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HEALTH AND SAFETY COMMISSION

HSC/E Simplification Plan 2007

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Issue

1. Approval of the HSC/E Simplification Plan 2007.

Timing

2. For discussion at 9 October meeting. The Government intends that all departmental plans will be published simultaneously on 4 December 2007.

Recommendation

3. That the Commission agree the attached HSC/E Simplification Plan (annex A) for:
 - submission to the Panel for Regulatory Accountability, and following this
 - publication on the HSE website in December 2007.

Background

4. In July 2005 the Better Regulation Task Force (BRTF) and the Hampton Review published recommendations (see paper HSC/05/94) which included the preparation of departmental simplification plans for simplifying regulatory requirements and reducing the administrative burdens of compliance.
5. Centrally appointed consultants undertook a government-wide Administrative Burdens Measurement Exercise (ABME) to assess the administrative cost of all Government legislation using the Standard Cost Model (SCM). This relies on estimates of costs taken from a very small number of businesses multiplied by the population concerned. It does not produce statistically robust data but gives an indicative estimate of the magnitude of costs. The ABME was designed to measure non-policy costs such as writing records and filling in forms. This proved extremely complex, with many difficult issues such as:
 - what constitutes administrative as opposed to policy costs,
 - what should be considered "business as usual" costs - activities that businesses would choose to do irrespective of legislation,
 - the inclusion of third party costs - giving information to employees and others.
6. The ABME estimated HSE's baseline total as £2.03 billion per year. In November 2005 the then Prime Minister set departments a target reduction of 25% on this baseline by 2010. HSC/E have undertaken to work towards this target so long as health and safety standards are maintained/improved. This baseline is fixed, so

any administrative costs added as a result of new or amended legislation are added in full to the reduction target.

7. Together with other Government departments, HSC/E is required to publish a rolling simplification plan, updated annually. The first plan was published in October 2006. The plan outlines HSE initiatives which aim to simplify regulatory requirements and reduce administrative costs on dutyholders. The HSC/E plan also includes wider better regulation initiatives.
8. In the first year the plan included initiatives that, if successful, would achieve a 15% reduction in the total administrative burden. The Better Regulation Executive simplification plan guidance states that the 2007 version is expected to include initiatives to achieve the full 25% reduction.

Argument

9. HSC/E's simplification plan 2007 focuses on initiatives that will make a real difference to stakeholders. The plan continues to be rooted in the HSC strategy, aiming to maintain or improve health and safety outcomes, while reducing administrative costs.
10. The new version of the plan sets out:
 - what HSE has achieved through completed initiatives,
 - progress on the other initiatives in the 2006 plan,
 - new initiatives.
11. Simplification initiatives substantially completed since the publication of the 2006 plan include:
 - Sensible Risk Management - a number of elements of this work have come to fruition since the 2006 plan such as the launch of 'myth of the month' and the 'sign up to sensible risk' campaign. Eight more example risk assessments (example RAs), will also have been launched by publication of the plan
 - Forms Project - following the zero-based forms review, all forms that were no longer necessary have been discontinued or deleted (54% of all HSE forms). Those required by legislation but which may not add value are now being reviewed (see below)
 - Construction, Design and Management Regulations - the new regulations came into force in April 2007 providing significant savings to businesses, (though not directly addressing specific burdens measured in the ABME).
 - Control of Asbestos Regulations - the new regulations came into force in November 2006
 - Reporting of Injuries, Diseases and Dangerous Occurrences Regulations - improvements to the reporting process and the ease of use for business, promoting the customer-friendly Incident Contact Centre telephone/web reporting service.
12. The key initiatives in the plan carried over from 2006 are:
 - Further work on Sensible Risk Management (overall target reduction £200 million) - encouraging effective risk management through proportionate risk assessment, including continuing to work with Local Authorities and publication of Example risk assessments for more business sectors

