3,077,409	3,983,019	4,870,374

3.4 Risks and unintended consequences

58. The risk of non-compliance is expected to be low. The Workboat Code is already established, and workboats need to meet these standards to be certified. Compliance inspections take place every five years, but because most of the changes involve installing or changing component that are part of the vessel, the risk of failure to comply in intervening years is considered very low (and mitigated further by intermediate checks which would pick up any obvious problems).

59. For many measures, many vessels are already thought to be compliant as they were previously recommendations in Workboat Code Edition 2 or considered to be best practice.

60. Certifying Authorities (CAs) will enforce these measures during the inspections which come on a five-year cycle. For existing vessels, the changes will come into place during the first five years of the change in guidance. New vessels will be expected to comply before they are certified. All workboats will have to be compliant with the changes by the end of the fifth year after the policy comes into effect.

61. The data we hold on vessels is of poor quality in sections, meaning we have had to make assumptions in our analysis, and increasing scope for some unforeseen impact of the changes. The risk of costs being much higher than anticipated has been mitigated by making fairly conservative assumptions, and the fact that calculated costs are far below the de minimis threshold means it is very highly unlikely they could exceed the threshold.

3.5 Wider impacts

62. Two wider impact tests have been conducted: small and micro business assessment (SAMBA) and competition assessment. We have not identified any additional wider impacts requiring assessment.

3.5.1 Small and Micro Business Assessment (SAMBA)

63. The majority of companies in the UK workboat industry are micro, small and medium sized businesses. There is no reliable or up-to-date data available to exactly estimate of the number of businesses in the workboat industry, but at the time of the Impact Assessment for Workboat Code 2 (December 2018)[9], the National Workboat Association (NWA) estimated that the three representative bodies represent around 85% SMEs. That IA also reported that the Small Vessel Database (SVD) showed that, where ownership details and information are available, 80% of companies owning a workboat own just one vessel, suggesting that these are likely to be smaller businesses.

64. Therefore, the updates to the Workboat Code are expected to affect small and micro businesses. However, exemptions or voluntary application is not appropriate. The major policy objectives are to provide clarity and consistency in certification, which requires all workboats being in scope. In addition

[9] This impact assessment is available online at the following link.

to this, some changes are related to safety standards, which should apply to all crew and passengers regardless of the size of the company owning the vessel they are travelling on.

65. Because the large majority of the changes are low impact, with the total costs of the package falling well below the de minimis threshold, this is not considered an excessive burden. Several of the monetised changes apply only to vessels in larger operating areas or with enclosed spaces, meaning the changes are expected to generally impose fewer requirements on smaller vessels.

66. The package of changes has been developed in consultation with industry, with broad agreement for the proposals (see paragraph 11 above). This means the changes are unlikely to be controversial.

3.5.2 Competition Assessment

67. As the workboat sector is dominated by small and micro businesses (see evidence above), the market is believed to competitive. The very small costs imposed means we do not expect this to change, or for there to be any decrease in supply. To the extent that having multiple codes available for vessels to certify under creates inconsistency, the proposal to migrate all vessels to the new Workboat Code 3 will improve competition by ensuring a “level playing field” for regulatory requirements.

68. Having workboats that are safer will allow workboats to compete for international contracts. This may help UK registered workboats to be more competitive.

4 Post implementation review

Review status:

	Sunset clause		Other review clause		Political commitment		Other reason	X	No plan to review

Rationale for PIR approach:

Certifying authorities will continue to manage the inspection of the workboats and so be able to report on levels of noncompliance and any key issues workboats face as a result of these new requirements.

An evaluation of the specific measures is considered disproportionate, but Workboat Code 3 as a whole will remain under review and further revisions are expected to be made in future. That process will include consulting industry on current requirements and taking action to mitigate any issues.