

Department for Business Enterprise and Regulatory Reform (BERR) announces the Better Regulation Executive's (BRE) review of health and safety regulation and low risk businesses, especially SMEs

Issue:

1. On 25th July 2007, BERR announced the BRE study into the cumulative impact of H&S regulation on low risk businesses, particularly SMEs

Timing:

2. For information only

Recommendation:

3. That the Commission notes the announcement and BRE's commitment to consult HSC.

Background

4. At its July meeting, the Commission received a miscellaneous paper informing it of a recently agreed study into the cumulative impact of H&S regulation on low risk businesses, especially SMEs (MISC/07/21).
5. The review is being conducted by BRE, with HSE's cooperation, including secondment of a senior Inspector. A first stage report will be presented to a Steering Group of Geoffrey Podger, Jitinder Kohli (BRE) and Derek Allen (LACoRS) in September 2007 and the review is expected to report finally in Spring 2008.

Argument:

6. On 25 July 2007, BERR announced the review at an event held to outline the next steps for the Government's regulatory reform agenda more widely. In recognition of HSC's statutory role to advise Ministers on occupational health and safety matters, BRE has undertaken to include the Commission's comments in the process of advising ministers in the light of the first stage (September) report (we would envisage a paper to the October or November HSC meeting).
7. The announcement also highlights HSE's work to embed Sensible Risk Management, and the development of example risk assessments to help smaller, low-risk businesses manage H&S risk proportionately and effectively without unnecessary bureaucracy (shown to the Commission at its July meeting and mentioned in HSC/07/55).
8. Bill Callaghan attended the event and spoke briefly about the health and safety announcements, praising the example risk assessments.
9. The announcements from BERR on health and safety are annexed.

Addendum to MISC/07/21 – Partially Closed. Part of the footnote at the bottom of page 3 – FoI section 36 prejudice to effective conduct of public affairs

Action

10. The Commission to note the announcement and BRE's commitment to consult HSC.

Extracts from BERR's *Next Steps on Regulatory Reform*, July 2007

From the Executive Summary

Targeting simplifications to improve the effectiveness of regulation

Relieving the burden of health and safety risk assessment in small and lower risk businesses

1. The Health and Safety Executive (HSE) is launching a widely applicable set of concise, practical and sector-specific example risk assessments for a convenience store/newsagent, an estate agent and a general office cleaning contractor. These bring together in one document a sensible response to all their health and safety risk assessment requirements. Example assessments for dry cleaning, hairdressing, cold storage warehousing and catering are planned for launch in November.

Health and Safety - Improving outcomes, easing the burden on low risk businesses

2. The Government, with support from HSE, is launching a review to consider, from the perspective of low-risk businesses (especially small firms), what more can be done to deliver strong health and safety outcomes in a modern working environment while minimising the burden on business and maintaining the confidence of society. The review is to report by Spring 2008.

From Chapter 3 - Next steps on regulatory reform

Relieving the burden of health and safety risk assessment in small and lower risk businesses

3. All businesses face legal requirements to assess the health and safety risks in their workplace. Some regulations outline specific risks they need to consider and assess, for example, from working with computers, or chemicals or from lifting and carrying things. A record of the risk assessment must be written and kept under review.
4. The Health and Safety Executive (HSE) has identified that small firms often struggle to get to grips with what they need to do. Businesses, and even expert advisers, often over complicate the process by getting bogged down in minutiae or duplication and find it hard to extract material relevant to them from the wealth of guidance HSE publishes.
5. HSE, working with industry bodies and employee representatives, is helping SMEs respond to the multiple legal requirements they find confusing and burdensome by producing a widely applicable set of concise, practical and sector-specific example risk assessments. These bring together in one document a sensible response to all their health and safety risk assessment requirements. Example assessments must make a significant difference to the burden of risk assessment. On average

SMEs spend 14 hours per year on risk assessment requirements¹. HSE's aim is to reduce this by at least one third to less than 10 hours per year for those businesses who make use of the example assessments.

