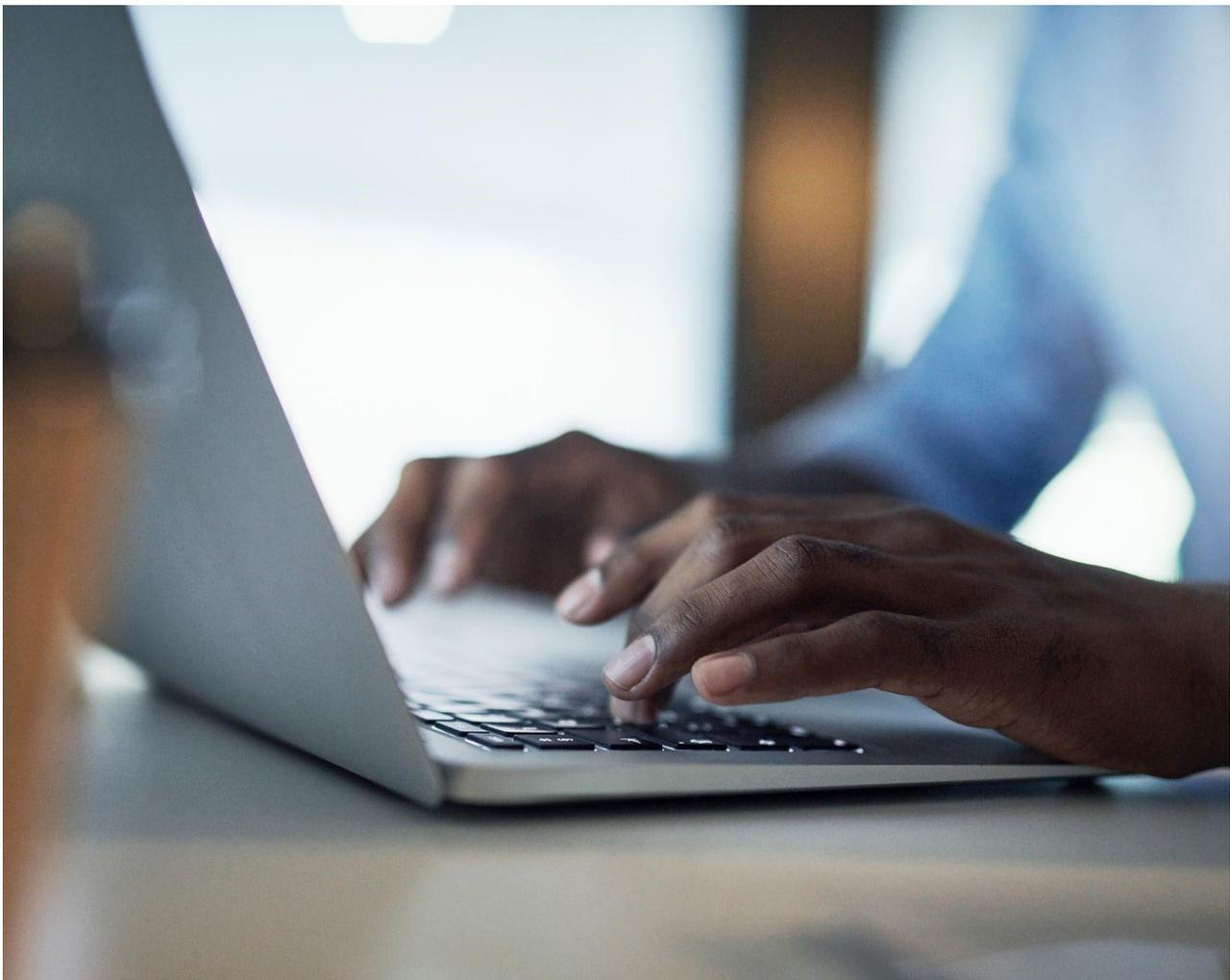


Cost Recovery for Wind and Marine Energy (Renewables)

This guidance provides notice of how cost recovery will apply to the wind and marine energy (renewables) sector

April 2025



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Part 1: Cost recovery arrangements

Introduction

This guide is aimed at clients and operators of onshore wind energy installations and offshore wind or marine energy installations. It provides information about how the cost recovery scheme operates, as well as details about the scope and nature of the activities undertaken by HSE, for which costs are recovered. It also explains how the costs are calculated.

The [cost recovery rates](#) are on the HSE website.

