



**THE CHEMICALS (HAZARD INFORMATION AND PACKAGING FOR  
SUPPLY) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2008  
S.R. 2008 NO. 424**

**Impact Assessment**

An Impact Assessment (IA) is a tool, which informs policy decisions. All NI Government Departments must comply with the impact assessment process when considering any new, or amendments to, existing policy proposals. Where regulations or alternative measures are introduced an IA should be used to make informed decisions. The IA is an assessment of the impact of policy options in terms of the costs, benefits and risks of the proposal. New regulations should only be introduced when other alternatives have first been considered and rejected and where the benefits justify the costs.

The IA process is not specific to the UK Civil Service or the NI Civil Service – many countries use a similar analysis to assess their proposed regulations and large organisations appraise their investment decisions in similar ways too.

Please find enclosed a final IA in respect of the Chemicals (Hazard Information and Packaging for Supply)(Amendment) Regulations (Northern Ireland) 2008.

Contact: Michael Topping  
HSENI Legislation Unit  
83 Ladas Drive  
Belfast, BT6 9FR

Email: [michael.topping@detini.gov.uk](mailto:michael.topping@detini.gov.uk)

**CHEMICALS (HAZARD INFORMATION AND PACKAGING FOR SUPPLY)  
(AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2008**

**NOTE ON COSTS AND BENEFITS**

1. I declare that:

- (a) the purpose of the Chemicals (Hazard Information and Packaging for Supply)(Amendment) Regulations (Northern Ireland) 2008 (“the Northern Ireland Regulations”) is to introduce, for Northern Ireland, similar provisions to those contained in the Great Britain Chemicals (Hazard Information and Packaging for Supply)(Amendment) Regulations 2008 (S.I. 2008/2337) (“the Great Britain Regulations”); and
- (b) I am satisfied that the costs and benefits associated with the Great Britain Regulations may be applied, with modifications to the Northern Ireland Regulations.

2. An estimate of the costs and benefits associated with the Great Britain Regulations, together with the effect on the Northern Ireland costs and benefits is appended to this Note.

*M. Bohill*

A Senior Officer of the Department of Enterprise, Trade and Investment

22 October 2008

## **PART I**

### **GREAT BRITAIN IMPACT ASSESSMENT (FINAL)**

(Prepared by the Health and Safety Executive)

#### **The Chemicals (Hazard Information and Packaging for Supply) (Amendment) Regulations 2008 (S.I. 2008/2337)**

##### **Description of the intervention**

The Second Adaptation to Technical Progress of the Dangerous Preparations Directive (DPD) has been formally adopted as Commission Directive 2006/8/EC (commonly known as the 2<sup>nd</sup> ATP). This has to be implemented into National Legislation to fulfil our Treaty obligations as an EU Member State. The 2<sup>nd</sup> ATP makes changes to three of the annexes in the DPD which are technical in nature and have been agreed by experts from Member States after full consultation, discussion and scientific inquiry where necessary. The changes do not affect the main legal duties set out in the DPD or in the UK's Chemicals (Hazard Information and Packaging for Supply) Regulations 2002 (commonly known as CHIP), amendments to which will implement the 2<sup>nd</sup> ATP.

The 2<sup>nd</sup> ATP changes the rules and procedures for classifying and labelling a chemical preparation containing carcinogens, mutagens or substances toxic for reproduction; changes the generic concentration limits to be used for the evaluation for the hazards for the aquatic environment; adjusts the classification and labelling requirements for preparations containing ozone depleting substances; and clarifies and makes more consistent the specified warning phrases on labels for certain preparations.

There are also several minor editorial changes to CHIP to clarify existing requirements and correct errors which do not alter the existing requirements.

##### **Objectives**

The objective of the regulatory amendments to CHIP is to implement the 2<sup>nd</sup> ATP into National Legislation to fulfil our Treaty obligations as an EU Member State. The 2<sup>nd</sup> ATP contributes to ensuring that the system for classifying and labelling chemical preparations is updated to reflect the latest scientific knowledge.