6. HSE is targeting this initiative at the six sectors in the economy that contain 70% of all businesses (Retail, Wholesale, Hotel & Catering, Transport, Motor Trade, Property and Business Services). HSE has already published example assessments for an office, a car repair garage, a warehouse and a contract bricklayer.
7. **The Health and Safety Executive (HSE) is launching a single, concise, practical and widely applicable additional set of sector-specific example risk assessments for a convenience store/newsagent, an estate agent and a general office cleaning contractor. These bring together in one document a sensible response to all their health and safety risk assessment requirements. Example assessments for dry cleaning, hairdressing, cold storage warehousing and catering are planned for launch in November 2007.**

Health and Safety - Improving outcomes, easing the burden on low risk businesses

8. Health and safety protections are absolutely paramount to the UK's position as a fair and decent society. Outcomes have improved significantly since 1974 when the Health and Safety at Work Act was introduced with work fatalities down 76% and serious injuries down 68%.
9. However, businesses, especially SMEs in low risk sectors – for example, offices, shops and estate agents – have become increasingly concerned by the burden of health and safety regulation. While they understand that protecting the health and safety of their workforce is crucial, they are concerned that some of the paperwork involved is overly complex.
10. The administrative cost across UK industry of complying with health and safety law is estimated at over £2 billion per year². The Small Business Service found that health and safety was the single biggest issue for the smallest firms, while a recent survey of smaller businesses by the Forum of Private Business found that, on average, they spent 14 hours a month on health and safety.³
11. Too often the perception in the media and amongst some stakeholders is that health and safety law is part of the 'nanny state'. True or not, media

¹ Data from HSE Administrative Burdens www.hse.gov.uk/simplification/abme.htm.

² Data from HSE Administrative Burdens www.hse.gov.uk/simplification/abme.htm.

³ Response from the Forum of Private Business (FPB) to the DTI Employment Simplification Review:



stories – at both national and regional level – conveying ‘health and safety’ as presenting petty bureaucratic barriers to day to day activities are creating a climate where health and safety policy is brought into disrepute. This poses a serious threat to the effectiveness of the health and safety regime, the protection of workers and, ultimately, to the UK’s position as a developed society.

12. HSE has already launched initiatives like example risk assessments to help ease the regulatory burden on small businesses and low risk sectors of the economy. **In addition, the Government, with support from HSE, is launching a review to consider, from the perspective of low-risk businesses (especially small firms), what more can be done to deliver strong health and safety outcomes in a modern working environment while minimising the burden on business and maintaining the confidence of society. The review is to report by Spring 2008.**

Terms of reference:

13. *To deliver strong regulatory outcomes in a modern working environment while minimising the burden on business and maintaining the confidence of society, the review should:*
 - explore from the perspective of low risk businesses (especially SMEs) how the H&S regulatory regime cumulatively impacts on them; what costs and burdens it places on them, including international comparisons with regimes in other jurisdictions; what behaviour changes it has driven; what benefits they and their employees perceive; and what particular difficulties they face in complying. This should in particular draw out any practical relationship with linked requirements (for example, building regulations, environmental, fire and food safety);
 - investigate how the health and safety regulatory regime (including both the regulators and other drivers such as insurance) deals with new and emerging risks, especially health risks;
 - assess the relative importance of key drivers of the main costs/burdens (regulatory requirements, regulator behaviour, insurance demands, business advisers etc); and in the light of this
 - make recommendations of priority areas for action to minimise burdens without compromising Health and Safety. These should take account of any recommendations on regulator behaviour made by the Hampton Implementation Review⁴ of HSE being undertaken in parallel by Better Regulation Executive/NAO.

⁴ Hampton Implementation Review
www.cabinetoffice.gov.uk/regulation/documents/reform/hampton/hir_guidance.pdf .