The fee boundary and what is cost recoverable

Cost recovery was introduced for regulation of both onshore wind energy installations and offshore wind or marine energy installations on 1 April 2024 via the Health and Safety and Nuclear (Fees) (Amendment) and Gas Safety (Miscellaneous Amendment) Regulations 2024 (the Fees Regulations 2024)¹. These regulations have been made under the Health and Safety at Work etc. Act 1974 (HSWA), which gives HSE the power to cost recover for enforcement (including inspection and investigation of the relevant statutory provisions). The client² or operator³ of the energy installation will be charged a fee (depending on the stage of development of the asset). That fee will apply to work in relation to enforcement (including inspection and investigation of the relevant statutory provisions) against the client, operator or a contractor. The following table summarises this position:

Onshore Wind Energy Installations	Offshore Wind or Marine Energy Installations
Fee payable by the client in relation to any work, including construction work, during the pre-construction phase and the construction phase, carried out by that client for the onshore wind energy	Fee payable by the client in relation to any work, including construction work, during the pre-construction phase and the construction phase, carried out by that client for the offshore wind or marine

¹ The Health and Safety and Nuclear (Fees) (Amendment) and Gas Safety (Miscellaneous Amendment) Regulations 2024. Available at: [The Health and Safety and Nuclear \(Fees\) \(Amendment\) and Gas Safety \(Miscellaneous Amendment\) Regulations 2024 \(legislation.gov.uk\)](#).

² “Client” is defined in [regulation 2\(1\) of the Construction \(Design and Management\) Regulations 2015](#) and means any person for whom a project is carried out.

³ “Operator” is defined in regulation 15B (5) and 15C (5) of [The Fees Regulations 2024](#) and means the person appointed by the owner of the onshore wind energy installation to execute the management functions for operations to be carried out at that installation or, where no such person has been appointed, the owner of that installation. See

installation project ⁴	energy installation project ⁵ .
Fee payable by the client in relation to any work including construction work, during the pre-construction phase and the construction phase, carried out by a contractor on or in connection with the onshore wind energy installation project.	Fee payable by the client in relation to any work including construction work, during the pre-construction phase and the construction phase, carried out by a contractor on or in connection with the offshore wind or marine energy installation project.
Fee payable by the operator in relation to any work by the operator in relation to the operation of an onshore wind energy installation ⁶ .	Fee payable by the operator in relation to any work by the operator in relation to the operation of an offshore wind or marine energy installation ⁷ .
Fee payable by the operator in relation to any work carried out by a contractor on or in connection with the operation of an onshore wind energy installation.	Fee payable by the operator in relation to any work carried out by a contractor on or in connection with the operation of an offshore wind or marine energy installation.

Costs Recovered

HSE will recover its costs reasonably incurred by charging an hourly fee for any of the functions conferred on HSE by HSWA which relate to enforcement (including inspection and investigation of the relevant statutory provisions).

The amount of time spent on an intervention is dependent on the nature of the hazards and the complexity of the development. As part of the intervention HSE may make a request for further information it considers to be necessary and recover costs for the assessment of this additional information.

Examples of HSE’s regulatory activities for which costs will be recovered are described below:

Pre-construction interventions

Cost recovery applies to all onshore wind projects and offshore wind or marine projects, subject to the definition of a ‘project’ in the Construction, Design and Management Regulations 2015⁴.

Time spent on pre-construction interventions (including those at early concept stages) will be charged for.

Inspection

HSE recovers costs for work associated with enforcement (including inspection and investigation of the relevant statutory provisions) during the whole life cycle, including

⁴ “Project” is defined in [regulation 2\(1\) of the Construction \(Design and Management\) Regulations 2015](#) and means a project which includes or is intended to include construction work and includes all planning, design, management or other work involved in a project until the end of the construction phase;

construction, operation, maintenance, decommissioning and demolition of onshore wind installations and offshore wind or marine energy installations.

The amount of time cost recovered will vary depending upon the individual circumstances of each inspection but will include time spent preparing, reporting on findings as well as conducting the inspection. Time spent reviewing a duty holder's response to actions raised following a visit will also be recovered.

Investigation

HSE recovers costs for investigating accidents and serious incidents meeting HSE's incident selection criteria⁵ and complaints in accordance with HSE's Complaints procedure⁶.

Enforcement Action

Subject to the exclusions outlined below, costs connected with enforcement action activities are recovered from duty holders.

Exclusions

Costs will not be recovered for:

- Legal proceedings connected with duties under HSWA and the relevant statutory provisions from the time a summons is obtained from a Magistrates Court, and any subsequent investigation in connection with that prosecution in England and Wales or; investigation or prosecution connected with duties under HSWA and the relevant statutory provisions from the time the case is referred to the Procurator Fiscal or the Procurator Fiscal intervenes, whichever is the sooner, in Scotland.
- Work in connection with an appeal against an improvement or prohibition notice at an Employment Tribunal from the date that the Tribunal receives a notice of appeal.
- Activity related to cost-recovery disputes.

HSE Contracted Third Party Involvement

Where work is contracted to a third party by HSE, for example the use of external specialists to support an investigation, the actual cost to HSE of the service will be recovered from the onshore or offshore wind or marine energy client or operator, (depending on the stage of development of the asset). This will be shown as a separate item on the invoice and the cost recovery rate may differ from the hourly rate. HSE has management arrangements to ensure that the quality and duration of the work of third parties is properly controlled and monitored.

