
Review of the Freight Container (Safety Convention) Regulations 1984

Health and Safety Executive

RPC rating: fit for purpose

Description of proposal

The proposal will adjust domestic law to reflect amendments to the International Convention on Safe Containers 1972. The changes will require additional information to be placed on containers that have limited capacity to be stacked, and for the information on containers' safety approval panels to be updated. There will also be some minor technical changes to testing of some containers.

Impacts of proposal

The regulator has conducted two consultations and engaged with businesses and with health and safety consultants in the freight container industry. This engagement suggests that the majority of these changes are already common practice. This is due to the international nature of the industry, with the amended requirements of the Convention on Safe Containers already adopted in many countries. There are currently 101 businesses on the Health and Safety Executive's 'approved list' of container owners and operators. The Executive uses evidence from the consultation processes to estimate that the number of containers that will require amended approval panels (920) or additional information (75,000). These assumptions were endorsed by stakeholders when tested through consultation.

The Executive estimates that changing approval information will take between 15 and 90 minutes (best estimate of just under one hour at a cost of £12 for each container), and require a new safety approval panel (best estimate cost of £8.50 each). Displaying stacking capacity information is estimated to require between 30 and 90 minutes (best estimate of one hour at a cost of £13 for each container) and new decals (best estimate cost of £8 for each container). The Executive expects the £1.6 million transitional costs to be spread over three years to fit with the timing of planned inspections of containers.

Familiarisation with the changes, for the five container manufacturing or testing businesses, 101 owner/operators and five appointed container approvers is expected to take two hours per business. This is based on responses from those businesses to the consultations. Using hourly wage rates appropriate to the grade of

individual in each of the businesses (based on feedback and including non-wage cost uplifts), this is estimated to cost a total of £32,000.

Following the initial consultation, the Executive amended the proposals in response to stakeholder views. As a result, the proposal includes further requirements in relation to inspections of damaged containers and audits of container owners' processes. These would represent a minor extension to existing inspection processes and the audits will be risk based, completed via email, based on readily available information and undertaken once every five years. As a result, the annual cost to business of the additional requirements is expected to be small (under £10,000 in present value terms).

The RPC is able to validate the estimated equivalent annual net direct cost to business (EANDCB) of £0.2 million. As the measure is of an international origin, it will be a non-qualifying regulatory provision that will not score under the Business Impact Target.

Quality of submission

The IA provides a clear and detailed discussion of the proposal and potential costs. When scrutinising the original consultation stage IA, the RPC highlighted the use of pre-consultation engagement with business to inform the estimates used in the IA and noted the intention to test the assumptions used further through consultation.

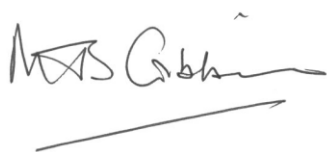
The RPC would also like to highlight the helpful and informative approach taken in the final stage IA in explaining how assumptions were tested through consultation, and how stakeholder responses have been incorporated into the final analysis. The RPC would recommend the approach taken as a transparent and good practice approach to consultation evidence.

Initial departmental assessment

Classification	Non-qualifying regulatory provision (international)
Equivalent annual net cost to business (EANCB)	£0.2 million
Business net present value	-£1.60 million
Societal net present value	-£1.90 million

RPC assessment

Classification	Non-qualifying regulatory provision (international)
Equivalent annual net cost to business (EANCB)	£0.2 million
Business impact target score	n/a
Small and micro business assessment	Not required (international)



Michael Gibbons CBE, Chairman