



House of Commons  
Public Accounts Committee

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# The Maritime and Coastguard Agency's response to growth in the UK merchant fleet

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Forty-fourth Report of Session  
2008–09

*Report, together with formal minutes, oral and  
written evidence*

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### Committee staff

The current staff of the Committee is Sian Woodward (Clerk), Lorna Horton (Senior Committee Assistant), Pam Morris (Committee Assistant), Jane Lauder (Committee Assistant) and Alex Paterson (Media Officer).

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## Summary

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The Maritime and Coastguard Agency (the Agency) of the Department for Transport is responsible for regulating and monitoring the safety of the United Kingdom's merchant shipping fleet, and for maintaining registers of UK vessels and the officers eligible to serve on them. The Agency also promotes the benefits of operating under the UK flag to the international shipping industry.

Until the late 1990s, the UK merchant fleet was in long term decline. After the introduction of tonnage tax in 2000, the UK merchant trading fleet grew by over 50% from 417 vessels to 646 in 2007. The growth continued in 2008, and ship owners have indicated their intention to bring more ships under the UK flag. It is therefore disappointing that the Agency is not sticking to its 2007 target to increase the fleet by 7% each year, particularly when other States have clear strategies to encourage greater use of their fleets.

As the Agency's workload has increased it has coped by being flexible and adaptable, and by delegating more survey work to classification societies. It is confident that it has the resources to continue to police the fleet adequately in the future. But it has a significant number of surveyor vacancies and an ageing surveyor workforce.

In 2002, we warned the Agency about these issues. We are, therefore, very concerned that it has shown no evidence of a robust and proactive strategy to recruit and retain the staff that it needs. It claims that it can cope with its current programme of surveys and inspections, but the evidence is confusing, with some targets missed and others exceeded.

The UK continues to have a high standing internationally for quality but the Agency must guard against complacency. Other States are improving the quality of their fleets and inspections by other States of UK flagged vessels visiting their ports are revealing more shortcomings compared to international standards.

On the basis of a report by the Comptroller and Auditor General,<sup>1</sup> we examined the Agency's handling of growth in the UK registered fleet and its work to maintain and improve the quality of the UK flagged vessels.

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1 C&AG's Report, *The Maritime and Coastguard Agency's response to growth in the UK merchant fleet*, HC (2008–09) 131



## Conclusions and recommendations

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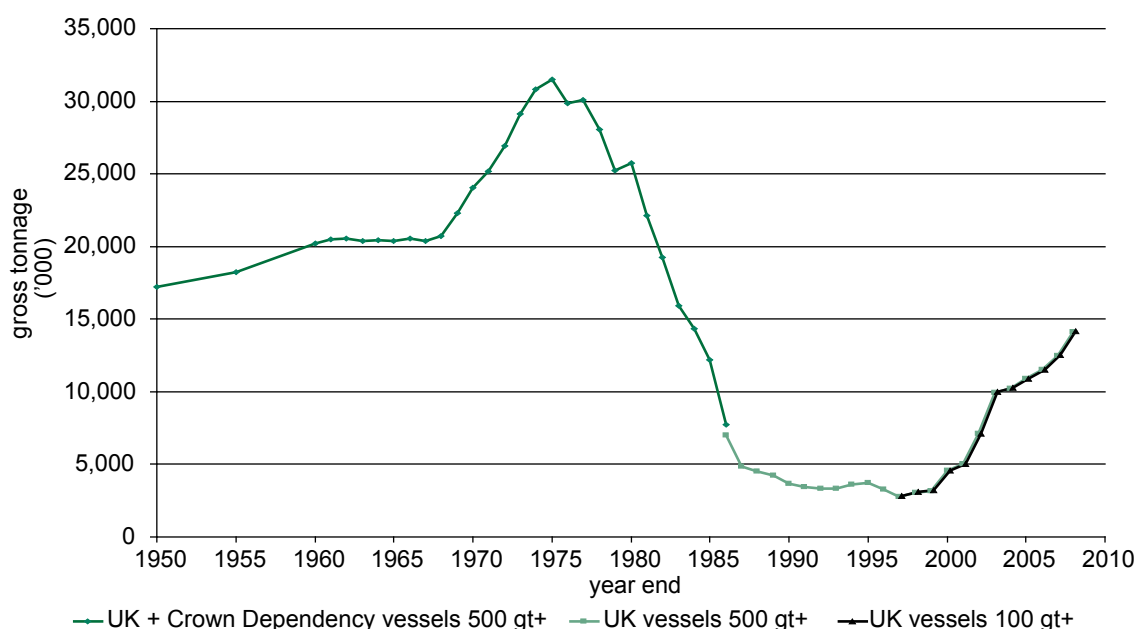
- 1. The Agency has coped with the extra work arising from the continued growth of the UK Merchant fleet by being flexible and adaptable, but it is worrying that it is reactive and resistant to change, even when that change is positive.** The continued growth in the fleet is welcome, particularly in the current economic climate. The Agency should produce a business plan that will maximise the opportunities from the growth in the fleet.
- 2. The Agency contends that it is not facing a staffing crisis and can cope with further growth in the UK fleet.** This confidence is surprising given that it is carrying staff vacancies and has an ageing surveyor workforce. In light of this, the Agency should provide the evidence to support its view which the NAO can examine and if appropriate report back to us.
- 3. In 2002, we warned the Agency of the need to address the problems of recruiting and retaining marine surveyors but it still does not have a robust strategy for doing this.** The Agency must address this issue urgently to ensure that it has enough surveyors to deliver its inspection programme and to perform those surveys which are most critical to maintaining the quality of the UK flag.
- 4. The Agency cannot say whether it will achieve its target, set in 2007, of an increase in the UK registered fleet by 7% each year between 2008 and 2012.** The Agency should be pro-active in achieving that target and then set targets for the size and composition of the UK fleet over a rolling five year period.
- 5. It is laudable for the Agency to aim to have a quality register, but unlike other Flag States it does not have a clear marketing strategy for the UK fleet.** The Agency should develop a clear marketing strategy that will demonstrate how it will attract quality ships to operate under the UK flag.
- 6. The UK flag maintains a high international standing but there are signs that the quality advantage it has held compared to the rest of the world is narrowing.** The Agency should establish the reasons for this decline and develop a plan to reduce deficiencies and to restore its previous standing.
- 7. The Agency carries out most inspections of UK merchant vessels in conjunction with a survey, and its targeted inspections are largely reactive.** The Agency should conduct more surprise inspections of high risk UK registered vessels to ensure that its resources are focused on preventing shortcomings rather than responding to them.
- 8. The Agency's evidence about its capacity to cope with its survey and inspection programme was at times confusing; it has missed some targets but exceeded others.** To demonstrate to us that the Agency has capacity to carry out its survey and inspection programme, it should produce an analysis of surveys and inspections for 2008–09 which the NAO can examine and report on to us, if appropriate.

9. **The Agency's targets for some inspections do not appear to reflect the number of ships in operation.** The Agency set some targets 18 months ahead, but the actual number of inspections carried out reflected the number of ships operating. The targets are therefore meaningless and the Agency should review and improve its procedure.

# 1 Increasing the use of the UK flag in uncertain times

1. Between December 2000 and December 2007, the UK merchant trading fleet grew by over 50%, from 417 to 646 vessels, with tonnage trebling following a long period of decline (Figure 1). The Agency attributes this principally to the introduction of tonnage tax, which the Government introduced in 2000 as part of a package of measures to encourage shipping companies to register their ships to the UK flag and to reverse the decline in the UK merchant fleet. Companies operating ships controlled from the UK may now opt to be taxed on the basis of a ship's tonnage, rather than paying corporation tax on profits from the ship's activities. This gives owners greater certainty and, for some, lower taxes.<sup>2</sup>

Figure 1: UK registered trading vessels 1950 to 2008 (gross tonnage—gt)



Source: Department for Transport Maritime Statistics

2. Given the current economic climate, it is heartening that the fleet grew a further 4% in 2008 to 675 vessels<sup>3</sup> and that ship owners are continuing to alert the Agency of their intention to bring more ships on to the UK flag.<sup>4</sup> The Agency's lack of commitment to its target to increase the size of the UK fleet by 7% a year is, however, disappointing. While we would support the Agency's efforts to have a quality register of safe ships and to maintain the UK's standing in international rankings of fleet quality, this should not be incompatible with increasing the UK registered fleet.<sup>5</sup> Indeed, as the Agency pointed out, ship owners are likely to register their ships under a flag with a good reputation for compliance with

<sup>2</sup> Qq 23, 27; C&AG's Report, Summary paras 1, 2, paras 1.6–1.7

<sup>3</sup> Department for Transport—December 2008 figures

<sup>4</sup> Q 5

<sup>5</sup> Qq 39–44, 60–61; C&AG's Report, Summary paras 10, 2.3–2.4

international standards, as vessels registered to such high quality flags can be subject to fewer inspections by maritime administrations during the course of their trading.<sup>6</sup>

3. The Agency's approach contrasts with that of other flag state administrations which have clear marketing strategies to grow their fleets. For example, some are commercial operations for their flag state and have an interest in generating income.<sup>7</sup> Others target specific sectors of the merchant fleet, for example, Bermuda and Gibraltar, which have good reputations for the management of cruise ships and bulk carriers respectively.<sup>8</sup>

4. The growth in the UK Ship Register, combined with the Agency taking on new responsibilities, including the implementation of the International Ship and Port Facility Security (ISPS) Code, contributed to a 30% increase in its survey and inspection workload between 1999–2000 and 2008–09.<sup>9</sup> The nature and location of the work has also changed. Over half of the UK merchant fleet did not visit a UK port in 2007–08, and so 25% (450) of Agency surveys and inspections of UK flagged vessels were carried out abroad compared to 5% in 2000–01.<sup>10</sup> The Agency issues certificates of competency to applicants qualified to serve as officers on UK vessels. It also issues certificates of equivalent competency to seafarers already holding a comparable certificate issued by another nation. The total number of such certificates issued by the Agency has risen from 6,400 in 2003–04 to 7,700 in 2007–08.<sup>11</sup>

5. The Agency has coped with this increased workload by using its surveyors more intensively and delegating more of its survey work to ship classification societies such as Lloyds Register.<sup>12</sup> In 2001–02, we recommended that the Agency should gear its recruitment and training strategies towards meeting the increase in UK registered vessels. In 2007–08, however, there were 158 marine surveyors in post compared to a complement of 178. This shortfall particularly affected the Agency's marine offices which had a complement of 141 staff but only 122 in post. In 2001–02, we also noted the aging profile of the marine surveyors. Again this trend has continued with over 40% of surveyors aged 55 or over by 2007–08.<sup>13</sup>

6. Despite the evidence in the C&AG's report of the shortfall against complement and the aging profile of marine surveyors, the Agency does not accept that it is facing a staffing crisis. It told us that:

- its vacancy and turnover rates remain quite low and are not substantially different from previous years;

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6 Qq 22–23, 27, 38

7 Q 61

8 Q 42

9 C&AG's Report, paras 2.5, 2.8, survey and inspection data for 2008–09 provided by the Maritime and Coastguard Agency to update information provided in the C&AG's report

10 C&AG's Report, paras 1.11, 2.7

11 C&AG's Report, para 2.9

12 Qq 2, 5; C&AG's Report, paras 2.2–2.4, 2.11–2.14

13 C&AG's Report, paras 2.16–2.19

- many surveyors will choose to remain with the Agency beyond their nominal retirement age;
- the number of front line surveyors working at its marine offices has increased and, correspondingly, the number of surveyors in headquarters has reduced, and
- it is establishing a different approach to recruiting surveyors that has achieved some early results.

