

## SHORT IMPACT ASSESSMENT

<p><b>Description of the intervention:</b></p>	<p><b>SME SAT Guidance review for the Woodworking sector.</b> To review, following a consultation of industry representatives, a small, agreed selection of publications providing guidance for the Woodworking sector to ensure they are small business-friendly, fit for purpose and accessible. This is part of HSE's Strategic objective for small and medium enterprises (SMEs).</p>
<p><b>Objectives:</b></p>	<p>To provide modern, simplified Woodworking guidance that is SME-friendly in terms of content, format and accessibility, so as to encourage uptake, usage and increase compliance.</p> <p>To reduce some of the burden on business,</p>
<p><b>Background</b></p>	<p>Currently there are approximately 60 publications owned by the Woodworking sector. Many are 15-20 years old and out of date. This poses reputational problems for HSE.</p> <p>Woodworking (comprising SIC [2003] 20 and 36.1 [furniture]) has one of the higher accident rates in the manufacturing sector. Despite some recent improvements, it continues to see particularly high numbers of serious machinery accidents. This reflects the simple but hazardous nature of the machines (usually operators manually pushing material towards an exposed blade) and the associated difficulty in guarding the machines, together with poor standards of training across much of industry</p> <p>Evidence from stakeholders within the sector suggested that there was no need for specific SME-targeted guidance. What they thought was required, however, was an update and modernisation of existing guidance to make it more user friendly. As an initial pilot, 10 pieces of guidance have been identified for review.</p>
<p><b>Calculation of costs and benefits:</b></p>	<p>The Woodworking Sector has approximately 12,000 small to medium sized enterprises<sup>1</sup>. Total employment in the sector is around 190,000 and the majority of these are self employed</p> <p>Engagement with stakeholders indicated there was no need for any 'starter' type guidance. Employers had however, indicated that some of the guidance needed updating or modernising.</p> <p><b>Option 1 – Do Nothing</b> In this option the status quo would continue, with no impact on costs or benefits to businesses.</p> <p>There may be a reputational cost to HSE for providing out of date guidance.</p>

<sup>1</sup> Source: BIS, Small and Medium Enterprise Statistics 2008. See: <http://stats.bis.gov.uk/ed/sme/>

	<p><b>Option 2 – Update current guidance.</b> Update the current guidance so that it is simpler and more accessible to businesses.</p> <p>There would be a familiarisation cost associated with the introduction of this new guidance. This is likely to be greater for firms that are not fully compliant with the guidance, or who have not read the original guidance due to its complexity. There is no information on which to base quantitative estimates of these costs (or the other costs and benefits to business described below).</p> <p>For businesses which would otherwise have used the previous guidance, there would also be a cost saving resulting from the ease of access, clarity and simplicity of the new guidance. This should result in a reduction in the managers'/owners' time allocated to reading and familiarising themselves with particular guidance.</p> <p>As this guidance is aimed at employers, we would expect the majority of familiarisation costs to fall on them. However, there would also be some posters designed to increase employee awareness, with emphasis placed on clear pictures rather than text. The idea is that employees will be able to familiarise themselves with the main parts of the guidance whilst they are working. Consequently, we expect employee familiarisation costs for this to be low.</p> <p>Historically, the woodworking industry has been characterised by poor standards of compliance and high accident rates. Although the most recent accident figures have improved, Inspectors are still taking significant levels of enforcement action: in 2009/10, there were 9 prosecutions, 75 prohibition notices and 289 improvement notices served. This indicates that a significant number of businesses in the sector would need to make changes to become compliant with the law. Consequently, we would expect a cost for those businesses who become more compliant as a result of the new guidance and change their practises or introduce new safety measures.</p> <p>We would also expect these increases in compliance to result in better health and safety outcomes. This would lead, among other effects, to savings to businesses and benefits to the employees involved.</p> <p>There would be a cost to HSE from rewriting this guidance and publishing it on the website. This would take approximately 30 hours of a Band 2 regulatory inspector's time, at a full economic cost of £2,190, as well as 130 hours of a Band 3 regulatory inspector's time, at a full economic cost of £7,670. It is expected that this project will take the Web Team 20 hours to complete, and assuming this work is carried out by a Band 3 IT worker, this has a full economic cost of £1,260. Therefore, the full cost to HSE from producing this guidance is £11,120.</p>
<b>Consultation:</b>	This approach has been discussed with HSE's Chief Economist and the Policy Capability Team.

<b>Chief Economist's comments:</b>	I am satisfied that appropriate analysis has been used in this short IA.
<b>Recommendation:</b>	That based on proportionality, a full impact assessment is not produced.

**Signed:** Alan Spence..... **Date:** 23 September 2010.....  
**HSE's Chief Economist**