

## **The Fishing Vessels (Codes of Practice) Regulations 2016**

### **Department for Transport/ Maritime and Coastguard Agency (MCA)**

**RPC rating: fit for purpose**

#### **Description of proposal**

The IA describes the dangers within the fishing industry, with the rate of fatalities being of the order of 100 times higher than that of the general workforce. There have been over 100 deaths to crew of UK registered fishing vessels between 2003 and 2014. Accident investigations have identified a number of areas where safety can be improved, particularly on small fishing vessels. The proposal implements three new codes of practice – covering respectively, fishing vessels of 24 metres and over, 15 to 24 metres, and less than 15 metres. The codes introduce a number of new requirements: these mainly cover obligations to carry additional items of safety equipment on board, such as emergency position-indicating radio beacons, shut-offs for exhaust fans, and bilge alarms. It also requires smaller vessels to obtain safety certificates, conduct safety drills, and meet certain stability standards. In addition, the proposal will update and simplify the regulation of fishing vessels.

#### **Impacts of proposal**

Based on data from the ships register, the MCA estimates that the proposals will affect 5,107 existing vessels less than 15 metres in length, 490 vessels between 15 and 24 metres in length, and 149 vessels over 24 metres in length. Owners of all these vessels will incur one-off costs from purchasing and installing additional equipment required under the new codes. Based on information obtained from equipment suppliers and installers, the MCA estimates that this will impose a cost on business totalling £4 million. The MCA has also estimated the one-off cost to newly UK registered fishing vessels. It estimates that around 270 vessels will join the UK flag annually, based on historic data, imposing total costs on business of £236,000 each year. In addition, the proposal will result in ongoing costs from servicing or replacing certain items of equipment imposing (according to MCA estimates) a cost of £390,000 each year on business. A new requirement to conduct safety drills on board small vessels will also impose, on business, a cost of around £20,000 each year; this is based on estimates provided by consultant fishing vessel surveyors.

The IA sets out a number of business costs that it has not been able to monetise, including the cost of:

- requiring owners of vessels under 15 metres in length to inform the MCA of significant modifications to small vessels;
- requiring small vessels to obtain safety certificates;
- inspecting of vessels when there is a change of ownership;
- requiring vessels to meet stability requirements; and
- requiring vessels of 24m and over to have shut-offs for exhaust fans.

The MCA has been unable to obtain the data necessary to estimate these costs, and the consultation did not yield any additional evidence to support any estimates.

The proposal is expected to bring significant benefits, by improving the safety of UK-registered fishing vessels. The MCA believes that the new requirements can be expected to reduce the number of deaths. There is, however, significant uncertainty regarding the magnitude of the impact, so this benefit has not been monetised. Business may also benefit from the simplification of the codes and a potential reduction in insurance costs. The MCA has not been able to monetise these other benefits, due to the wide variation in the size and condition of vessels.

The RPC validates the estimated equivalent annual net cost to business (EANCB) of £1.2 million. This is a qualifying regulatory provision, which will score under the business impact target.

## Quality of submission

The IA provides a good quality analysis of the monetised costs and benefits of the proposal. In developing the codes, the MCA has undertaken extensive consultation with industry. The IA would, however, have benefitted from obtaining more stakeholder evidence, via the consultation, to provide further support for the estimates of the costs and benefits.

In addition, since the cost of conducting safety drills involves only a small amount of crew time, cost estimates should not include an uplift for additional overheads. The MCA should not, therefore, have used a 30 per cent uplift to the hourly wage rate to calculate the cost of drills. As the overall cost of these drills is small (£20,000), this would make no material difference to the EANCB.

The RPC notes that the MCA has been unable to monetise a number of the costs that the proposal will impose on business. As these costs are likely to be relatively small, these will probably have no material impact on the EANCB. The IA could also have been improved by providing some estimate of the likely benefits, particularly the reductions in deaths and injuries. Even though the potential impact is highly

uncertain, the MCA could have provided some evidence - using standard valuations - to show that the benefits were likely to be at least equal to the costs.

### Other comments

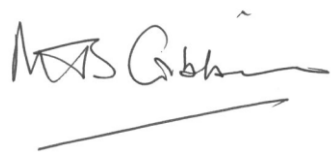
The small and micro-business assessment (SaMBA) sets out that the majority of deaths and vessel losses occur on vessels likely to belong to small and micro-businesses. The MCA is not seeking to exempt these vessels from the codes of practice. The MCA has, however, taken action to mitigate the impact on small and micro businesses, by working with sub-groups of fishing industry representatives, to ensure the codes have been proportionately developed, with application of different standards to vessels of different sizes. For example, the Department will phase in the requirements for emergency position indicating radio beacons), personal locator beacons and life rafts over 2 years from the date of entry into force of the Code. The SaMBA is, therefore, sufficient.

### Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net cost to business (EANCB)	£1.2 million
Business net present value	-£9.6 million
Societal net present value	-£10.2 million (benefits not monetised)

### RPC assessment

Classification	Qualifying regulatory provision (IN)
EANCB – RPC validated <sup>1</sup>	£1.2 million
Small and micro business assessment	Sufficient



<sup>1</sup> For reporting purposes, the RPC validates EANCB figures to the nearest £100,000

Opinion: Final  
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Date of implementation: 2016

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**Michael Gibbons CBE**, Chairman