The Agency's view is that it will continue to be able to police the standard of the UK fleet adequately.<sup>14</sup>

7. The Agency also told us that it is able to cope with its current programme of surveys and inspections. The evidence for this is confusing as it missed some targets for the survey and inspection of UK and Dependent Territory registered vessels in 2007–08 and in 2008–09. It also failed to inspect 95% of the highest risk foreign flagged ships that entered UK ports as required under the Paris Memorandum of Understanding, although it exceeded its target for Port State Control Inspections.<sup>15</sup>

8. Although the Agency fell short of its inspection targets for domestic passenger vessels in both 2007–08 and 2008–09, it is confident that its coverage of passenger ships is comprehensive on a year-on-year basis, claiming that all small passenger vessels operating in UK waters are surveyed or inspected at least twice a year and that the safety of the people who work and travel on passenger ships has not been endangered.<sup>16</sup> The Agency explained the shortfall by saying that the targets were set 18 months before the end of the year in which they were reported, and the actual number of inspections carried out reflected the number of ships operating.<sup>17</sup>

9. The Agency is confident that its survey and inspection regime helps ensure that UK and foreign registered ships are crewed by competent seafarers, and that the working conditions of seafarers meet international standards. The International Safety Management Code requires crew members to be suitably trained and capable of carrying out their work. As part of its routine inspections, the Agency's surveyors will examine seafarer certificates when boarding UK and foreign registered ships. The Agency's surveyors also, routinely, check a ship's compliance with International Labour Organisation standards governing living and working conditions, although these checks do not cover terms and conditions of employment.<sup>18</sup>

10. All maritime administrations can inspect overseas vessels visiting their ports to check compliance with standards under the relevant Port State Control regime. When a maritime administration finds that a ship does not comply with standards, and the deficiencies are serious, it can detain the ship in port until the deficiencies are remedied. The Agency

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14 Qq 2–5, 20, 35–36

15 Q 17; C&AG's Report, paras 2.26–2.27, survey and inspection data for 2008–09 provided by the Maritime and Coastguard Agency to update information provided in the C&AG's Report

16 Qq 37, 62

17 Q37; C&AG's Report, para 2.26

18 Qq 29–31, 51–54; C&AG's Report, paras 3.15–3.16

conducted 1660 Port State Control inspections in 2008–09 and found deficiencies in 1176 ships. It found crew related deficiencies such as insufficient training and inadequate safety drills in 65 inspections and in 11 of these, the Agency detained the ship.<sup>19</sup>

## 2 Maintaining the UK flag's quality advantage

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11. The Agency believes that it provides a high quality flag, and it is confident that the increase in the UK Ship Register has been achieved without compromising standards or seafarers' living and working conditions.<sup>20</sup> The UK remains near the top of 'White List' rankings compiled by the Paris and Tokyo Memoranda of Understanding (MOUs), which are used to target Port State Control inspections. It has a relatively low three year rolling average of vessels detained overseas because they were unfit to go to sea. The UK was top of the Paris Memorandum of Understanding 'White List' rankings in 2006, fifth in 2007 and third in 2008.<sup>21</sup> But it must guard against complacency as there are signs that the quality advantage of the UK flag compared to the rest of the world is beginning to narrow, reflecting improved performance by other flags. Between 2000 and 2008, the detention rate for UK flagged vessels inspected at Paris MoU ports was typically 2% or less but the rate for the rest of the world fell from almost 10% to less than 6%.<sup>22</sup>

12. Between 2000 and 2008 Port State Control inspections in Paris MOU ports found an increase in the UK vessel deficiency rate in the North Atlantic trading area from 36% to 46%, while the deficiency rate for the rest of the world remained at around 60% (**Figure 2**).<sup>23</sup> The Agency attributed this to overseas Port State Control inspectors raising their game in recent years, and identifying more deficiencies on UK flagged vessels, rather than to a deterioration in the overall quality of the UK fleet.<sup>24</sup> This does not, however, explain why the UK's rates are rising while those of other flag states remain stable. If it were the reason, we would expect to see comparable increases in the deficiency rates of foreign flagged fleets.

13. In 2001–02, we recommended that the Agency focused more of its inspection work on the riskiest vessels, making more use of risk assessment systems, particularly for UK vessels. Based on our recommendations, the Agency has implemented a risk based approach developed by the NAO to help it set annual inspection targets for different types of UK vessel. It has also introduced a pro-active risk-based targeting system for marine surveyors using ship type, age and inspection history.<sup>25</sup> The Comptroller and Auditor General's report found, however, that the Agency carried out most inspections of merchant vessels in conjunction with a scheduled survey, where there was no element of surprise. Its targeted inspections were therefore largely reactive, following incidents such as detentions overseas, vessel damage, a crew complaint or a pilot report, or when vessel and surveyor availability coincide, rather than pro active attention to risk. Of the 84 targeted inspections of UK merchant vessels examined by the NAO, only seven had been selected by the Agency

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20 Qq 26–28, 38, 44

21 C&AG's Report, para 3.2, Paris MoU Press Release dated 2 June 2009

22 C&AG's Report, Summary paras 7, 13, paras 3.2–3.3

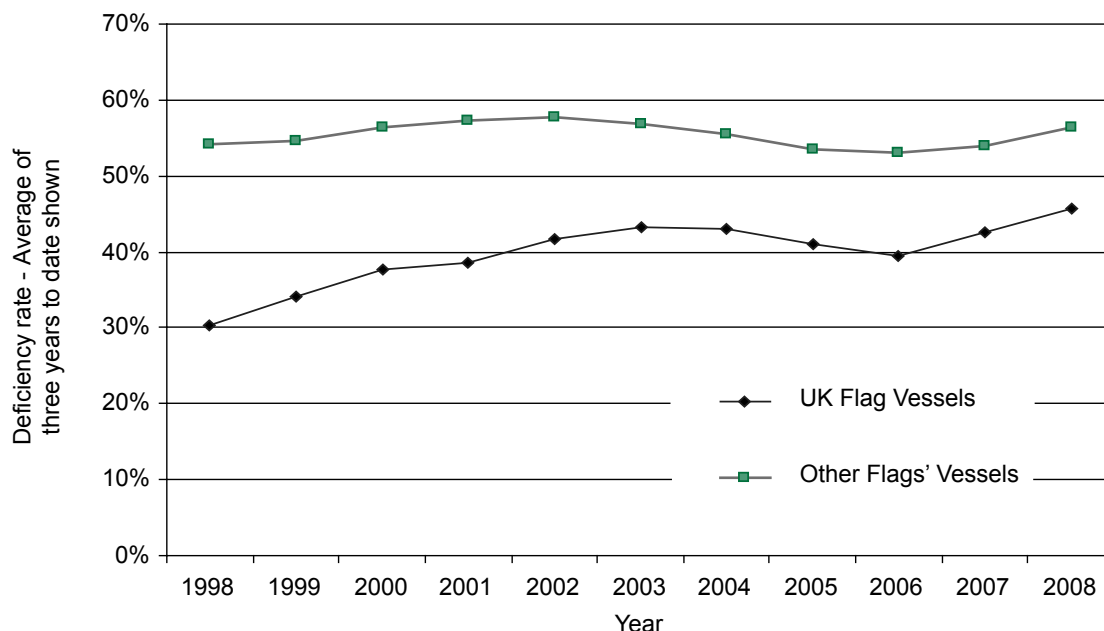
23 C&AG's Report, Summary paras 7, 13, paras 3.5–3.9

24 Qq 11–15

25 Q 64; C&AG's Report, Appendix 1, PAC conclusion 1

on risk grounds.<sup>26</sup> The Agency believes that the majority of UK shipping is well run and of a high standard, so that it only needs to target a small number of ships which are not performing well. It considers that this is a good use of surveyor resources and the evidence for this can be seen in the UK fleet's falling accident rate.<sup>27</sup>

**Figure 2: Vessel Deficiency Rates in North Atlantic trading area 1998–2008**



Source: Paris Memorandum of Understanding Annual Reports and Online Database

14. The weakness of the Agency's approach to targeted inspections is illustrated by the problems that it faces in weeding out substandard vessels from the UK Ship Register. The Agency can remove substandard vessels from the UK Ship Register but it needs to prove that a vessel's defects are sufficiently serious to justify that removal. If its surveyors inspect a vessel following a detention overseas, all the defects may have been rectified and the Agency has no justification for removing the vessel from the Register.<sup>28</sup>

26 Qq 70–74; C&AG's Report, paras 3.13–3.14

27 Qq 6–9, 63–64, 70–74

28 Qq 65–69

# Formal Minutes

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**Wednesday 8 July 2009**

Members present:

Mr Edward Leigh, in the Chair

Mr Paul Burstow

Mr David Curry

Nigel Griffiths

Mr Austin Mitchell

Dr John Pugh

Geraldine Smith

Mr Don Touhig

Mr Alan Williams

Draft Report (*The Maritime and Coastguard Agency's response to growth in the UK merchant fleet*), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 14 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Forty-fourth Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 14 October at 3.30 pm]

## Witnesses

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**Monday 1 June 2009**

*Page*

**Mr Peter Cardy**, Chief Executive, **Mrs Sue Ketteridge**, Director of Finance and Governance, and **Mr Paul Coley**, Assistant Director Seafarers and Ships, Maritime and Coastguard Agency, Department for Transport

**Ev 1**

## List of written evidence

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Maritime and Coastguard Agency

**Ev 10**

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Forty-seventh Report	Reducing Alcohol Harm: health services in England for alcohol misuse	HC 925

Forty-eighth Report	Renewing the physical infrastructure of English further education colleges	HC 924
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# Oral evidence

## Taken before the Committee of Public Accounts on Monday 1 June 2009

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon  
Mr Ian Davidson  
Nigel Griffiths

Geraldine Smith  
Mr Alan Williams

**Mr Amyas Morse**, Comptroller and Auditor General, **Caroline Mawhood**, Assistant Auditor General, and **Geraldine Barker**, Director, National Audit Office, were in attendance.

