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HEALTH AND SAFETY EXECUTIVE
Senior Management Team

HSE Simplification Plan- landlords' duties under the Gas Safety (Installation and Use) Regulations 1998

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Cleared by Giles Denham on 25 March 2009

Issue

1. The administrative burdens measurement exercise identified landlords' gas safety duties as HSE's second most burdensome regulation costing £236m. The Simplification Plan includes reducing this burden by 25%, saving up to £59m. The attached Board paper reports progress and seeks agreement to this being reported to the Cabinet Office Economic Development - Panel for Regulatory Accountability (ED(PRA)) in May 2009.

Recommendation

2. That the SMT approves the attached paper for submission to the HSE Board.

Background

3. These Regulations require landlords to ensure the following in respect of gas safety in property that they make available for rent:
 - that gas fittings (e.g. pipework), appliances and flues are maintained safely
 - that appliances and flues are checked annually for safety by competent, registered installers
 - that records of safety checks are kept and provided to tenants.

Further background is in the Board paper.

4. Lord McKenzie has made clear (in gas safety discussions with Les Philpott) that he would prefer not to tamper with the above duties lest this be misinterpreted as an attempt to reduce important safety protections, when he has pledged in public do all that he can to improve gas safety standards. Furthermore, removing, or reducing, the requirement is inconsistent with HSWA (which is clear that regulatory reform must not reduce health and safety standards).
5. Our approach, as set out in the Board paper, has therefore concentrated on finding new ways to help landlords and tenants better understand the duties on landlords so

that they can be more readily applied and the costs involved reduced. We have developed our ideas in consultation with landlords' associations and received a very positive reception; and also with Capita plc, the provider of the new Gas Safe Register.

Consultation

6. Services, Transportation and Safety Unit, LAO, EAU and Cross-Cutting Interventions Division.

Financial/Resource Implications for HSE

7. The work so far is estimated to have cost HSE approximately £100,000 with a further £15,000 in staff costs, translation and communication work required in 2009/10. These further costs are affordable within the existing PG, Communications and Central Translation indicative budget allocations.

Heath and Safety Executive Board					
Paper number:		Fol Status:	OPEN	Internet Embargo:	No
HSE Simplification Plan - landlords' duties under the Gas Safety (Installation and Use) Regulations (GSIUR) 1998					

Purpose of the paper

1. The Government's administrative burdens measurement exercise identified landlords' gas safety duties as HSE's second most burdensome regulation costing £236m. The HSE Simplification Plan includes reducing this burden by 25%, saving up to £59m. The attached paper reports progress and seeks the Board's agreement to this being reported to the Cabinet Office Economic Development - Panel for Regulatory Accountability (ED(PRA)) in May 2009.

Background

2. The Regulations require landlords to ensure the following in respect of gas safety in property that they make available for rent:
 - that gas fittings (e.g. pipework), appliances and flues are maintained safely
 - that appliances and flues are checked annually for safety by competent, registered installers
 - that records of safety checks are kept and provided to tenants.
3. In December 2008, the Government cleared HSE to publish the 2008 Simplification Plan on condition that HSE reported progress on meeting the landlords' gas safety target savings to ED(PRA) in Spring 2009 and developed a contingency in case that saving is not achieved

Argument

4. HSE officials have approached this work from the premise that the legal duties on landlords cannot be removed, or eased, because that would mean reducing health and safety standards, which HSWA does not permit. The work, therefore, has concentrated on finding new ways to help landlords and tenants (including those in the voluntary and charitable sectors) better understand the duties on landlords so that they can be more readily applied and the costs involved reduced. If it becomes easier to deal with these duties, we could expect greater compliance by landlords and some gas safety benefits as a result, though these are likely to prove difficult to quantify.
5. A phased implementation is planned. Phase 1 uses a "one stop shop" approach with appropriate gas safety guidance accessed through single page landlord and tenant web portals (a draft of that for landlords is at Annex 1). Preparatory work in partnership with Capita (who replaced CORGI on 1 April 2009) through the Gas Safe Register website has already begun in order to meet the timescale for delivery of the simplifications savings. This partnership is synergistic, combining Capita's large publicity campaign for the Gas Safe Register with targeted, authoritative HSE guidance. The approach was received very positively at a workshop organised by HSE involving landlord associations representing the private and public sectors and letting agents.

