

<b>Title:</b> Health and Safety and Nuclear (Fees) Regulations <b>PIR No:</b> PIR010  <b>Original IA/RPC No:</b> N/A <b>Lead department or agency:</b> DWP <b>Other departments or agencies:</b> Click here to enter text.  Contact for enquiries: <b>Dave Thomas</b> <b>(dave.thomas@hse.gov.uk; Tel: 0203-028-3151)</b>	Post Implementation Review
	<b>Date:</b> 18/04/2019
	<b>Type of regulation:</b> Domestic
	<b>Type of review:</b> Statutory
	<b>Date measure came into force:</b> 06/04/2016
	<b>Recommendation:</b> Amend
	<b>RPC Opinion:</b> N/A

**1. What were the policy objectives of the measure?** (Maximum 5 lines)

Cost recovery is a key element of HSE's funding model in support of delivering its objectives. It is the policy of the Government, HSE and other licensing authorities to charge fees for a range of regulatory activities. These Regulations provide detail of when these fees and charges apply, who they apply to, the extant rates and the period they are effective for. They ensure parliamentary oversight and are laid in both Houses.

**2. What evidence has informed the Review?** (Maximum 5 lines)

The Cabinet Office Regulatory Futures Review referenced HSE's cost recovery (Fee for Intervention) as good practice where similar charging schemes could be implemented for other public sector regulatory activity. The independent Tailored Review recommends HSE exploring opportunities to expand cost recovery which would be through the Fees Regs. Positive engagement with sector review groups and very few queries and disputes on fees and charges.

**3. To what extent have the policy objectives been achieved?** (Maximum 5 lines)

The policy objectives of the 2016 Fees Regulations have been met with further amendments required through making new Regulations to come into force from April 2020. The amendments will include any new charging schemes, simplification of existing schemes and ensuring full cost recovery. An evaluation of Fee for Intervention found that many duty holders had not changed their view of HSE and around half believed that it would make businesses more likely to comply.

Sign-off for Review: Chief economist/Head of Analysis and Minister

***I have read the Review and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.***

Signed: 

Date: 21/05/2019

## Further information sheet

Please provide additional evidence in subsequent sheets, as required.

### **4. What were the original assumptions?** (Maximum 5 lines)

The original assumptions were that the Fees Regulations would be made annually to be effective from 6 April each year and exceptionally in October, when required.

### **5. Were there any unintended consequences?** (Maximum 5 lines)

No unintended consequences were found.

### **6. Has the evidence identified any opportunities for reducing the burden on business?** (Maximum 5 lines)

HSE is considering the simplification of specific fees in the Fees Regulations which would reduce the administrative burden on business. These will be subject to consultation with the respective sectors before of any changes are implemented.

### **7. For EU measures, how does the UK's implementation compare with that in other EU member states in terms of costs to business?** (Maximum 5 lines)

These Regulations are not EU derived and only extend to Great Britain.

## **Evidence that informed the Review Recommendations**

The main sources of evidence to support the review recommendation are as follows:

### **a. The Regulatory Futures Review**

The recommendations from the Cabinet Office led Regulatory Futures Review were published in January 2017 and the progress report in September 2018 included the following references to HSE good practice in cost recovery:

- Extract paras 9 and 10 - Fee for Intervention – one area where the biggest gains are possible is in the wider application of the ‘Fee for Intervention’ model, based on a scheme currently operated by the Health & Safety Executive. This scheme sees non-compliant business being charged for the cost to the regulator of bringing them back into compliance.
- The project has found several other areas in which a similar charging scheme would add value – not just raising money but strengthening the incentives in forms to be compliant and reducing the burden on the non-compliant.

### **b. Recommendations from the independent Tailored Review of HSE**

The Tailored Review of HSE (published November 2018) found that HSE is a well-structured organisation that fulfils its statutory objectives effectively. The recommendations from the review included:

- Recommendation 19: HSE should continue to work with the Cabinet Office, in line with the recommendations of the Regulatory futures Review, to consider enabling local authorities to recover the costs of some of their enforcement activities.
- Recommendation 23: HSE should explore opportunities for expansion of the use of cost recovery in certain sectors, building on the lessons learned from Fee for Intervention to ensure clear objectives.

### **c. Cost Recovery Review Groups**

HSE leads Cost Recovery review Groups (CRRGs) for the onshore chemicals and offshore safety sectors. These groups discuss the future regulatory activity and cost recovery hourly rates in these sectors. The sectors are represented by a cross section of those regulated such as industry bodies, large employers and trades unions. These are well received and provide an opportunity for HSE to explain the rationale to its regulatory activity and how it recovers its costs. Any new regimes to be included in the Fees Regulations would include similar CRRGs.

### **d. Queries and Disputes**

The Fees Regulations and the various charging regimes have been in place for many years. The most significant change and addition to the Fees Regs was the

introduction of Fee for Intervention in October 2012. There have been very few queries and disputes on fees and charges and where necessary the independent disputes process handles these in an efficient and transparent manner.

#### **e. Evaluation of Fee for Intervention (FFI)**

HSE conducted research with duty holders on their views of FFI and the impact on health and safety management. The research found that for many duty holders their views of HSE hadn't changed and was reported to be the same as before FFI. Around half of the survey respondents believed that FFI would make businesses more likely to comply with H&S law; micro and small business were more likely than larger businesses to report that FFI had influenced how they manage health and safety.