**Mr Marius Gallaher**, Treasury Officer of Accounts, HM Treasury, was in attendance.

### REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

#### THE MARITIME AND COASTGUARD AGENCY'S RESPONSE TO THE GROWTH OF THE UK MERCHANT FLEET (HC 586)

*Witnesses:* **Mr Peter Cardy**, Chief Executive, **Mrs Sue Ketteridge**, Director of Finance and Governance, and **Mr Paul Coley**, Assistant Director Seafarers and Ships, Maritime and Coastguard Agency, Department for Transport, gave evidence.

**Q1 Chairman:** Good afternoon and welcome to the Committee of Public Accounts. Today we are considering once again the Comptroller and Auditor General's Report and we have the Comptroller and Auditor General, Mr Morse. This is his first hearing, the first of many, we hope, the motion to appoint him having been approved by Parliament a couple of weeks ago. Today we are looking at the Maritime and Coastguard Agency's response to growth in the UK Merchant Fleet. We welcome Peter Cardy, the Chief Executive of the Agency. Would you like to introduce your colleagues to the Committee.

**Mr Cardy:** On my right is Sue Ketteridge, the Director of Finance and Governance for the Maritime and Coastguard Agency. To my left is Paul Coley who is Assistant Director Seafarers and Ships.

**Q2 Chairman:** The Clerk and I had a very interesting visit to Southampton a few weeks ago and we are grateful to your staff, Mr Cardy, for arranging that. These visits the Committee undertakes are important, but I think it is very important that we make absolutely clear that, although witnesses may well, out of sheer politeness, want to be present and meet us, it is very important, so their evidence is not contaminated, that they are not present at these meetings and anything which we are told on these meetings or any part of these meetings is not conveyed to witnesses. We are grateful to you for arranging that. I found it very interesting. Perhaps we can now look at the Comptroller and Auditor General's Report. If you look at the summary, page 5, paragraph 5, you will see this is not actually the first time we have dealt with this issue. The Committee of Public Accounts recommended way back in 2002 that the Agency should gear recruitment and training strategies to meeting the potentially higher demand for qualified surveyors. I

should say, this has been a great success story for the Government because we have had a fairly dramatic increase in the size of the merchant fleet after many years of decline and this was a result of tonnage tax being brought in. In that sense, this is a success story for the Government. What I would like to ask you, Mr Cardy, is we take our hearings very seriously, and there is absolutely no point in us making recommendations if they are not carried out. We made these recommendations about the difficulties you were going to have recruiting marine surveyors. Why did you not act on them? I know it is not personally your responsibility because you have only been there for a year, but, as you know, under the rules of engagement of this session you are held to be responsible.

**Mr Cardy:** The Agency has taken on more surveyors in the course of that period. The number of front-line surveyors has increased and, correspondingly, the number of surveyors in the headquarters of the organisation has decreased. We have taken other measures as well that mean we have been able to use the resources, as the Report points out, more efficiently. The way in which we exchange work with the classification societies, Lloyd's Register and the other six that we recognise has changed. We have introduced the alternative compliance system and we are now in the process of establishing a different approach to recruiting surveyors which has achieved some early results.

**Q3 Chairman:** If you look at figure 8, paragraph 2.19, we see that you have some problems contrary to the general impression you are trying to give us. You have an ageing profile, you are carrying vacancies. Are you not facing a staffing crisis?

**Mr Cardy:** No, happily we are not facing a crisis. It is true to say that there were predictions about the changing shape of the maritime workforce over the course of the last decade, but we have been able to retain surveyors and we are still able to recruit surveyors. A new recruitment campaign has begun to bear fruit already so we are recruiting surveyors. Our vacancy rate remains quite low in fact. It is not substantially different from the rate in previous years and the turnover rate is not substantially different.

**Q4 Chairman:** What about the age profile?

**Mr Cardy:** The age profile is incontestable. Surveyors are getting older, but they have the freedom to continue to work beyond a nominal retirement age now and many of them, I believe, will wish to do so.

**Q5 Chairman:** If we look at paragraph 5, we see at the end of that that you missed some of your targets for inspections of UK vessels for the first time in 2007/08. This is against the background that your organisation has a record second to none in the world, but here you are missing some of your targets for the first time in 2007/08. You expect to miss them again in 2008/09 and, as it says here, a report you signed up to, "failure to meet its targets will increase the risk that UK vessels which do not comply with the regulations operate without direction in UK ports and waters". Why did you not do more to understand the implications of the tonnage tax? It seems you have managed to cope more by luck than by design or by judgment.

**Mr Cardy:** I believe the Agency has coped, and indeed has done better than cope, by being flexible and adaptable and by using the means at our disposal effectively. It is true to say that the fleet has continued to grow and I am happy to say that owners are still alerting us to their intention to bring more ships on to the UK flag which is perhaps not to be expected during a recession. We have indeed been able to cope, and do better than cope, and we expect to be able to do so for the foreseeable future as well.

**Q6 Chairman:** I went on one of these visits and I was very concerned to read paragraph 3.13. It says here that the Agency does relatively few risk-based targeted inspections of UK merchant vessels. It boarded ocean-going UK cargo vessels 793 times in 2007/08, 632 of which were to undertake a scheduled survey. What worries me is that you do not seem to be doing enough visits where there is an element of surprise. The visit that I went on was to a foreign-flagged ship who did not know we were coming. It says you are carrying out too many of your visits where they know you are coming, and does this not militate against achieving the best outcome?

**Mr Cardy:** Indeed I believe the master of the ship you visited was properly surprised to meet you.

**Q7 Chairman:** We were introduced as representatives of the British Government, which sounds very sinister.

**Mr Cardy:** All of our Port State Control visits are a surprise in the sense that they are not scheduled. I would stress that in its last Report on MCA survey inspections the NAO suggested a risk-based approach and that is indeed what we take. The way in which we target and prioritise our inspections of UK ships is very much related to our assessment of risk.

**Q8 Chairman:** You say that there is an element of risk and you base it on risk. Let us look at Appendix One, page 30. Again I go back to a recommendation that we made all those years ago: "The Agency needs to focus more of its work on the riskiest vessels." Are you doing that? No. We go across the page to "Current Position" and we read: "But its targeted inspections of UK merchant vessels are primarily responses to incidents, reports or detentions rather than proactive attention to high-risk companies or vessels." What is going on?

**Mr Cardy:** We have taken the view that to inspect on the basis of no intelligence would not be a good use of resources. To inspect in response to intelligence and information is a good use of resources, and again I say that the evidence for this can be seen in the accident rate.

**Q9 Chairman:** You do not focus on the riskiest vessels.

**Mr Cardy:** We do indeed focus on the riskiest vessels. Perhaps I can ask Mr Coley to say a little about how we do select and prioritise those vessels.

**Mr Coley:** The first thing is we have to carry out an inspection on vessels in conjunction with a survey and so we are regularly visiting our own flagged ships in any case. Then there is also the Port State Control aspect carried out by other countries on our ships. They are regularly inspecting our ships and many in the industry would probably say Port State Control has become a burden because there are too many inspections. We use the information gathered from those inspections to look into the international database of those inspections to see which ones have increasing numbers of deficiencies. We use that information to decide on the frequency at which we will then go and inspect those ships ourselves again. We find that is very effective and that is why the actual number of ships where we have to go and target, especially because they are not performing well, is a relatively small number. In fact, the majority of UK shipping is actually very well run and of a very high standard.

**Q10 Chairman:** Half of the UK fleet does not now visit UK ports. Can you assure us that these ships are as safe as the ships that do visit UK ports?

**Mr Cardy:** I believe I can. These ships are visited by MCA surveyors in addition to the classification societies. They are surveyed at intervals of five years and they are visited at intervals of no more than two and a half years. They are seen, irrespective of where they trade in the world, by the MCA.

**Q11 Chairman:** Why have we got this difficulty with the increase of deficiencies mentioned in paragraph 3.7?

**Mr Cardy:** A relatively small number of deficiencies show up as a relatively large kink in the graph.

**Q12 Chairman:** We had the finest merchant fleet in the world. We should not have these increases in deficiencies at all.

**Mr Cardy:** I do not think there is 100% perfection.

**Q13 Chairman:** If you have a rising level of deficiencies, that is worrying, is it not?

**Mr Cardy:** The deficiencies are detected by Port State Control inspectors of other administrations whose approach may be different. Perhaps Mr Coley can say a word about that.

**Mr Coley:** The first thing is it is important to look at the detentions because detentions are where deficiencies have been found which are very serious and, in the opinion of the Port State Control inspector, the ship should not leave port unless they are rectified, by definition. It is important to look at those. You will find that the detention rate has stayed fairly constant. Deficiencies is something where you go on board a ship and you might find anything that is not consistent and in compliance with the regulations. This, we believe, is more of a measure in recent years of the behaviour of the inspector who is carrying out the inspection than the quality of the ships.

**Q14 Chairman:** More British ships are being caught up in foreign ports than ever before.

**Mr Coley:** There was probably a tendency for UK ships not to have a very thorough inspection in the past.

**Q15 Chairman:** Because everybody felt and knew that this was the gold standard in the merchant fleets in the world. It worries me that our ships now are being caught more often in foreign ports. There should not be any real deficiencies in them.

**Mr Cardy:** In an ideal world, there would be no deficiencies. Of course this is actually a signal of how successful the international Port State Control endeavour has been. What we are now seeing are inspectors in foreign administrations coming onto ships, not only UK ships but other ships, and recognising deficiencies. Standards, in fact, are rising around the world and that means that safety is improving and that has to be regarded as a success.

**Q16 Nigel Griffiths:** Mr Cardy, you have a very impressive CV. What attracted you to this job?

**Mr Cardy:** There were a number of things that attracted me to this job. First of all, the MCA is a complex organisation and my employment history has been running large and complex organisations. Secondly, I have been fascinated by the sea for a good many years. Thirdly, I had spent the whole of my working life outside government and I was interested to see what life was like inside government.

**Q17 Nigel Griffiths:** What in this Report hurts you most?

**Mr Cardy:** I suppose the thing that I would like to be able to do in future would be able to say that we have seen every foreign high-risk ship that comes to these shores. This is a challenge. They are relatively small numbers. High-risk ships, I think it is important to stress, do not mean rust buckets; they may be very sound, very well-run ships, but those ships on which there are a number of factors that mean that they are regarded as high-risk internationally. We struggle indeed to see all of those. Out of 150 or so that are classified as high-risk that come into UK ports, we have not in the last couple of years managed to see every one. I would like to see every one and I would like to see us exceeding the target that we are set.