⁵ HSE's incident selection criteria. Available at: [Investigation - Stage 2: Decide whether to investigate \(hse.gov.uk\)](https://www.hse.gov.uk/investigation-stage-2)

⁶ HSE Complaints procedure. Available at: [Operational Procedure - Complaints - Introduction \(hse.gov.uk\)](https://www.hse.gov.uk/operational-procedure-complaints-introduction)

Provision on advice for compliance

Advice given by HSE on the general application of relevant statutory provisions is not subject to cost recovery.

Where will cost recovery apply?

Cost recovery under the relevant statutory provisions for onshore wind energy installations and offshore wind or marine energy installations will apply in England, Wales and Scotland. Onshore, cost recovery will apply in relation to any work carried out for the onshore wind energy installation project (see definition in footnote 4) or in relation to the operation of the onshore wind energy installation (see definition in footnote 6). Offshore, cost recovery will apply in relation to any work carried out for the offshore wind or marine energy installation project (see definition in footnote 5) or in relation to the operation of an offshore wind or marine energy installation (see footnote 7).

Cost recoverable time starts when HSE checks in at the heliport or arrives at the designated meeting point at the port and finishes on leaving that port or heliport. Onshore, cost recoverable time starts on entering the windfarm site.

Part 2: Procedures for charging fees

Methodology used for calculating fees

The total amount charged is calculated on the time spent on the particular cost recoverable activity, multiplied by a pre-determined hourly rate. The costs recovered are calculated in accordance with HM Treasury's guidance [Managing public money](#) and includes the full cost of all the resources used in carrying out and supporting that cost recoverable activity. The costs included in these headings are as follows:

- **Gross salaries of direct staff**
 - staff carrying out the work, their line managers and support staff.
- **Gross salaries of operational management and strategy**
 - staff who deal with the consistency and quality of operational work, as well as finance and planning issues specific to that division.
- **Indirect costs**
 - travel and subsistence
 - staff development and training
- **Executive delivery costs**
 - developing and maintaining guidance for duty holders;
 - internal guidance for inspectors (for example to achieve consistency of regulation);
 - consulting and discussing current problems and their effective control with duty holders and their representatives; and
 - industry-specific research and development.
- **Overheads**
 - accommodation costs
 - use of information technology
 - office services (for example postage and telecommunications)
 - corporate services (for example finance and planning, human resources, senior management and business services)
 - depreciation of fixed assets and cost of capital.

Administrative and financial arrangements

HSE issues invoices and receives payments for all cost recoverable activities irrespective of who carried out the work, for example HSE employee or a contractor. HSE is responsible for debt recovery. Invoices identify each separate cost recoverable activity, including:

- date of activity
- location

- number of hours spent
- the rate to be applied
- the name of the inspector doing the work
- the total amount payable

Invoicing and debt recovery functions are carried out centrally. Inspectors are not responsible for the issuing of invoices or for any follow-up actions relating to non-payment of invoices. Queries on invoices should be referred to the contact point given in HSE's Query and Disputes Guidance

Invoicing will take place within 30 working days of the end of a quarter. Invoices will be issued in March, June, September and December. Invoices will invariably contain costs for time outside these strict quarterly periods.

Payment will be due to HSE within 30 days of the date of the invoice. HSE will actively pursue outstanding debts in accordance with its debt recovery procedures.

Fees

Fees are charged on an 'actuals' basis. That is, the recovery of the full cost of the time spent by HSE carrying out a relevant activity or intervention. The way in which HSE has approached the identification of the relevant costs for inclusion in the charge out rate follows the guidance in HM Treasury's [Managing public money](#). The time spent by all HSE staff working on the enforcement, including inspection and investigation of the relevant statutory provisions will be invoiced and the hourly rate will be calculated to include these grades of staff.

The [cost recovery rates](#) are on the HSE website.

Procedure for handling queries and disputes

If a duty holder has a query about an invoice, they should contact HSE to seek to resolve it informally. If it is not possible to do this, they should refer to [Cost Recovery – HSE Queries and Disputes Procedure](#) .

It should be noted there are time limits at each level, within which queries should be submitted.

Procedure for resolving operational issues.

Where matters of dispute arise on operational issues, which have implications for the cost recovery regime, these will first be considered by the Wind and Marine Cost Recovery Group. This group will have the overall responsibility to keep under review the effectiveness and operation of the wind and marine energy (renewables) regime's financial

and administrative arrangements. The membership of the Review Group will comprise representatives from industry and trade associations, as well as HSE officials. If the matter cannot be resolved by the Review Group, it will be referred to senior officials within HSE.

Contacts for advice and guidance

For further advice or queries on the operation of the cost recovery system, contact:

Energy Division Redgrave
Court
Merton Road
Bootle Merseyside
L20 7HS

Email: HIDCostRecovery@hse.gov.uk



Further information

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