6. A further phase would involve limited amendments¹ to the GSIUR Regulations to facilitate online databases which would have no adverse effect on gas safety. Addressed in isolation these amendments could only be achieved at disproportionate cost and it seems sensible to defer their further consideration to any future review of the Regulations as a whole – something we have in mind to take account of modernisation issues that emerged from the 2005/6 gas safety review (that led to the new Gas Safe Register).
7. Initial estimates (see Annex 2) of the potential cash savings from phase 1 range between £27m and £57m, based on the findings of the workshop of landlords' associations and the views of several landlords and a risk communication expert we engaged to assist with the project. These signpost the level of savings possible: the higher figure represents their estimated savings in full; the lower, a "reasonable worst case" with about 50% of the savings realised.
8. The margin of uncertainty in the savings figures reflects the evidence so far gathered upon which we have based them. A trial by several hundred landlords of the phase 1 "one stop shop" approach is being arranged. The results will be used to improve the approach and provide robust evidence to firm up the range of potential savings that will then be used in the initial Impact Assessment and the final response to ED (PRA).
9. The range of potential savings from phase 1 falls short of the target saving of £59m. While we are hopeful that the planned improvements in the evidence base will help to make up the difference, we do have available a surplus of around £40m from HSE's risk assessment simplification work as a contingency to meet any shortfall. The further phase should produce future further savings, though they would not be realised until after the April 2010 deadline for simplification plan initiatives to be in place.

Consultation

10. We have developed our gas safety related ideas in consultation with landlords' associations, receiving a very positive reception and also with Capita plc, the provider of the new Gas Safe Register. Tenants' groups have yet to be consulted but are expected to be broadly supportive of phase 1 of this work.
11. Comments from BERR, LACORS and CLG have been taken into account

Presentation

12. Confirmation has been sought of the form in which ED (PRA) requires the progress report. The report will be completed and submitted for Chair/Ministerial sign off as appropriate.
13. The phase 1 work is not about reducing safety standards but about helping landlords and tenants to understand better and apply gas safety protections sensibly – this is a message we will work with the Gas Safe Register to get across to the public.