**Q18 Nigel Griffiths:** Do we have some of the busiest shipping lanes in the world?

**Mr Cardy:** We have 178,000 shipping movements through the Dover Strait every year, so that is over 470 every day. The Dover Strait is one of the busiest. I am sure it competes with others for that crown, but it is certainly among the busiest in the world.

**Q19 Nigel Griffiths:** Which elements of the National Audit Office Report do you take some comfort and pride in?

**Mr Cardy:** I take considerable comfort and pride that we have made efficient use of taxpayers' resources and that we have managed our resources effectively and successfully and have continued to drive safety standards up. Since this Committee last considered the matter, a number of new international requirements have been introduced which, I must say, had the UK's support, and we have met those as well. I am very proud that our surveyors, through their commitment, professionalism, skill and expertise, have managed to achieve so much.

**Q20 Nigel Griffiths:** The registration of trading vessels, I see from page 13, table 3, absolutely plummeted between 1975 and 1996/97, but since then has picked up, in fact quadrupled in size. Have you had the resources to police that effectively in terms of safety and compliance?

**Mr Cardy:** I believe the record shows we have. The fleet continues to grow. We have added new ships this year, we expect to be adding new ships next year, and we believe that, with the arrangements we have put in place which I have described, working with the classification societies and working with the owners, we will continue to be able to police the standard of these ships adequately.

**Q21 Nigel Griffiths:** Do you have an analysis of why the number of registered trading vessels plummeted from 1975?

**Mr Cardy:** That is a little before my time. There was a major shipping slump worldwide at that time. There was a flight to so-called flags of convenience, cheaper, less-demanding registries, and perhaps the infrastructure was not in place in the UK to encourage owners to come onto the UK flag. That

happily has gone into reverse and the graph is now going up pretty much at the same rate it went down in the 1970s and 1980s.

**Q22 Nigel Griffiths:** What since 1977 has made it more attractive for vessels to become UK-registered?

**Mr Cardy:** A number of factors, of which probably the most important and best known was the introduction of the tonnage tax. There were other tonnage tax regimes, but the UK one was introduced as part of the Government's package of measures to encourage growth in the UK fleet.

**Q23 Nigel Griffiths:** How has that influenced things?

**Mr Cardy:** Essentially, it enables ship-owners to have confidence about how much they will have to pay in tax on their ship over the course of a much longer period. It gives stability in the financing of ships which is the key to it. I am not a taxation expert, this is the province of HMRC, so I would not like to get too much into the workings of the tonnage tax.

**Q24 Nigel Griffiths:** What the National Audit Office seems to state explicitly is the accident rate has consistently fallen except in 2005. Does that allow you to draw the conclusion that the regime has become more lax or less lax or more effective?

**Mr Cardy:** The trend is the important feature. There may be artefacts, but we are talking about a relatively small number of accidents. One or two accidents over the trend may give a particular kink to the trend, but the trend is the important thing. Shipping accidents, I am happy to say, continue downwards and we believe that we have played a major part in making that so.

**Q25 Nigel Griffiths:** What resources do you need to implement key recommendations of this Report?

**Mr Cardy:** We have, I believe, the resources we require in order to do that. We have come in on or under budget over the course of the last few years. We have not had to go back to the department cap in hand so we have been able to manage to increasingly extend and tighten the Flag State Control regime that we exercise and the Port State Control.

**Q26 Geraldine Smith:** Can I ask about the flags of convenience. You say they are decreasing. Do you think that is just about the tonnage tax? How has that been the thing that has changed things?

**Mr Cardy:** No. Let me separate out two issues. Flags of convenience is a shorthand that is used for maritime administrations that have a light touch on their ships that are not terribly expensive to be on. We are not one of those. We describe ourselves as a flag of choice.

**Q27 Geraldine Smith:** But the UK flag has been growing. Flags of convenience were used in the 1970s and 1980s more so and the UK flag was declining. The UK flag is now increasing again. Why is that? Is it just about the tonnage tax or are there other factors?

**Mr Cardy:** There are many factors. The tonnage tax makes good commercial sense from the point of view of ship-owners who can see what their financing is going to look like for some time ahead, but there are many other factors. The red ensign, the UK flag, is a worldwide brand and it is recognised as such. It is known that, if you have your ship on the UK flag, then it can only be there if it is a quality ship and it is less likely to be inspected or detained in a foreign port. There is a sense of allegiance to the UK flag. The customer service relationships that we maintain with the owners and the fleets that are on the UK flag are good; they are very positive, they are very proactive and owners like that. There are a lot of advantages to being on the UK flag. I should stress it is not a soft touch. It is a very tough regime and owners also appreciate that. It means they know that, if they run a ship to the standards we require, they run a good ship and are running a safe ship.

**Q28 Geraldine Smith:** A lot of the shipping companies used flags of convenience so that terms and conditions of seafarers were reduced quite often on those ships. You got a much rawer deal. Instead of working a week on and a week off, they were working four weeks on and a week off. The terms and conditions had decreased and it was quite often used because it was a lot cheaper for the shipping companies to have these flags of convenience. You found them growing all over the UK shipping company with foreign flags coming in. I cannot see the tax being enough to change people. I understand what you say about the British flag being recognised, but is it a case there are other ways they have found of employing people under the UK flag with not such good terms and conditions?

**Mr Cardy:** No, that is not the case. Of course the Maritime Labour Convention which has been negotiated by the social partners comes into force in the very near future and that will mean there is a much more level playing field for the conditions under which seafarers work across the world. That will also be responsibility for the MCA and other flag administrations to police but that will lead much more to a lowest common denominator of conditions for seafarers.

**Q29 Geraldine Smith:** At one time were there restrictions if you had the UK flag? Was it just UK personnel? Was there a certain test they had to sit before they went to sea, certain conditions and certain restrictions, and do those no longer apply?

**Mr Cardy:** Those certainly apply. UK-registered ships have to have UK officers, that is say, officers who have taken a certificate of competence under UK conditions in the UK or who have a certificate of equivalent competency from another administration that we recognise as being equivalent to the UK's.

**Q30 Geraldine Smith:** UK officers, but what about below officer grade?

**Mr Cardy:** It is a matter for the company to decide the terms and conditions of ratings.

**Q31 Geraldine Smith:** Was that always the case or was there a differential with the UK flag?

**Mr Cardy:** I do not think I can answer that. We may have to come back to you on the history of that.

**Mr Coley:** There have been gradual changes over many years. There has been recognition over the years that it is harder to employ seafarers on ships, particularly in a global market, so it is necessary for companies to be able to extend their pool of people enough to employ people in merchant ships.

**Q32 Geraldine Smith:** It was always my belief that these shipping companies used flags of convenience because they could then bring in workers at much lower rates and bring in people from abroad. If that is the case now anyway, then I suspect that is part of the reason for the growth of the UK flag because it no longer happens.

**Mr Cardy:** No, I do not think that is the case. The UK flag is not a cheap flag to be on. While you might not have to pay top rates to all of your ratings, probably in a very large container ship, like the one the Chairman visited a couple of weeks ago, you are probably talking about a couple of dozen seafarers at most, so the rates you pay them are not going to make a huge difference to the overall cost of the operation.

**Q33 Geraldine Smith:** Do you have any idea how many UK seafarers actually operate on ships that come under the UK flag?

**Mr Cardy:** I can tell you the number of UK certificates of competency which are extant and that is about 30,000 at present. Not all of those will be used on trading ships of the kind this Report considers, but there are about 30,000 in existence at present.

**Q34 Geraldine Smith:** What are you doing to increase opportunities for UK seafarers?

**Mr Cardy:** It is not specifically our job to increase opportunities for UK seafarers. What we are doing is making sure that UK ships can only be run by people who have equivalent qualifications to those of the UK.

**Q35 Geraldine Smith:** How do you intend to manage the increased workload from the increase in applications from overseas citizens?

**Mr Cardy:** We have managed that very successfully over the last few years. It is related to the number of ships on the UK flag of course. The colleges that are training people to UK certificate of competency standards have managed the increase. The MCA has managed the increase through its seafarers' certification branch very successfully. We have simply got more efficient and I believe there are probably more efficiencies to be gained in the system if we look for them.

**Q36 Geraldine Smith:** There are still delays in processing some of the applications, are there, particularly on smaller ships?

**Mr Cardy:** There have been delays, but not in the course of recent months or indeed recent years. There was a high level of turnover of staff for a period at the Register of Ships and Seamen, but that has now settled down and we are on top of the targets again and meeting all of the targets that we set for certification of seafarers and the registration of ships.

**Q37 Geraldine Smith:** Are you happy that people who work and travel on the smaller passenger vessels are not placed in any danger because you have done fewer inspections on those?

**Mr Cardy:** If you are talking about domestic passenger vessels, in fact we have exceeded our expectations. At the time that the National Audit Office was carrying out this study, we were a bit pessimistic about that. Now we have seen the final outcome, we have exceeded our expectations. Perhaps I ought to make clear that the Report uses 'target' to mean two different things and we use 'target' to mean two different things in the MCA. The first is targets that are set externally, those which are set by EU Directive on Port State Control and the targets that we set for the domestic vessels. These are our estimates of the number of particularly domestic passenger vessels and small fishing vessels that will be in operation. There is a certain amount of science and a certain amount of art. Of course those targets are set 18 months before the end of the year in which they are reported. When we were trying to predict the number of fishing vessels and domestic passenger vessels that could be at work over the course of the last financial year, we were doing that before even the credit crunch had impinged most people's consciousness. Nonetheless, I am pleased to say we did manage to achieve that.

**Mr Coley:** We survey and inspect every one of those domestic passenger ships twice per year and that is without any reports of any incidents that may have occurred, in which case we would carry out an additional inspection. We are inspecting all those passenger ships twice a year.

**Mr Cardy:** Everything that passes under the windows here has been seen by the MCA at least twice in the course of this year.

**Mr Coley:** If I may come back to your question regarding the seafarers, I have been informed that the STCW Convention of 1978 introduced requirements for officers and ratings so there was a level playing field for making sure people were of equal standard.

**Mr Cardy:** That is the Standards of Training, Certification and Watchkeeping Convention.

**Q38 Mr Davidson:** Can I follow up the point that Ms Smith made about why owners would register their ships in the UK if the ships do not actually come here. I understand the question of high standards and so on, but what is in it for the owners? Are they able to command a higher traffic rate?

