
Health and Safety Executive (HSE)

Update to the Enforcement Policy Statement

RPC rating: Validated

Description of proposal

HSE's Enforcement Policy Statement (EPS) describes the regulator's approach to enforcing the law when issues of non-compliance have been identified. The regulator has altered the EPS to:

- make more explicit the need for compliance with the 2014 Regulator's Code and the Growth Duty introduced in the Deregulation Act 2015;
- "streamline" the statement overall.

The alterations do not change the enforcement policy of the HSE.

Impacts of proposal

The regulator notes that the new statement is 4,000 words in length and would require 20 minutes to read and comprehend (based on an average reading speed of 200 words per minute provided by the Better Regulation Executive). Using its own website analytics, HSE states that the EPS was accessed 7,600 times each year on average. The assessment assumes that each hit on the statement page represents businesses familiarising themselves with the document, at a cost of 2,500 hours of industry time. Based on ASHE figures for the hourly uprated wage costs of a manager, the assessment therefore expects a one-off, total familiarisation of £77,000. However, the assessment notes that it is unlikely that all hits on the EPS would be from business, so states that these costs would likely be an overestimate.

The assessment states that the benefit of the streamlining is that businesses will review a shorter document when re-familiarising themselves with the statement. It notes that the previous statement was 5,500 words in length, therefore requiring 28 minutes reading time. The 8 minute saving corresponds to an annual recurring saving of 970 hours each year, or £30,000 per year (using the above wage rate).

The assessment states that an additional benefit from altering the statement is that it makes it simpler for businesses to comply with HSE enforcement practices.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of £0million.

Quality of submission

The submission provides sufficient evidence to support its estimate of the impacts of changes to the EPS. It goes into proportionate levels of detail when monetising costs and benefits of the statement changes, in particular giving clear reasoning about overestimates.

However, the assessment would have been improved by using a more accurate total of affected businesses in the cost calculation; for example, by accounting for the likely proportion of website hits from affected businesses relative to non-business.

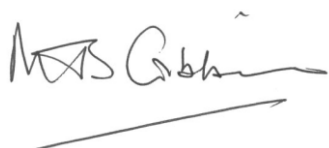
The regulator also claims that the net present value to business (BNPV) of the policy is zero. Although it is correct to round EANDCB figures to zero in this case, the NPV of costs to business is actually equal to £0.18m based on figures provided. Future assessments should include an accurate statement of the net present value to business.

Departmental assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	Zero
Business net present value	0.18

RPC assessment¹

Classification	Qualifying regulatory provision (IN)
EANDCB – RPC validated	Zero
Business impact target score	Zero



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANDCB and BIT figures to the nearest £100,000