

IMPACT ASSESSMENT – FUTURE DIRECTION FOR TACKLING HEALTH AND SAFETY IN THE AGRICULTURAL SECTOR

BACKGROUND

From May 2007, the Health and Safety Executive has been required to prepare a formal Impact Assessment for all policy initiatives (regulatory and non-regulatory) that have an impact on businesses, the public sector, or the third sector, in terms of increasing or reducing costs, unless the costs fall below a pre-agreed threshold (currently set at £5 million for HSE proposals). An Impact Assessment will be required to consider in detail the costs, benefits and impacts of possible decisions regarding HSE involvement in agriculture.

INFORMATION REQUIREMENTS

Impact Assessments are required to follow the Impact Assessment Guidance that is published by the Better Regulation Executive (BRE). In accordance with BRE requirements, information to be provided in the Impact Assessment will include the following.

- What are the policy objectives and intended effects?
- What policy options have been considered?
- Identification of “main affected groups”. This will include HSE, agricultural businesses, agricultural workers and others.
- Description and scale of costs by “main affected groups”.
- Description and scale of benefits by “main affected groups”.
- Small Firms Impact Test
- Key assumptions, sensitivities and risks
- Impact on the HSE Administrative Burdens Baseline
- Proposals to review the policy to establish the actual costs and benefits and the achievement of the desired effects.

ISSUES FOR FURTHER CONSIDERATION

For development of the Impact Assessment, there are a number of Issues that will require further detailed analysis of the available data, evidence, and research. These include:

- Identification of all groups that are significantly affected by HSE decisions regarding involvement in agriculture.
- Resources provided and activities delivered under each potential option.
- Costs and benefits to agricultural businesses, and other affected sectors, of HSE intervention.
- Evidence regarding the current impact of HSE activities on health and safety outcomes in the agriculture sector.
- Potential impact on health and safety outcomes of varying the level of HSE activities in the agricultural sector.

The table below is presented as a basis for further consideration and development regarding the potential costs and benefits of each of the proposed options, and to identify information requirements for estimation of costs and benefits. Costs, benefits and impacts for each option should be considered in relation to a baseline, which usually assumes “no change” (that HSE activity will continue as present). This analysis will be developed in detail to provide a formal Impact Assessment, including analysis and quantification of costs, benefits and impacts by key sectors affected.

Costs- Benefits Summary at Impact Assessment Planning Stage

Option	Costs	Benefits	Information Needed
<p>1. Reduce proactive work on agriculture</p>	<ul style="list-style-type: none"> - Potential social and economic costs of increased accidents/fatalities. - Potential increased costs to agricultural businesses attempting to comply with Regulations and improve health and safety, due to reduced provision of targeted safety advice and guidance. 	<ul style="list-style-type: none"> - Savings in resources currently committed, both by HSE and the agricultural sector. For the HSE, this would correspond to a proportion of the £1.6m currently allocated to the agricultural sector. - Potential for channelling of constrained HSE resources to industries where health and safety intervention would have a greater impact. The wider benefit may be, depending on resource allocation, more effective use of resources to achieve reduction in injury and ill health rates. - A reduction in administrative costs to agricultural businesses associated with HSE activity (for example familiarisation with new health and safety guidance, time allocated to inspection visits, attending workshops and SHADS). 	<ul style="list-style-type: none"> - Break down of current costs of H&S activity. For example cost of enforcement, stakeholder engagement, and communications activity, - Subsequent costs for agricultural businesses. - Evidence of the impact of HSE activity on accident/fatality, and ill health, rates in the agriculture sector, and in other sectors to which resources may be channeled.
<p>2. Substantially increase resources on agriculture</p>	<ul style="list-style-type: none"> - Additional resource costs to HSE. - Potential of increasing resource allocation in a sector for which there is limited evidence of effectiveness of HSE intervention. 	<ul style="list-style-type: none"> - Potential reduction in accidents/ill health leading to wider social and economic benefits. 	<ul style="list-style-type: none"> - As above, costs need to be assigned to the various strands of HSE activity - Evidence on link between HSE activity and injury/ill health rates.

Option	Costs	Benefits	Information Needed
	<ul style="list-style-type: none"> - Would have to withdraw resources from elsewhere to channel into agriculture. - Resource costs also apply to agricultural businesses, and businesses in other sector. For example, an increase in HSE intervention may lead to an accompanying increase in commitment of increase in administrative costs for agricultural businesses. - E.g. Mean average wage for Agriculture, Hunting and Forestry = £8.65 per hour Source: Annual Survey of Hours and Earnings (2006), Office for National Statistics). Multiplied by 1.3 to include non-wage employment costs, this is approximately £11.25 per hour. 10 additional hours devoted to increased H&S activity equals approximately £112 per employee. This figure would be multiplied up by average number of employees per business, and number of agricultural businesses, in the industry with higher mean average wage costs for specific occupational groups such as farm managers. 		
3. Refine and develop current strategy	<ul style="list-style-type: none"> - Research and collaboration costs - Resource Costs to HSE, agricultural businesses, and other affected stakeholders and businesses sectors. 	<ul style="list-style-type: none"> - Difficult to anticipate, as this will depend on the changes to current strategy that are proposed. 	<ul style="list-style-type: none"> - Information on process of refinement, for example, time scale, stakeholders and business sectors affected, to estimate costs

HSE resource allocated to agriculture in 2003/04 and 2007/08 ¹

Resource	2003/04	2007/08
Communications	~£700,000	£200,000
Research	N/A	N/A
Sector staffing²	13.5	9.2
Agriculture Policy Branch³	2	0
FOD – operational staff⁴:		
Band 3 / 4 inspectors	70	23*
Workplace Contact Officer/Health & Safety Awareness Officer (HSAOs) teams	4	3

Notes:

1. Source for 2003/04 data: “Plan for Agriculture” paper submitted to the Strategic Programme Board (November 2004)
2. Figures for Sector Staff in 2003/04 and 2007/08 relate solely to the number of equivalent full-time staff at Bands 1-4 (inclusive) engaged on agriculture and does **not** include resources devoted to food or work on the GLA.
3. The previous stand-alone Agriculture Policy branch was absorbed into the Sector with effect from January 2005.
4. The “Plan for Agriculture” submitted to the Strategic Programme Board in November 2004 and based on the Sector’s fundamental review of the industry sought to achieve a 30% reduction in operational inspectors offset by a small increase in sector resource consistent with the proposed new strategic direction and increased workload required to deliver the ‘10 Point Strategy’ (see Annex 5).
5. The WCO/HSAO team resource includes both planned time for both B5 (WCO/HSAO) and B6 support.
6. *The FOD resource for operational inspector B3/4 staff for 2007/8 includes 6.5 staff years for proactive work, with the remainder as resource needed for reactive work ie all RIDDOR, and other investigation, complaint follow-up and enforcement. However, FOD investigate all RIDDOR reports that meet the Incident Selection Criteria and follow-up all complaints in accordance with the complaints procedure. We estimate the resource for these activities is around 15 staff-years in each year, but this work is **not** resource limited.