**Mr Cardy:** Having talked to a lot of owners over the course of the relatively short time I have been in the job, the key thing is knowing that they are running a ship which will be recognised wherever it is trading

as being of high quality, as being safe, and therefore not being targeted by Port State Control inspectors wherever it may be. That knowledge comes from the regime that the MCA runs which is recognised as a very high standard regime. We only admit high-quality ships to the UK ship register. If you are on the register, you are running a high-quality ship that is recognised in every port.

**Q39 Mr Davidson:** It saves you money because you are not delayed by inspections?

**Mr Cardy:** Yes.

**Q40 Mr Davidson:** Who are the UK's main competitors for that sort of niche in the market?

**Mr Coley:** We would only classify the flags that are at the top of the best-quality flags. We would not, for example, be looking at the flags that are poorly performing.

**Q41 Mr Davidson:** Who are the main competitors?

**Mr Coley:** Other European countries who have similar size and reputation, for example, Denmark, Norway, Netherlands, France. They are all quality flags and there are also flags in other parts of the world. China, for example, has a sizeable flag and has a high-quality flag. There are certainly flags all around the world who are aiming to be top quality.

**Q42 Mr Davidson:** If there are quite a large number of regimes that are as good as the UK regime, why would anybody come here or why would they go there? What are the factors that make up the decision for an owner?

**Mr Coley:** We cannot answer for the owners' decisions at the end of the day.

**Mr Cardy:** I believe we can say that there is a bundle of factors. If you take the Red Ensign Group alone, which is all of the overseas territories and dependencies that are able to register ships under the UK flag, of those that have registers of unlimited size, Bermuda for example, which is a very high-quality flag, has a reputation for good management of cruise ships; the Isle of Man has a good reputation for the management of tankers; Gibraltar has a good reputation for the management of bulk carriers, so it is familiarity with the kind of ship you want to register, reputation of the flag, the convenience, your familiarity with the system that administration runs, your understanding of the tax regime and your belief as to whether that administration is friendly or hostile towards shipping.

**Q43 Mr Davidson:** I can understand the point about centres of excellence developing a particular specialism. Looking at the Isle of Man, for example, is it just simply a tax scam that would drive people to go to the Isle of Man rather than coming to the UK?

**Mr Cardy:** No, I do not think so. The Isle of Man regime is no cheaper, once all is said and done, than the UK regime, but of course each flag administration chooses to market its register in different ways.

**Q44 Mr Davidson:** It is a question of what factors are stopping the UK expanding further and therefore would have implications for you. I am not entirely clear whether or not there is anything we ought to be picking up that would make it easier or better for ship-owners to be registered in the UK that perhaps we have missed.

**Mr Cardy:** It is fair to say that the push in the UK and the posture of the UK Government has changed from increasing the size of the UK flag to having a quality flag. We are very happy for more ship-owners to come onto the flag, but we want those ships to be of the highest quality. We are not after growth in tonnage; we are after growth in good, safe ships that are well run.

**Q45 Mr Davidson:** The other question I wanted to ask was about the overseas territories. I am not clear about the relationship between yourselves and the regimes that they would operate. Do you supervise them, for example Bermuda? Is this an area of tension? Bermuda might be up to the highest standards, but there are other overseas territories which, in a number of other fields, are not the most reputable. I wonder what are your controls?

**Mr Cardy:** We have control over the status of the registry. For example, British Virgin Islands made a proposal to be able to register ships as a Category One register. The conclusion that the UK Government reached was that it should not be an unlimited size of register. It can register ships up to 3,000 gross tonnage so that means, in effect, super-yachts, and so they will be developing into this super-yacht market. That status can be taken away. It is rather a big deterrent; it is pushing the nuclear button.

**Q46 Mr Davidson:** By whom?

**Mr Cardy:** By the UK who confers it. We have a sort of supervisory role, but we are dealing with States that regard themselves as independent States, even though they are overseas territories, independent administrations, and we need to acknowledge that. We just had a very successful annual conference with the Red Ensign Group in which we were able to talk to each other as peers and each of the registers is able to recognise that there is a set of rules by which we will abide, but in which the MCA does not have to wave a big stick. It is a creative relationship and it is developing very successfully, I believe.

**Q47 Mr Davidson:** The other function you seem to have is that you have a responsibility for examining ships that are visiting the UK. It comes back to the point that Ms Smith was making about crews. There are constant stories in Scotland about the various ships that are seized and the crews have not been paid for months and all the rest of it. Do you have a degree of responsibility for that area of work?

**Mr Cardy:** Yes, we do. We have responsibility as part of our Port State Control regime for the living standards of the crews. If those living standards are not appropriate, we may indeed choose to detain the ship and that has been done on a number of occasions.

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**Mr Coley:** There are minimum standards which were agreed by the International Labour Organisation in terms of living and working conditions on board ships and we include those within our Port State Control inspections. Of course, our inspections also cover safety and environmental issues as well to make sure that those ships trading in our waters comply with all the international standards.

**Q48 Mr Davidson:** Leaving aside the question of the safety of the ship for a moment and coming back to the question of the workforce, how do you know that the workforce are being paid the appropriate rate? Is that inspected when you go on board and how do you know you are being shown accurate records? Do you interview the crew?

**Mr Coley:** No, the payment of wages is not something for the Maritime Coastguard Agency to intervene in. The wage scales are something between the flag State and the ship-owners.

**Q49 Mr Davidson:** Some crews not being paid at all, but you would not pick that up. Some of the disputes I have seen in Scotland are where the crews complain they have not been paid.

**Mr Cardy:** In that case, the International Transport Federation inspectors have the power to intervene.

**Q50 Mr Davidson:** That would not be you?

**Mr Cardy:** No. As things stand at the moment, payment of wages is not a specific part of our concern, although other aspects of the crew conditions are.

**Q51 Mr Davidson:** Can I clarify the point about ships officers. I understood the point about UK certification and so on. Do you apply any of the same rules to seamen at all, ordinary ratings and the like?

**Mr Coley:** In terms of the certification for the ratings, no. There are certain levels of ratings undertaking specific jobs where they would be expected to have a qualification. For example, under the International Safety Management Code there are requirements to ensure that people are suitably trained and capable of carrying out their work.

**Q52 Mr Davidson:** You check that workforces coming here on boats have actually done all that?

**Mr Coley:** It is primarily a role for the flag State of the ship, but in terms of our Port State Control inspection we would be looking at whether the ship was being properly run, maintained and that the crew were suitably trained, particularly in their emergency procedures. We may carry out emergency drills to make sure they are able to operate.

**Q53 Mr Davidson:** On how many occasions have you found that ships visiting the UK do not come up to those standards in the last year?

**Mr Coley:** I cannot give you the figures right now. We can give you some figures.<sup>1</sup>

**Q54 Mr Davidson:** One, five, 1,000? I want to clarify how stringent this examination of the qualifications of the ordinary ratings is, so give me a feel for it.

**Mr Cardy:** If we may, we should come back to the Committee with some information about the extent to which things have been scored as deficiencies and the extent to which it has led to detentions. I do not think any of us has that data.

**Q55 Mr Davidson:** Are there sanctions short of detention that you have?

**Mr Cardy:** Yes, there are a number of sanctions.

**Q56 Mr Davidson:** What do they include, a very cross letter or something more meaningful?

**Mr Coley:** It all depends on what you find. You can report it to the flag State that there are some issues of concern on board. As I say, we can ask for emergency drills to be carried out which we can witness and, if necessary, delay the ship until such time as they have demonstrated they can operate the ships properly. These are things which we can carry out with the ship in the UK.

**Mr Cardy:** There is an array of enforcement instruments short of detention.

**Q57 Mr Davidson:** What I am not clear about is how afraid people should be of you as an authority if they are coming to the UK with a sub-standard ship which is not registered here. I do not have a feeling for that, how tough you are, whether you would apply to ships coming here the same standard that you would expect from a UK-registered ship and whether or not there is a strong chance they would be detected. What percentage of the ships coming here would you actually inspect?

**Mr Cardy:** Well, 25% of foreign-flagged ships coming to the UK we are required to inspect by EU Directive and, as I say, we have rather exceeded that in the course of the last year. As the Chairman will remember from his visit a couple of weeks ago, the range of factors and systems and functions and activities that have to be inspected in the Port State Control is very considerable. There is something like 60 for a general inspection. If that leads our surveyors to believe a more in-depth inspection is required, then there may be as many as another 40. If it is a high-risk vessel, by definition, there are a number of other factors that have to be examined. A lot of those are to do with the human element. The Committee in its last Report suggested that the Agency should be focusing more upon the human element and indeed we have done so in the course of the intervening years.

**Q58 Mr Williams:** You referred earlier to the fact that other countries have increased their rate of inspection of UK ships. Are you suggesting that they are using this as a competitive weapon?

**Mr Cardy:** No, I do not think it is a competitive weapon. Some of these other administrations we have trained and we are rather proud of having done so; we have trained them very well. We have trained them to inspect ships successfully and of course they are using these techniques. They have an interest in

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demonstrating their credibility internationally as well. There is an incentive for them to be very particular about this.

**Q59 Mr Williams:** What is the cost impact for an operator of an extra inspection? Is it significant?

**Mr Coley:** The remit of the Port State Control is really that the inspection should be carried out without undue delay of the ship and should start with an examination of the ship's certificates and a cursory examination of the ship, but, should they find something untoward, then they can extend the scope of that inspection. As Mr Cardy said, it is then progressive, depending on the type of ship. An initial inspection can be fairly quick: ship's paperwork, a walk around the ship, the galley, the engine room, the main deck, checking of the seafarers and officers' certificates of competency. If everything is all in order, then we would like to leave the ship alone. If it appears to us to be properly run, then they should be left to do that. However, on the other hand, if the ship does not appear to be properly run, then we will spend as much time as is necessary to make sure that that ship does not go to sea in an unfit state.

**Q60 Mr Williams:** We are in very difficult times at the moment and getting worse as far as shipping is concerned operationally. You have a target of 7% growth. Is that optimistic in these circumstances?

**Mr Cardy:** To be honest, it is very difficult to say. That target was one that was developed three years ago and at the time it was felt that, with the continued growth of shipping worldwide and the rate of new ship building that was taking place or was planned and with the marketing effort that was being developed by the Agency, that would not be unrealistic. I would not now want to hang my hat on a specific percentage target. As I said previously, our concern now is to have a quality register. We are interested in high quality, that is to say, safe ships. I would rather be able to say we are constantly remaining at the top of the international benchmarks, in particular the Paris Memorandum of Understanding which is the whole of the North Atlantic and European nations with the exception of the USA. I would rather aim to remain at the top of that, to be recognised by the US Qualship 21 and to be in the high rankings in the Tokyo Memorandum of Understanding. That, it seems to me, is the target we should be aiming for rather than a particular percentage growth. This is not a very easy time to be making predictions about growth in general, although growth is continuing.