- Gas Safety Review (target reduction, up to £51 million) - the development of a new gas installer registration scheme and investigating whether a more risk-based approach to the landlords' gas safety check is feasible,
 - Further work on forms (target reduction £20 million) - the remaining forms from the Factories Act and the Offices, Shops and Railway Premises Act are being considered for removal
 - Lifting Operations & Lifting Equipment Regulations (target reduction £33 million) - new guidance to clarify what the regulations do, and do not, require, to be followed by evaluation to see if further action is necessary
 - The Health and Safety Information for Employees Regulations poster (target reduction £12 million) - a review to consider ways to modernise and improve the delivery of basic information to employees whilst reducing unproductive costs to employers
 - Control of Substances Hazardous to Health Regulations (target reduction £11 million) - to reduce the plethora of guidance and make it simpler and more accessible
13. The estimated administrative savings achieved by the time of publication of the 2007 plan (such as the items in paragraph 11 and some of those in paragraph 12) are expected to be approximately £91 million. This is approximately 18% of the £508 million reduction needed to reach the agreed target. HSE believes this represents a successful first year for the plan. Most savings are expected to be delivered in years two and three, as the culture change and guidance-based initiatives will take time to bed-in.
14. The new initiatives in the 2007 plan are:
- Construction (target reduction not yet quantifiable) - HSE is working with CLG to consider the opportunities for moving towards better integration of the planning, building control and CDM regimes
 - Manual Handling Regulations (target reduction £32 million) - clarifying the requirements to ensure employers reduce the risks to employees in the most effective and practical way
 - Health and Safety at Work Act (target reduction £26 million) - an appraisal of the overlaps and possible duplication in the requirement for a written policy statement and a written record of health and safety arrangements in the Management Regulations
 - Workplace (Health, Safety and Welfare) Regulations (target reduction £17 million) - revised guidance to clarify the need to label where a water supply is not for drinking, not to label all drinking water
15. There are a number of projects where it is not possible at this stage to state firm administrative savings figures. In these cases the plan outlines broadly what might be achievable if the reviews conclude that significant simplification is both possible and desirable. These estimates, together with the savings achieved through CDM 2007 and in prospect through the work with CLG, and wider work not currently in the plan, which should also reduce the burden to business of seeking information, we believe we are broadly on track to reach the 25% reduction target. We will reassess this next year, in light of evidence from the reviews and evaluations on a number of the larger projects.
16. Projects that address the wider better regulation agenda, responding to the recommendations of the Hampton Review, are also outlined in the plan. These

do not always contribute to the administrative burden target, but they are a major part of HSE's commitment to being a modern regulator and they make a significant impact on the way health and safety legislation affects its dutyholders. This section of the plan outlines HSE's wider better regulation work under the six headings of the Hampton Implementation Review (see paper HSC/07/55 for more information on the review):

- design of regulations
- advice and guidance
- inspections
- data requests
- sanctions
- focus on outcomes

17. In addition, the plan includes updates on HSE's mergers with other regulators, and its influencing work within Europe.
18. Before publication all departmental simplification plans are subject to scrutiny by the PRA. The panel will expect it to demonstrate that HSC/E is committed to the better regulation agenda and to reducing unnecessary administrative burdens.

Consultation

19. HSE teams working on each of the initiatives in the plan will work in the usual way with stakeholders to seek feedback on options and buy-in to any resulting simplifications.
20. A stakeholder panel was convened in August to discuss an earlier draft of the plan. The panel consisted of representatives from a number of the major business associations, LACORS and Amicus. The response from the group was generally positive. The Trade Union representative's view was that, while there were serious reservations about the better regulation agenda as a whole, HSE's approach was commended as sensible in this context. The panel were consulted again on the draft plan once amendments to take account of their comments had been made.
21. The draft plan has also been posted on the HSE's Small Business Trade Association Forum (SBTAF) e-community website, for their views, [although none had been received at time of writing.]

Presentation

22. Once it receives Commission and PRA agreement, the simplification plan will be published on HSE's website. This will be timed to coincide with the publication of other departmental simplification plans on 4 December 2007.

Costs and Benefits

23. If the key initiatives are successful, it is hoped that the plan will lead to increased compliance and so benefit health and safety standards across workplaces in the UK. Success will also lead to a significant reduction in unnecessary paperwork currently being completed to comply with our legislation.

Financial/Resource implications for HSE

24. Staff costs for the maintenance and development of the plan this year and over the following two and a half years (October 2007 to May 2010) were estimated to be approximately £40,000 each year.

25. In addition to these costs, the initiatives within the plan have resource implications for the relevant teams. These costs are estimated at £945,000 over the remaining lifetime of the plan to May 2010. In most cases these are already accounted for in work plans, but some additional work may be necessary. This will require careful planning and judgements about priorities, as many of the teams involved will also be engaged in delivering work to roll forward the Fit3 agenda.

Other implications

26. None.

Action/Next Steps

27. That the Commission agree the attached HSC/E Simplification Plan for submission to the PRA and publication.