Action

14. That the Board notes progress and agrees that a report based on it is made to ED (PRA).

Paper clearance

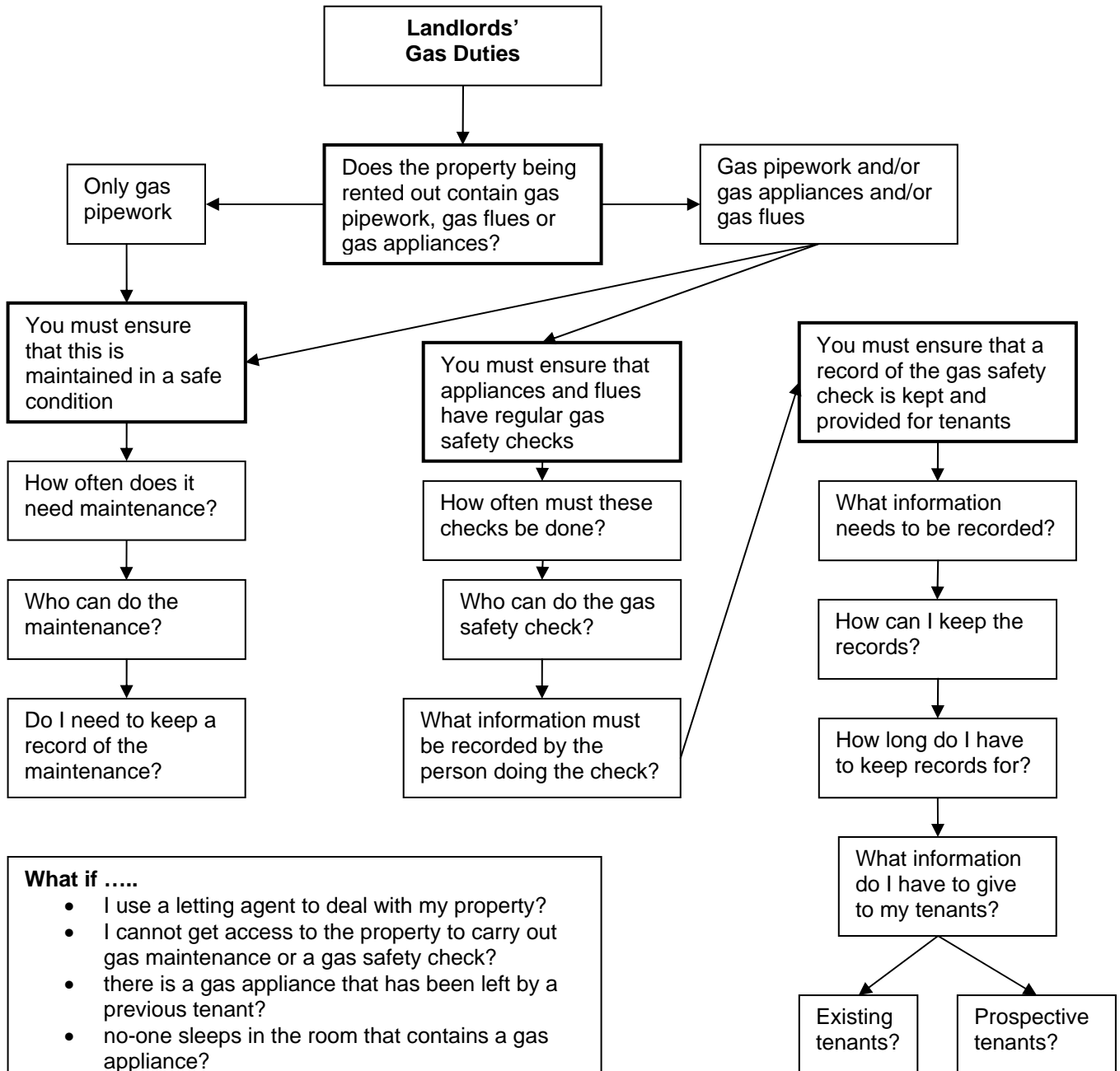
15. The SMT cleared this paper on 1 April 2009.

¹ Removing the need for sitting tenants to have a signed certificate – landlords currently have 28 days to provide one and certificates for prospective tenants can be unsigned. Also amending "given to" to "allowing access to" to allow online record keeping by landlords that can be accessed by tenants.

Contact

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Draft landlords' portal web page



- What if**
- I use a letting agent to deal with my property?
 - I cannot get access to the property to carry out gas maintenance or a gas safety check?
 - there is a gas appliance that has been left by a previous tenant?
 - no-one sleeps in the room that contains a gas appliance?
 - a tenant is using their own gas appliance?
 - my property is being sub-let?
 - I want to delegate responsibility for gas safety to the tenant?
 - tenants rent my property for periods less than 28 days?
 - the gas appliance, pipework or flues are in non-residential parts of my property?
 - I think that a tenant has caused damage to a gas appliance, pipework or flue?