**Q61 Mr Williams:** Do other flag countries have similar aspirations?

**Mr Cardy:** Yes. Some of the registers are in fact commercial operations for their flag State and so have an interest in continuing to generate income and increasing the income they generate, but that is not the case for the UK flag.

**Q62 Mr Williams:** Small passenger vessels have few inspections, but does it mean that there are possibly greater hazards in travelling and working on the smaller vessels than on the larger?

**Mr Cardy:** No, if I can correct that impression, small passenger vessels have more inspections and surveys. They are surveyed annually. They are inspected at least twice a year. Everything that you see passing under the windows here outside the Palace of Westminster will have been surveyed every year and inspected twice a year. That is not in response to detection of higher risk but is in response to the public and Parliament's lack of appetite for accidents involving passenger vessels. I am sure every member of the Committee will remember the *Marchioness* disaster that is engraved on the memory of anybody who has anything to do with small passenger vessels on the Thames. Our endeavour is to make sure that something of that kind cannot, if we can possibly prevent it, happen again.

**Q63 Mr Williams:** Does that not suggest you should therefore have a risk-grading of high-risk vessels? Do you target your inspections more with the high-risk vessels?

**Mr Cardy:** Yes, we do.

**Q64 Mr Williams:** The impression we get from the Report is it is not particularly noticeable as reflecting this.

**Mr Cardy:** No, I think that may be a misleading impression. We target for risk very carefully using the model that the National Audit Office proposed in its previous Report on this. Mr Coley might like to say a bit more in respect to which those risk factors are taken into account.

**Mr Coley:** The National Audit Office in their last Report, that way of looking at balancing the resources against the number of ships and the risk those ships posed based on the number of accidents the ships have and the number of deaths, we have found has been very helpful. It illustrates where you are putting your resources and whether you feel it is in fact in the right places. The particular example of the domestic passenger ships actually shows that we have far more resources used in terms of our survey and inspection than you would naturally think because of the number of accidents and deaths, but we all know that, if an accident were to happen on a vessel like that, then the consequences would be huge so we adjust that model and carry out additional inspections on those. In the same way we look at fishing vessels, we look at other types of cargo ships, and we assess how much of our resources should be put into those vessels. Fishing vessels particularly is an area where we are looking at increasing the number of inspections on those and introducing requirements that ensure the safety of those vessels.

**Q65 Mr Williams:** Looking at paragraph 3.12, page 27, why is it you have not by now weeded out the substandard vessels that joined very early on?

**Mr Cardy:** There is not a specific power under the relevant legislation to enable us to do that, except under very limited circumstances.

**Q66 Mr Williams:** Do you think there should be?

**Mr Cardy:** Other administrations do have such a power.

**Q67 Mr Williams:** Do you wish you had it?

**Mr Coley:** We do have powers to remove a ship from the register but we have to prove that the ship is substandard. The point in the Report is that sometimes ships are considered substandard if they have had a detention in a foreign port and we might not know about that in advance if we have not inspected it recently. Once the vessel has been found with a defect, if we go and inspect the vessel and all the defects are rectified, then we are in a difficult position and we cannot say that the vessel should be removed from the register because in fact they have rectified all the problems. We may then leave the vessel. We could target it again in a fairly short period of time, and in fact that is what we do, but we cannot simply remove a vessel because we believe it is substandard. We have to prove it by carrying out our inspections and identifying any non-compliance with the regulations.

**Mr Cardy:** We do have limited powers to do that. A ship can only sail if it is certified as safe, so our ultimate sanction is not to certify it, in which case it cannot sail without the master committing a criminal offence.

**Q68 Mr Williams:** You still have not answered my question. Do you wish you had the extra powers that some other countries have?

**Mr Cardy:** There are occasions when it would be useful to have those powers, but that is a matter for us to discuss with the Department for Transport because it would have wider ramifications and I do not think it is a simple step from where we are now.

**Q69 Mr Williams:** Can you give us a note on that so we can consider whether we would like to make a recommendation along those lines with the Department?<sup>2</sup> I do not want it to be objective. I do not want you involved in policy issues you should not be in, it is just the factual benefits that you see might arise or would arise from having these extra powers.

**Mr Cardy:** Even with those powers, we would still have to do what we do at present which is to work with the owners, to use the enforcement powers that we have, to encourage them by nice or less nice means to raise the standard of their ships. I do not think that we would ever consider getting to the point where we would be able to throw ships off the register willy-nilly.

**Q70 Chairman:** You gave the impression to Mr Williams that you were doing more and harder inspections. Why do we read in paragraph 3.14: "But when we [the NAO] analysed the reasons for 84

targeted inspections of UK merchant vessels at four marine offices we found that only seven of these vessels were selected on risk grounds." The Agency's targeted inspection of UK merchant vessels is largely reactive.

**Mr Cardy:** That essentially is because of the continuing survey and inspection regime that we have. As I said before, without grounds for intelligence on which to make us go and inspect vessels—

**Q71 Chairman:** Perhaps you should have better intelligence.

**Mr Cardy:** We think we have very good intelligence and do respond to intelligence, but we do not see it as a good use of surveyor resources to inspect at random.

**Q72 Chairman:** We look at many regulatory organisations that inspect. I would suggest to you that, if you have 84 targeted inspections and only seven of those inspected were selected on risk grounds, that is surprising. Most organisations that regulate actually have the intelligence they need to inspect risky organisations. That is the point of what they are doing. They do not just base their inspections on what other people have done.

**Mr Cardy:** We do receive a constant stream of intelligence.

**Q73 Chairman:** What is the point of your organisation if you do that?

**Mr Cardy:** The point of the organisation is to continue to drive the accident rate down.

**Q74 Chairman:** Your organisation is largely reactive and always has been.

**Mr Cardy:** No. We have succeeded in driving the accident rate down by the use of the approach that we do have.

**Q75 Mr Bacon:** Mrs Ketteridge, I noticed that for 20 years you were in the Ministry of Defence and then suddenly you were seconded off to Defra as part of the Director General Corporate Services. Were you a member of the management board of Defra at that time?

**Mrs Ketteridge:** Not of the management board. I was a member of the management team within the Directorate General within Defra.

**Q76 Mr Bacon:** You were head of finance.

**Mrs Ketteridge:** I was head of finance within the Directorate General which is a subset.

**Q77 Mr Bacon:** With a particular directorate. Which one?

**Mrs Ketteridge:** Living Land and Seas.

**Q78 Mr Bacon:** It was nothing to do with the single farm payments.

**Mrs Ketteridge:** Fortunately not.

<sup>2</sup> Ev 10–12

**Q79 Mr Bacon:** The dates coincided and they are etched on my memory. I was delighted to see that, as part of the Government's professional skills agenda, you have just taken your final chartered management accountant exams. It is most auspicious that on the first appearance of our new Comptroller and Auditor General you should come before us as a qualified chartered management accountant. Have you passed your exams?

**Mrs Ketteridge:** I will not know for another six weeks, so it is fingers crossed.

**Q80 Mr Bacon:** Will you let us know?

**Mrs Ketteridge:** I will indeed.

**Chairman:** Mr Cardy, your CV is very alarming because you say "Peter Cardy remains idealistic about making the world a better place." You have just taken over, a year ago, a complete outsider with a very distinguished record running these huge charities, obviously an excellent record. We made these various recommendations in 2002. We warned about the surveyors, about inspections, and it is a bit galling to us that some of these recommendations do not seem to have been implemented as vigorously as they might have been before you came in control. Tell us, in your own words to sum up the hearing, how you are going to turn this organisation round. What are your objectives? What are you going to do to turn round an organisation which appears to me to be very worthy, but somewhat resistant to change?

**Q81 Nigel Griffiths:** It is a 'when will you stop beating your wife?' question.

**Mr Cardy:** One of my first actions has been to reorganise the management of the Agency. There were five executive directors when I started and there are three now. We have simplified and consolidated

the work. The appointment of a qualified finance director has been an important part of that. The third tier of management was 34 people and that is now 14. There is much clearer authority and responsibility. The assistant director for Ships and Seafarers and his opposite number for Coastal Safety are working their way through the organisation and the systems that we have to ensure that those are good for the next ten years. We have just appointed a new director of Maritime Services for the unified service who, I am happy to say, is sitting behind me and has been with us for one month and for whom we have high hopes. Mrs Ketteridge is working her way through the inherited financial systems.

**Q82 Chairman:** And we hope she passes her exams. We are confident.

**Mr Cardy:** She is going to be working her way through the systems whether she passes or not! We have inherited a financial system which has a lot of complicated plumbing with all sorts of feedback loops and so forth and it does need a lot of simplifying and a lot of straightening out. In general, what I am trying to do is work my way through the organisation from top to bottom to ensure that everybody from the coastguard assistant or from the new graduate trainee surveyor, it is clear what their part in the organisation is and to ensure that our very large volunteer workforce, 3,500 volunteer coastguards, are clear how they intersect with the professional coastguard and with survey and inspection. Clarity, simplicity, clear accountability, financial and managerial responsibility are the things that I am working on in the organisation. And as soon as I get a wife, I shall stop beating her!

**Chairman:** Thank you very much. That concludes our hearing.

#### Memorandum from Maritime and Coastguard Agency

The MCA undertook to provide figures to the Committee in answer to Question 53 and to provide our response to Question 69.

Question 53 (Mr Davidson): *On how many occasions have you found that ships visiting the UK do not come up to those standards in the last year?*

This related to whether the ship was being properly run, maintained and that the crew were suitably trained, particularly in their emergency procedures.

Between 1 April 2008 and 31 March 2009 MCA inspectors found 81 ships with deficiencies of this nature.

Questions 65–69 (Mr Williams): *Whether it would be helpful to have additional powers to remove or de-register substandard ships from the UK Ship Register*

Our initial consideration shows that this is a complex matter with finely balanced policy, legal and enforcement arguments both for and against the conferment of additional powers. A power to deregister ships more speedily could be helpful, for example, for those ships that join the Register and then turn out to be problematic for us to manage and therefore consume a disproportionate amount of our time and energy, which might include those vessels that choose not to use the services of a Classification Society as part of their safety assurance. On the other hand, developing the legislation and its practical implementation could see the Agency distracted from its core business, or embroiled in lengthy court proceedings as owners

fight actions through the judiciary. However, as I explained at the hearing, we already have some powers and in light of the helpful discussions on 1 June I can tell the Committee that we will be working with our colleagues in the Department for Transport to review the extent to which those existing powers are utilised and how effective they are.