## Calculation of costs

<b>Familiarisation cost</b>		<b>£min</b>
<p><b>Updating labels for CMRs</b></p> <p>These costs are calculated based on an estimated <b>65</b> preparations having to be re-labelled at a cost of either <b>£155.70</b> or <b>£519</b> per label @ 2007/08 prices.</p> <p><i>(Costs have been uprated from 2006 estimates of £150 or £500 per label)</i></p>	<p>Lower Estimate</p> <p>Upper Estimate</p>	<p><b>£10,121</b></p> <p><b>£33,735</b></p>
<p><b>Amending SDS for CMRs</b></p> <p>These costs are calculated based on an estimated <b>65</b> preparation's SDSs having to be amended at a cost of either <b>£156.24</b> or <b>£357.12</b> each @ 2007/08 prices.</p> <p><i>(Costs have been uprated from 2004 estimates of £140 or £320 per SDS)</i></p>	<p>Lower Estimate</p> <p>Upper Estimate</p>	<p><b>£10,156</b></p> <p><b>£23,213</b></p>
<p><b>Updating labels for aquatic toxicity</b></p> <p>These costs are calculated based on an estimated <b>2,500</b> preparations being re-labelled at a cost of <b>£155.70</b> or <b>£519</b> per label @ 2007/08 prices.</p>	<p>Lower Estimate</p> <p>Upper Estimate</p>	<p><b>£389,250</b></p> <p><b>£1,297,500</b></p>
<p><b>Updating SDS for aquatic toxicity</b></p> <p>These costs are calculated based on an estimated <b>2,500</b> preparations having to have their SDS amended at a cost of <b>£156.24</b> or <b>£357.12</b> each @ 2007/08 prices.</p>	<p>Lower Estimate</p> <p>Upper Estimate</p>	<p><b>£390,600</b></p> <p><b>£892,800</b></p>
<p><b>INDIRECT COST - Estimated four businesses becoming COMAH lower tier</b></p> <p>Based on estimated compliance cost per site of <b>£182,752.50</b> each @ 2007/08 prices.</p>		<b>£731,010</b>

<p><i>(Costs have been uprated from 2006 estimates of £177,000 per site using the GDP Deflator).</i></p>					
<p><b>INDIRECT COST - Estimated two businesses moving from COMAH lower tier to upper tier</b></p> <p>Based on estimated cost of <b>£436,747.50</b> per site [i.e. the difference between estimated compliance cost of being lower tier (£182,752.50) &amp; upper tier (£619,500)] @ 2007/08 prices.</p> <p><i>(Costs have been uprated from 2006 estimates of £177,000 per lower tier site and £600,000 per upper tier site using the GDP Deflator)</i></p>	<p><b>£873,495</b></p>				
<p><b>Updating labels for ozone depletors</b></p> <p>These costs are calculated based on an estimated <b>80</b> preparations having to be re-labelled at a cost of either <b>£155.70</b> or <b>£519</b> per label @ 2007/08 prices.</p>	<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Lower Estimate</td> <td style="text-align: right;"><b>£12,456</b></td> </tr> <tr> <td>Upper Estimate</td> <td style="text-align: right;"><b>£41,520</b></td> </tr> </table>	Lower Estimate	<b>£12,456</b>	Upper Estimate	<b>£41,520</b>
Lower Estimate	<b>£12,456</b>				
Upper Estimate	<b>£41,520</b>				
<p><b>Updating SDS for ozone depletors</b></p> <p>These costs are calculated based on an estimated 80 preparations having to have their SDS amended at a cost of <b>£156.24</b> or <b>£357.12</b> each @ 2007/08 prices.</p>	<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Lower Estimate</td> <td style="text-align: right;"><b>£12,499</b></td> </tr> <tr> <td>Upper Estimate</td> <td style="text-align: right;"><b>£28,570</b></td> </tr> </table>	Lower Estimate	<b>£12,499</b>	Upper Estimate	<b>£28,570</b>
Lower Estimate	<b>£12,499</b>				
Upper Estimate	<b>£28,570</b>				
<p><b>Costs to Government Regulators &amp; others</b></p> <p>These costs are based on the estimates for investigating complaint/incident and associated work examining safety report etc at one COHAM site at 2007/08 prices</p>	<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Lower Estimate</td> <td style="text-align: right;"><b>£23,874</b></td> </tr> <tr> <td>Upper Estimate</td> <td style="text-align: right;"><b>£56,052</b></td> </tr> </table>	Lower Estimate	<b>£23,874</b>	Upper Estimate	<b>£56,052</b>
Lower Estimate	<b>£23,874</b>				
Upper Estimate	<b>£56,052</b>				