- Explanatory Information**
- The flow chart will contain appropriate links to the relevant guidance
 - An amended version of this flow chart will be made for tenants
 - These will be translated into several foreign languages
 - The "what if" section can be extended as needed with links to the appropriate guidance

Initial estimated savings from Phase 1

Initial Estimates for Reductions in Administrative Burden on Landlords as a result of Phase 1 of the Proposed Simplification Measures										
Administrative Task	ABME Wage Rate (per hr)	ABME Burden (mins)	Old Cost	New Burden (mins) Reasonable Worst Case (50% of best case saving)	New Burden (mins) Best Case	New Cost Reasonable Worst Case	New Cost Best Case	Saving - Reasonable Worst Case - Diff in costs * 4006349 (no of tenanted props with gas)	Saving - Best Case - Diff in costs * 4006349 (no of tenanted props with gas)	Assumptions
Familiarisation Awareness of what the Landlord needs to know – What sorts of things do I need to know? Where is the information available? Finding the guidance.	£ 16.19	24.38	£ 6.58	15	5	£ 4.05	£ 1.35	£ 10,140,216.22	£ 20,950,681.27	Guidance on gas safety is located on a number of different sites and it is difficult for a landlord to identify what is authoritative and up to date. The approach proposed will combine a single portal on a well-used and publicised web page specifically dealing with gas safety and gas fitters registration with authoritative HSE guidance. Landlords have indicated that this will result in a potential saving of up to 80% in the time they spend locating authoritative guidance. Indications are that many landlords do not necessarily associate HSE with gas safety guidance for them. Having a single portal page for landlords makes it easy for other landlord orientated sites to host a link to it thereby reinforcing the one stop shop approach.
Gathering, preparing Accessing and understanding the specific information needed in order to undertake the annual check - Actually reading the guidance, assessing it and being clear on what is needed.	£ 15.53	43.13	£ 11.16	33	22	£ 8.54	£ 5.69	£ 10,504,573.63	£ 21,911,316.96	Once guidance is located then it needs to be digested and understood and there is an issue in identifying what is authoritative guidance and up to date. The portal page will be a one stop shop for authoritative gas safety guidance for landlords and will be publicised as such. By utilising a duties-based flow chart all guidance can be accessed in the order that the user needs it - if they just want to check one item then they can do so direct rather than going through other irrelevant pages. Or the entire process of landlords' duties can be followed thoroughly in sequence. The portal will contain a "What's new" link which will save time by allowing users to access changes since the last gas check in a single hit. Landlords have indicated that this will result in a potential saving of up to 50% in the time they spend preparing and gathering information for a gas safety check. It will be possible to print off an entire set of guidance in hard copy for ease of use and for those who do not have regular access to the internet.
Inspection Organising the carrying out of the annual Safety Check	£ 15.26	21	£ 5.34	19	16	£ 4.83	£ 4.07	£ 2,037,896.19	£ 5,094,740.48	From the portal page users can directly access the Gas Safe record of registered gas fitters by postcode. Landlords have indicated that this will result in a potential saving of up to 25% in the time they spend organising the inspection itself by saving time in finding a gas fitter and then checking that they are suitably qualified.
Calculation, correction, reporting Organising the record keeping – results, faults and whether any corrective actions have to be undertaken	£ 16.21	19.88	£ 5.37	19	18	£ 5.13	£ 4.86	£ 952,496.12	£ 2,034,878.08	Better guidance for landlords should decrease the need for corrections. There will also be a saving in having better informed tenants with the "third sector" targeted in a specially tailored campaign. Landlords have indicated that this will result in a potential saving of up to 10% in time.
Preparation / Submission Organising/submitted safety check report to the tenant	£ 16.40	1.5	£ 0.41	1.5	1.5	£ 0.41	£ 0.41	£ -	£ -	No change claimed with Phase 1 of the approach.
Settlement Paying invoices and finalising accounts	£ 15.60	16.5	£ 4.29	16.5	16.5	£ 4.29	£ 4.29	£ -	£ -	No change claimed with Phase 1 of the approach.
Overheads			£ 9.95			£ 9.00	£ 8.00	£ 3,806,031.55	£ 7,812,380.55	Best case reduction in overall admin burden is approx 20%. It seems reasonable to assume a comparable reduction in overheads also.
TOTAL		126.39	£ 43.10		79	£ 36.25	£ 28.68	£ 27,441,213.71	£ 57,803,997.33	