



**The Health and Safety (Fees) (Amendment) Regulations
(Northern Ireland) 2014 – S.R. 2014 No. 280**

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 proposed regulations and large organisations appraise their investment decisions in similar ways too.

In this instance a new charge will be introduced for those who notify HSENI of their intention to operate an onshore borehole. Onshore borehole operators would therefore pay the costs incurred by HSENI. A full IA has not been prepared as there is no significant impact on business, charities, social enterprise or voluntary bodies. There is no impact on the public sector. Attached please find a cost analysis in respect of the Health and Safety (Fees) (Amendment) Regulations (Northern Ireland) 2014.

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**HEALTH AND SAFETY (FEES) (AMENDMENT) REGULATIONS
(NORTHERN IRELAND) 2014**

NOTE ON NORTHERN IRELAND COSTS AND BENEFITS

1. I declare that: -
 - (a) the purpose of the Health and Safety (Fees) (Amendment) Regulations (Northern Ireland) 2014 (“the Northern Ireland Regulations”) is to replicate for Northern Ireland, regulation 22 of, and Schedule 17 to the Great Britain Health and Safety (Fees) Regulations 2012 (S.I. 2012/1652); and
 - (b) I have seen a Northern Ireland costs analysis relating to the fees enacted by the Northern Ireland Regulations.
2. A copy of the Northern Ireland costs analysis relating to the Northern Ireland Regulations is appended to this Note.

Jackie Kerr

Department of Enterprise, Trade and Investment

13 November 2014

NORTHERN IRELAND COSTS ANALYSIS

Health and Safety (Fees) (Amendment) Regulations (Northern Ireland) 2014

PROPOSAL

The Health and Safety Executive for Northern Ireland (HSENI) proposes to introduce charges for the assessment of onshore borehole notifications by amending the Health and Safety (Fees) Regulations (Northern Ireland) 2012 (S.R. 2012 No. 255) (“the 2012 Regulations”).

The proposed Regulations will be known as the Health and Safety (Fees) (Amendment) Regulations (Northern Ireland) 2014.

REASON FOR PROPOSED NEW CHARGES

The proposals will enable HSENI to put in place a regime to recover the costs of its activities with respect to the assessment of notifications of onshore boreholes. It will also ensure compliance with the guidance contained in ‘Managing Public Money Northern Ireland’¹, which refers to full cost recovery for chargeable statutory functions.

The proposals do not introduce any new health and safety requirements for dutyholders. However, they transfer the cost burden from the taxpayer to those that operate onshore boreholes

DETAIL

Given the potential for major hazard incidents, operators of onshore boreholes and others entitled to drill boreholes are subject to the requirements of regulation 6 of the Borehole Sites and Operations Regulations (Northern Ireland) 1995 (S.R. 1995 No. 491). This requires a notification to be sent to HSENI before borehole construction, intervention or abandonment operations commence.

HSENI assesses these notifications to ensure adequate design, and then verifies that they are operated safely through inspection.

¹ See <http://www.dfpmi.gov.uk/afmd-mpmni>

HSENI proposes to recover its costs for the time spent in assessing notifications submitted under the provisions of regulations 6(1), 6(2), 6(3), 6(4) and 6(5) of the Borehole Sites and Operations Regulations (Northern Ireland) 1995. This includes time spent on the following activities:

- desktop assessment work;
- on-site verification inspection work;
- meetings (wherever they take place);
- telephone conversations; and
- report writing.

PROPOSED NEW CHARGES

It is normal policy, all other things being equal, for Northern Ireland health and safety fees and charges to be maintained in parity with those charged in Great Britain (GB) for corresponding services.

The amount is not specified in the proposed Regulations but shall not exceed the sum of the costs reasonably incurred by HSENI.

The charge is calculated based on the time spent on the particular cost recoverable activity, multiplied by a pre-determined hourly rate. The current cost recovery rate for boreholes notification work is £166 per hour.

CURRENT CHARGES

HSENI's policy is to charge for a range of activities collectively described as "permissioning" work. This allows the duty holder – for example – to trade in a dangerous substance or carry out work in hazardous conditions, once HSENI is satisfied with the control mechanisms in place.

"Permissioning" activities which are currently charged for include assessing and accepting safety cases, issuing licences, issuing certificates, granting approvals, granting exemptions from regulations and accepting notifications.

The proposed new charges are therefore analogous to some of the "permissioning" regimes already in place.

EFFECTIVE DATE

The proposed new charges would apply in respect of each application for approval on or after the date of coming into operation of the proposed Regulations.

COMPARISON WITH GREAT BRITAIN

Charges for the assessment of onshore borehole notifications were introduced in GB in 2012. The proposed Northern Ireland charges are identical to those charged in GB for similar services since 1 October 2012.

IMPACT ON INDUSTRY

The charges for boreholes notification work will be payable by those who are dutyholders under regulations 6(1), 6(2), 6(3), 6(4) and 6(5) of the Borehole Sites and Operations Regulations (Northern Ireland) 1995.

Full economic costs will be recovered from industry.

The annual cost to NI business is estimated as £100K. In arriving at this figure HSENI examined the number of notifications and site-visits over the last 3 years (2011 - 2013) for which statistics are available.

Year	2011	2012	2013	Total
Number of notifications	143	468* (This figure included 338 for January 2012)	45 (up to 14/11/13)	656

*Note - Letters were sent out in August 2011 reminding companies of the need to notify Boreholes to HSENI hence sudden increase in 2012.

Although the future activity levels of onshore borehole work are extremely difficult to anticipate due to uncertainties around this particular sector, it is thought there will be an increase in borehole activity in the future. HSENI currently forecast that there will be an average of 200 borehole notifications during 2014 and for each subsequent year.

HSENI estimates that 600 hours will be spent on borehole activity during 2014 and each subsequent year.

Overall it is considered that the proposed new charges would not have a significant effect on NI industry. A full impact assessment is not produced.