<b>TOTAL COSTS:</b>	Lower estimate (if no sites fall within COMAH)	<b>£848,955</b>
	Upper estimate (if four sites fall within COMAH lower tier and two upper tier:	<b>£3,977,894</b>

**Impact on industry (including any effect on the Admin Burdens Baseline)**

All costs are admin costs

**Benefits (quantified where possible)**

Health – there may be more careful handling of carcinogenic, mutagenic or reprotoxic chemicals owing to clearer labelling. It is estimated that, on average, each reduced case of work related ill health causes overall savings of £7,500 per annum. There may be reduced rates of skin cancer through decreased solar radiation due to better identification and disposal of ozone depleting substances. A recent study<sup>a</sup> estimated the average cost of each case of skin cancer at £20,000.

Environmental – The ‘ozone depleting substances’ and Aquatic Toxicity’ amendment will enable duty holders to make an informed choice between a product containing harmful preparations damaging to the environment and less harmful alternatives. Customers may move towards the use of products less likely to damage the environment or may use and dispose of products more carefully. Some manufacturers may choose to reformulate preparations that cause environmental damage.

The main benefit to GB is the continued improvement to the Single Market by requiring all suppliers of dangerous chemicals to provide the same standard of information to their customers. The improvement will be beneficial to GB industry both domestically and in trade with other EU Member States.

**Consultation**

This approach has been discussed with HSE’s Chief Economist and the Better Regulation Team.

**Recommendation**

That based on proportionality, a full impact assessment is not produced.

---

<sup>a</sup> Morris, S., Cox, B., and Bosanquet, N. (2005) *Cost of Skin Cancer in England Report*, Imperial College London

**Signed:** Philip Agulnik  
**HSE's Chief Economist**  
**Ministerial Sign-off**

**Date:** 21 February 2008

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister:

*William D. Mackenzie*  
2008

Date: 1<sup>st</sup> September

## **PART II**

### **NORTHERN IRELAND COSTS AND BENEFITS**

#### **Chemicals (Hazard Information and Packaging for Supply) (Amendment) Regulations (Northern Ireland) 2008 (S.R. 2008 No. 424)**

##### **General**

1. In principle, the costs and benefits estimated for Great Britain would apply in Northern Ireland, subject to differences in scale. However, in Northern Ireland it is mainly the case that suppliers import from Great Britain, or elsewhere in the European Commission, finished products for onward distribution, possibly after dilution or mixing. In these circumstances, the manufacturers will have met the requirements of the Chemicals (Hazard Information and Packaging for Supply) Regulations (Northern Ireland) 2002 ("the CHIP Regulations").
2. The CHIP Regulations are a comprehensive framework for supplying chemical information for supplier to user. It is well established and the core arrangements are an accepted part of running a chemical business.

##### **Costs**

3. Based on the GB Impact Assessment it is estimated that the cost to Northern Ireland industry would fall in the range from £21,223 to £59,334 – all costs are administration costs.

##### **Benefits**

4. The main benefit to Northern Ireland is the continued improvement to the Single Market by requiring all suppliers of dangerous chemicals to provide the same standard of information to their customers. The improvement will be beneficial to Northern Ireland industry both domestically and in trade with other European Union Member States.

##### **Conclusion**

5. Overall it is considered that the impact on NI business should not be significant. This conclusion was set out in the consultation document relating to the NI Regulations and consultees were specifically asked for comment on the conclusion. No comment was made on that aspect of the proposals.