17 June 2009

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**Letter from the Clerk of the Committee to the Maritime and Coastguard Agency  
requesting further information**

Thank you for your letter of 17 June responding to the requests for more detailed information on questions 53 and 65–69. The Committee would like some further information on the following points related to Q53:

1. Is it right to assume the 81 deficiencies relates only to those identified during Port State Control inspections of foreign vessels ie it excludes any such deficiencies identified during agency flag state general inspections of UK merchant vessels?
2. How many Port State Control inspections were undertaken in that period, and so on what proportion of ships inspected were deficiencies found?
3. What was the breakdown of the nature of the 81 deficiencies relating to crew (a table would be useful)?
4. Were multiple crew-related deficiencies found on any ships and if so how many?
5. What action was taken, specifically were any ships detained?
6. For Q65 could you please clarify the circumstances in which owners of a UK registered merchant vessel may choose not to use a Classification Society as part of their safety assurance?

I would be grateful if you could provide the Committee with the information as soon as is possible.

26 June 2009

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**Supplementary memorandum from the Maritime and Coastguard Agency**

In response to your letter of 26 June 2009 please find the following:

1. *Is it right to assume the 81 deficiencies relates only to those identified during Port State Control inspections of foreign vessels ie it excludes any such deficiencies identified during agency flag state general inspections of UK merchant vessels?*

It is correct to assume that these deficiencies relate only to those identified during Port State Control inspections of foreign vessels and exclude those identified in general flag state inspections.

2. *How many Port State Control inspections were undertaken in that period, and so on what proportion of ships inspected were deficiencies found?*

1,660 Port State Control inspections were undertaken during the period 1 April 2008 to 31 March 2009. Of these, 1,176 ships were found to have deficiencies which represents 70.8% of the total.

The 65 inspections which found crew related deficiencies represents 3.9% of the total number of inspections.

3. *What was the breakdown of the nature of the 81 deficiencies relating to crew (a table would be useful)?*

Please see table annexed. The Committee will note that the final figure for the number of ships in this period found with this category of deficiencies is lower (65) than 81 as previously advised in my letter of 17 June 2009. Your further question prompted close examination of the inspections in question and revealed some duplication in the data which has now been removed.

4. *Were multiple crew-related deficiencies found on any ships and if so how many?*

18 ships were found to have multiple crew related deficiencies. The table is annotated where this was the case.

5. *What action was taken, specifically were any ships detained?*

A summary of the action taken is included in the table. 11 ships were detained and the table is noted when the ship was detained.

6. *For Q65 could you please clarify the circumstances in which owners of a UK registered merchant vessel may choose not to use a Classification Society as part of their safety assurance?*

There is no statutory requirement for a vessel to be “in Class” ie built and maintained under the rules of a Classification Society. Certain vessels do need to meet the hull and machinery standards of Class or a national equivalent but can choose to have those standards surveyed and verified by the MCA.

Owners may choose not to use Class if:

- there is no imperative for classification for insurance purposes;
- MCA is a cheaper option—MCA fees are lower so if survey is only required in the UK additional travel costs abroad are not a factor;
- Class rules may be excessive for smaller vessels;
- Class has refused to accept based on age or where class has no knowledge of its construction and maintenance history;
- the vessel operates close to an MCA office where they have enjoyed good service; or
- the overlap of survey work between Class and MCA raises costs.

I trust this information will satisfactorily answer the Committee’s additional questions.

7 July 2009

<i>Ship Name</i>	<i>Date</i>	<i>Port</i>	<i>IMO No</i>	<i>Ship Type</i>	<i>Flag</i>	<i>Deficiency</i>	<i>Action</i>	<i>Multiple deficiencies?</i>	<i>Ship detained?</i>
AGHIOS EFSTATHIOS	12/05/2008	Belfast	8109096	Other	CYPRUS	Training for crew insufficient in lifeboat operations—self launching equipment deficient.	rectify deficiency within 3 months (ISM only)	Yes	
ALMA ATA	09/10/2008	Hunterston	8513132	Bulk Carrier	TURKEY	Action plan/procedure in the event of activation of water ingress monitor alarm not available.	rectify deficiency within 3 months (ISM only)		
ANGLIAN EARL	04/12/2008	Lowestoft	8516964	Offshore Service Vessel	BARBADOS	Drills not conducted on a regular basis in accordance with ships programme of drills	rectify deficiency within 3 months (ISM only)		
ANNA M	15/07/2008	Belfast	7601621	Bulk Carrier	ST VINCENT & GRENADINES	Crew require training (Lifeboat) Chief Engineer requires training emergency steering gear	rectify deficiency within 3 months (ISM only)	Yes	
BALTIYSKIY-107	26/09/2008	Fowey	7612450	Other	RUSSIA	Master to instruct crew in use of bowsing tackles	Master instructed to rectify deficiency before departure		
BENGUELA STREAM	16/02/2009	Portsmouth	9158549	Refrigerated Cargo Carrier	NETHERLANDS	Evidence suggests that the vessel does not have sufficient plans/checks in place to ensure emergency preparedness (example: records suggest that the last full test of the emergency generator was undertaken in April 2008).	rectify deficiency within 3 months (ISM only)	Yes	
BIBBY AQUAMARINE	09/01/2008	Great Yarmouth	7909463	Offshore Service Vessel	LIBERIA	Key personnel responsible for emergency operating generator maintenance not familiar with all procedures.	rectify deficiency within 3 months (ISM only)		
BORZNA	17/04/2008	Liverpool	8320377	Bulk Carrier	LIBERIA	Crew had difficulty in releasing lifeboat.	rectify deficiency within 3 months (ISM only)		
BUSSARA NAREE	30/12/2008	Hartlepool	9127057	Bulk Carrier	THAILAND	Deficiencies with lifeboat & Breathing Apparatus show shortcomings in vessels emergency preparedness	rectify deficiency within 3 months (ISM only)		
CAPE PROGRESS	23/09/2008	Redcar	9385415	Bulk Carrier	PANAMA	Contingency plan for fire makes no reference to engine room water spray— crew uncertain whether water spray and hi-ex foam can be used together	rectify deficiency within 3 months (ISM only)		

<i>Ship Name</i>	<i>Date</i>	<i>Port</i>	<i>IMO No</i>	<i>Ship Type</i>	<i>Flag</i>	<i>Deficiency</i>	<i>Action</i>	<i>Multiple deficiencies?</i>	<i>Ship detained?</i>
CONSTANTINOUPOLIS	01/09/2008	Hunterston	7930656	Bulk Carrier	PHILIPPINES	Lack of familiarity with action plan for water ingress monitor alarm	rectify deficiency within 3 months (ISM only)		
DELMAS KETA	04/02/2009	Felixstowe	9225782	Containership(spec. cons./adapted)	CYPRUS	Four officers unable to start lifeboat engines including personnel who have recently had this item confirmed on their safety familiarisation checklist for new joiners.	rectify deficiency within 3 months (ISM only)		
ELKA GLORY	04/06/2008	Immingham	9234484	Oil Tanker (only Oil/Oil like products)	GREECE	Knowledge of testing of steering gear using emergency solenoids was unsatisfactory	rectify deficiency within 3 months (ISM only)		
ER KRISTIANSAND	20/11/2008	Great Yarmouth	9350240	Offshore Service Vessel	ANTIGUA & BARBUDA	Enclosed space entry drills not carried out as required by program for drills.	rectify deficiency within 3 months (ISM only)		
EST	11/03/2008	Hartlepool	8609931	Other	LATVIA	Drills not carried out per company SMS.	rectify deficiency within 3 months (ISM only)		
GRAND VENETICO	30/07/2008	Port Talbot	8521189	Bulk Carrier	LIBERIA	Observing the lowering maneuvering and recovery of the lifeboat (port) by the crew noted a marked deficiency in the emergency preparedness in the officers and crew.	rectify deficiency within 3 months (ISM only)		
GRETA R	05/02/2009	Royal Portbury	8800303	Bulk Carrier	LIBERIA	Crew found to be unfamiliar with launching and handling of lifeboat.	rectify deficiency within 3 months (ISM only)		
ISLAND CONSTRUCTOR	25/07/2008	Aberdeen	9390678	Other	NORWAY	All deck and engine watchkeeping officers to be fully trained in the operation of automatic/ remotely operated fire safety systems.	rectify deficiency within 3 months (ISM only)		
JUNEAU	05/01/2009	Hunterston	8906688	Bulk Carrier	MALTA	Insufficient documentation & action plan on activation of water ingress monitor on the bridge not available.	rectify deficiency within 3 months (ISM only)		
MAERSK SANA	07/08/2008	Southampton	9289922	Containership(spec. cons./adapted)	LIBERIA	Insufficient documentation, life jackets & immersion suits locked no procedures to guarantee access when required.	rectify deficiency within 3 months (ISM only)	Yes	

<i>Ship Name</i>	<i>Date</i>	<i>Port</i>	<i>IMO No</i>	<i>Ship Type</i>	<i>Flag</i>	<i>Deficiency</i>	<i>Action</i>	<i>Multiple deficiencies?</i>	<i>Ship detained?</i>
MARY WONSILD	21/08/2008	Fawley	9010955	Chemical Tanker (Includes all types)	ITALY	Emergency fire pump was not tested during last fire drill on 13/08/2008 as required in fire fighting record book.	rectify deficiency within 3 months (ISM only)		
MORNING SAGA	04/07/2008	Royal Portbury	8015142	Tanker (Includes Vegetable Oil Tankers)	LIBERIA	Crew not correctly trained for emergency preparedness. Unable to lower lifeboat quickly & correctly. Fire line (port fwd) unused for long time accumulating rust in pipeline.	rectify deficiency within 3 months (ISM only)	Yes	
MSC AYALA	31/10/2008	Felixstowe	8413033	Containership(spec. cons./adapted)	PANAMA	Incomplete records indicate that life saving and fire appliances are periodically checked. Condition of hose reel, emergency power supply and fire pump performances during the test did not indicate adequate familiarity.	rectify deficiency within 3 months (ISM only)	Yes	
MSC RAFAELA	06/10/2008	Felixstowe	9129885	Containership(spec. cons./adapted)	PANAMA	Records in company "safety/critical equipment & system " state that emergency maneuvering of main engine was last tested on 02.08.2008 & 05.09.2007. Chief Engineer states that test was conducted in June 2008 when required system did not work.	rectify deficiency within 3 months (ISM only)		
NORDBY MAERSK	03/03/2008	Teesside	9322712	Chemical Tanker (Includes all types)	DENMARK	Not all crew familiar with davit launch liferaft launching procedure.	rectify deficiency within 3 months (ISM only)		
OCEAN BRIDGE	09/09/2008	Tyne	9162465	Bulk Carrier	PANAMA	Incomplete information in SMS which does not reflect IMO guidance or use of equipment (water ingress alarm) on board.	rectify deficiency within 3 months (ISM only)		

<i>Ship Name</i>	<i>Date</i>	<i>Port</i>	<i>IMO No</i>	<i>Ship Type</i>	<i>Flag</i>	<i>Deficiency</i>	<i>Action</i>	<i>Multiple deficiencies?</i>	<i>Ship detained?</i>
OCEAN CAESAR	19/01/2009	Redcar	9439125	Bulk Carrier	PANAMA	Emergency fire procedure in engine room makes no reference to hyper mist or need to stop hyper mist prior to using foam.	rectify deficiency within 3 months (ISM only)		
OCEAN LIGHT	22/04/2008	Immingham	9119074	Bulk Carrier	PANAMA	One breathing set not ready for use: further training required in use of breathing apparatus sets.	rectify deficiency within 3 months (ISM only)	Yes	
ORANGE BLOSSOM	16/05/2008	Bristol Avon	8407931	Refrigerated Cargo Carrier	LIBERIA	Crew to be better trained for emergency preparedness. No water coming observed coming out of emergency fire pumps. Cause investigated and established to be in isolating valve opened on the fire line.	rectify deficiency within 3 months (ISM only)	Yes	
PHILIPP	09/04/2008	Belfast	7725788	Containership(spec. cons./adapted)	ANTIGUA & BARBUDA	Not in compliance with SMS.	rectify deficiency within 3 months (ISM only)		
PRINCE ALBERT II	14/06/2008	Tyne	8806747	Passenger Ship	BAHAMAS	Not all crew aware of davit launching liferaft operation.	Master instructed to rectify deficiency before departure		
PRINCESS NADIA	08/05/2008	Hunterston	8409800	Bulk Carrier	PANAMA	Water ingress monitor alarm receipt action plan missing.	rectify deficiency within 3 months (ISM only)		
RMS RATINGEN	24/02/2009	Kings Lynn	9249831	Other	ANTIGUA & BARBUDA	Programme for drills include liferaft launching every 3 months but ship's rescue boat needs launching in water every month as far as practicable.	rectify deficiency within 3 months (ISM only)		
SAFE VOYAGER	25/06/2008	Port Talbot	9442718	Bulk Carrier	PANAMA	Ships crew need to be proactive while trying out emergency equipment. eg lifeboat engine & emergency generator.	rectify deficiency within 3 months (ISM only)		
SAGITTARMS NEUDORF	16/12/2008	Kings Lynn	8920256	Other	ANTIGUA & BARBUDA	Programme of drills shows insufficient/incorrect frequency for rescue boat.	rectify deficiency within 3 months (ISM only)		
SEA SHANNON	20/06/2008	Fowey	9160047	Other	NETHERLANDS	No person designated to activate CO2 to Emergency Room.	Master instructed to rectify deficiency before departure		

<i>Ship Name</i>	<i>Date</i>	<i>Port</i>	<i>IMO No</i>	<i>Ship Type</i>	<i>Flag</i>	<i>Deficiency</i>	<i>Action</i>	<i>Multiple deficiencies?</i>	<i>Ship detained?</i>
SINEGORSK	19/01/2009	Southampton	8711291	Other	RUSSIA	Crew initially not familiar with operation of emergency steering gear.	Master instructed to rectify deficiency before departure		
URSINE	20/11/2008	Harwich	7800746	RO-RO Cargo Ship	BELGIUM	The test of emergency generator confused and crew unable to state the details of previous tests. It appears that drills and exercises might not be fully understood as per SMS.	rectify deficiency within 3 months (ISM only)		
VIGILANT	19/11/2008	Great Yarmouth	8027406	Other	NETHERLANDS	Fire drill witnessed during the inspection insufficiently coordinated. The role of some personnel not clear to them. Master stated that he would conduct a full fire drill to his satisfaction prior to departure from this port.	rectify deficiency within 3 months (ISM only)		
WEST EXPRESS	02/12/2008	Belfast	7724253	RO-RO Cargo Ship	JAMAICA	Critical systems not supported.	rectify deficiency within 3 months (ISM only)		
YAMBURG	07/08/2008	Grimsby	7601061	Other	GEORGIA	Lifeboat defects and training manual indicate that ISM system failing with regard to emergency preparedness.	rectify deficiency within 3 months (ISM only)		
YEOMAN BANK	11/06/2008	Glensanda	7422881	Bulk Carrier	LIBERIA	Insufficient documentation. Alarm receipt actionplan/procedure for water ingress monitor on bridge unavailable.	rectify deficiency within 3 months (ISM only)		
Y M PROMINENCE	05/11/2008	Felixstowe	8501438	Containership(spec. cons./adapted)	LIBERIA	No risk assessment procedures or planned maintenance for use of propane gas in galley.	rectify deficiency within 3 months (ISM only)		
ALADIN 1	11/04/2008	Coleraine	8128896	Other	COOK ISLANDS	Fire and boat drills to be practiced on a more regular basis—boat to be launched frequently for better crew familiarisation.	rectify deficiency within 3 months (ISM only)		
ANTIKERI	01/08/2008	Avonmouth	8200503	Bulk Carrier	MALTA	Substandard fire & abandonment drill.	GROUNDS FOR DETENTION	Yes	
BALLHEALY	11/02/2009	Belfast	8104553	Other	PANAMA	Plan for emergency response not documented.	GROUNDS FOR DETENTION	Yes	

<i>Ship Name</i>	<i>Date</i>	<i>Port</i>	<i>IMO No</i>	<i>Ship Type</i>	<i>Flag</i>	<i>Deficiency</i>	<i>Action</i>	<i>Multiple deficiencies?</i>	<i>Ship detained?</i>
BALTIYSKIY-102	28/07/2008	Fowey	7612503	Other	RUSSIA	Crew has no knowledge of launching lifeboats currently. Master and officers do not understand use of tricing pennants or bowing tacklers, there is no diagram or instructions on the vessel.	GROUNDS FOR DETENTION	Yes	Yes
BANOWATI	20/10/2008	Liverpool	8105624	Bulk Carrier	INDONESIA	Crew unable to carry out satisfactory crew and fire drills.	GROUNDS FOR DETENTION	Yes	Yes
BEN AICHA	24/04/2008	Bristol Avon	8406315	Chemical Tanker (Includes all types)	MOROCCO	Fire & abandon ship drill held onboard showed lack of training & emergency preparedness.	Deficiency rectified		
BUENA VISTA	24/02/2009	Belfast	8010855	Other	PANAMA	Lifeboats not ready for immediate use no air in E/R quick closing valve system.	GROUNDS FOR DETENTION	Yes	
CFL PERFORMER	13/05/2008	Grimsby	9376452	Other	NETHERLANDS	Grounding incident occurred at 16.5 hrs 12/05/2008. Detained in port subject to satisfactory repair.	GROUNDS FOR DETENTION	Yes	
ELVITA 1	28/05/2008	Glasgow	7811410	Other	PANAMA	No bunker reserve. 4.5 mt bunkers on board.	DEFICIENCY RECTIFIED		
FANARA	23/05/2008	Belfast	8109101	Other	ST VINCENT & GRENADINES	Lack of familiarity with fire fighting equipment—CO 2 alarm etc and lifeboats.	GROUNDS FOR DETENTION	Yes	Yes
FGM EUROPE	20/02/2009	Hull	8313972	Bulk Carrier	PANAMA	Fire drill not up to required standard.	GROUNDS FOR DETENTION	Yes	
INVESTIGATOR	07/10/2008	Hartlepool	8020795	Other	VANUATU	Deficiencies show SMS failure in emergency preparedness.	Deficiency rectified		
KALENA	17/05/2008	Cardiff	7729966	Other	RUSSIA	Boat drill carried out found crew could not lower lifeboat to water for about 1 hr. Later with boat in water noted plug not in place. Four drill crew entered lifeboat without lifejackets or ppe & could not maneuver boat ahead.	GROUNDS FOR DETENTION	Yes	
MAKEEVKA	27/04/2008	Falmouth	8101927	Bulk Carrier	UKRAINE	Following drills no wash up conducted or lessons learnt.	rectify deficiency within 3 months (ISM only)		

<i>Ship Name</i>	<i>Date</i>	<i>Port</i>	<i>IMO No</i>	<i>Ship Type</i>	<i>Flag</i>	<i>Deficiency</i>	<i>Action</i>	<i>Multiple deficiencies?</i>	<i>Ship detained?</i>
MOON FOX	19/06/2008	Immingham	7366037	Other	LATVIA	Numerous LSA and fire fighting equipment defective.	GROUNDS FOR DETENTION	Yes	Yes
PAN DYNAMIC	04/03/2009	Liverpool	8502810	Bulk Carrier	HONG KONG	Fire and abandon ship drill inadequate.	GROUNDS FOR DETENTION	Yes	Yes
PILGRIM 2	17/06/2008	Tilbury	8811625	Other	CAMBODIA	Not in compliance with SMS.	Rectify deficiency within 14 days		
QINFA 6	09/07/2008	Royal Portbury	8400440	Bulk Carrier	CHINA—PEOPLES REPUBLIC	Sub standard fire drill, substandard abandon ship drill.	Deficiency rectified	Yes	
SILVER CONSTELLATION	07/11/2008	Hunterston	8417883	Bulk Carrier	MARSHALL ISLANDS	Lack of training. During abandon ship drill crew unable to demonstrate satisfactory performance. No action plan for water ingress monitor on bridge.	Deficiency rectified	Yes	
TRIDENS I	18/09/2008	Blyth	6812833	Special Purpose Ship (SPS Code)	NETHERLANDS	Abandon ship & fire drills unsatisfactory: Senior Officer unable to demonstrate correct donning of lifejackets. Crew detailed to launch liferafts unable to explain procedure; Chief Engineer unfamiliar with fire main system; Second Officer cannot demonstrate test procedure for EPIRB.	Deficiency rectified	Yes	
VITOSHA	08/10/2008	Immingham	7615995	Bulk Carrier	MONGOLIA	Fire & Boat drill of an inadequate standard, poor communication & lack of familiarisation.	rectify deficiency within 3 months (ISM only)	Yes	
WINTER SET	16/01/2009	Northfleet	7609726	Bulk Carrier	MARSHALL ISLANDS	Poor operational practice (drills).	rectify deficiency within 3 months (ISM only)	Yes	

ISM is an abbreviation of the International Safety Management (ISM) Code. ISM was introduced by the IMO to provide an international standard for the safe management and operation of ships. SMS is an abbreviation for Safety Management System. This is the system the ship company and ship devise to comply with the ISM Code