

Health and Safety Executive – Consultation on Proposed Changes to Cost Recovery

Consultation Response

03/2024



Contents

Background	2
Communication with stakeholders	4
Summary of Responses	5
Who responded to the public consultation?	5
Responses to the questions	6
Question 1	7
Question 2	9
Question 3	11
Question 4	15
Question 5	18
Conclusion	20

Background

1. HSE ran a consultation for twelve weeks from 12th June 2023 to 4th September 2023 on a proposal to extend its cost recovery arrangements to a number of sectors where costs are not currently being fully recovered and to simplify certain existing fee structures.
2. The consultation proposed extending cost recovery for the following sectors:
 - Oil, Gas and Chemicals Pipelines Systems;
 - Onshore Oil, Gas and Geothermal Exploration and Production;
 - Wind and Marine Energy (Renewables);and
 - Explosives.
3. In these sectors, costs are already partially recovered as detailed in paragraphs 5-9, but these mechanisms do not financially support regime-specific regulatory interventions. Such risk-based interventions have been identified by HSE as the best way to effectively manage regulation of these high hazard and or strategically important sectors where new and emerging technologies also exist. Currently where cost recovery mechanisms do not apply then “Fee for Intervention”¹ (FFI) is the only method by which HSE can recover costs. FFI applies where a material breach of the law is found and therefore does not support a proactive regulatory regime of risk-based interventions.
4. The consultation proposed the following changes in these sectors:

Oil, Gas and Chemicals Pipelines Systems

5. Currently, full cost recovery applies for pipeline systems that fall within 500 meters of an offshore installation. Cost recovery does not currently apply for any offshore pipeline systems that are outside of this 500-meter zone and which fall under the Pipelines Safety Regulations 1996² (PSR 1996). The consultation proposed that full cost recovery would be extended to any regulatory activities under PSR 1996 that were not currently cost recovered. Where full cost recovery was introduced then FFI would cease to apply.

Onshore Oil, Gas and Geothermal Exploration and Production

6. Currently partial cost recovery applies in this sector, with HSE recovering costs of inspecting notifications under Regulation 6(1) and (5) of the Borehole Sites and

¹ If HSE visits a workplace and finds the duty holder in material breach of health and safety law then the duty holder will have to pay for the time it takes to identify what is wrong and to help the duty holder to put things right. More information, along with the current FFI rate is available at: [HSE: Fee for Intervention - What is FFI?](#)

² The Pipelines Safety Regulations 1996: <https://www.legislation.gov.uk/uksi/1996/825/contents/made>

Operations Regulations 1995³ (BSOR 1995). However, HSE cannot recover any other costs of regulatory interventions at and in relation to onshore oil or gas production under BSOR 1995 or under the Offshore Installations and Wells (Design and Construction, etc) Regulations 1996⁴ (DCR 1996) or for the regulation of geothermal wells and boreholes under the Health and Safety at Work etc Act 1974⁵ (HSWA 1974). The consultation proposed that cost recovery would be extended to all HSE's regulatory activities associated with onshore oil, gas and geothermal exploration and production and where full cost recovery was introduced, FFI would cease to apply.

Wind and Marine Energy Renewables

7. Currently FFI is the only cost recovery mechanism that applies to wind and marine energy renewables. The consultation proposed that HSE would introduce full cost recovery of HSE regulatory interventions in and related to the Wind and Marine Energy (Renewables) sector under HSWA 1974.

Explosives

8. HSE has historically recovered the cost of explosives permissioning activities under the Explosives Regulations 2014⁶ (ER 2014), the Dangerous Goods in Harbour Areas Regulations 2016⁷ (DGHAR 2016) and the Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009⁸ (as amended) (CDG 2009). The consultation proposed regularising cost recovery for all permissioning interventions, introducing the same hourly rate under ER 2014 and DGHAR 2016 and updating the hourly rate for CDG 2009. The consultation also proposed recovering the full cost of its regulatory interventions for the explosives sector from the duty holder in control of the explosives. Where full cost recovery was introduced then FFI would cease to apply.

Other changes

9. HSE approves training related to Offshore First Aid Training and Offshore Medical Training. The current fees charged by HSE for these approvals are complex. The consultation proposed simplifying these fees into 3 fees for each of the two types of approvals as opposed to the current multiple fees.

³ The Borehole Sites and Operations Regulations 1995: <https://www.legislation.gov.uk/ukxi/1995/2038/made>

⁴ The Offshore Installations and Wells (Design and Construction, etc) Regulations 1996: <https://www.legislation.gov.uk/ukxi/1996/913/contents/made>

⁵ The Health and Safety at Work etc Act 1974: <https://www.legislation.gov.uk/ukpga/1974/37/contents>

⁶ The Explosives Regulations 2014: <https://www.legislation.gov.uk/ukxi/2014/1638/contents/made>

⁷ The Dangerous Goods in Harbour Areas Regulations 2016: <https://www.legislation.gov.uk/ukxi/2016/721/contents/made>

⁸ The Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009: <https://www.legislation.gov.uk/ukxi/2009/1348/contents/made>

Communication with stakeholders

10. The consultation was published on HSE’s Consultation Hub⁹. The consultation information was published in HSE’s e-bulletin and HSE’s operational specialists circulated the consultation to relevant stakeholders including business organisations, trade associations and professional bodies.

⁹ [Consultation on proposed changes to Cost Recovery - Health and Safety Executive Consultation Hub](#)
Please note the consultation is now closed.

Summary of Responses

11. HSE received 38 responses and all comments have been considered in this analysis. 19 of these responses were received via the HSE Consultation Hub; 15 respondents completed a word version of the questionnaire and sent it to HSE’s dedicated cost recovery email address; and 4 respondents sent general comments via email.

Who responded to the public consultation?

12. The majority of responses were received from companies (45%) with the next biggest group of responses jointly being from industry/trade associations (21%) and Regional/Local Authorities (21%). A small minority of responses came from consultants and trade unions. The industry/trade associations responses represent a number of duty holder views in their sectors.

13. **Figure 1** below summarises stakeholders that responded to the consultation.

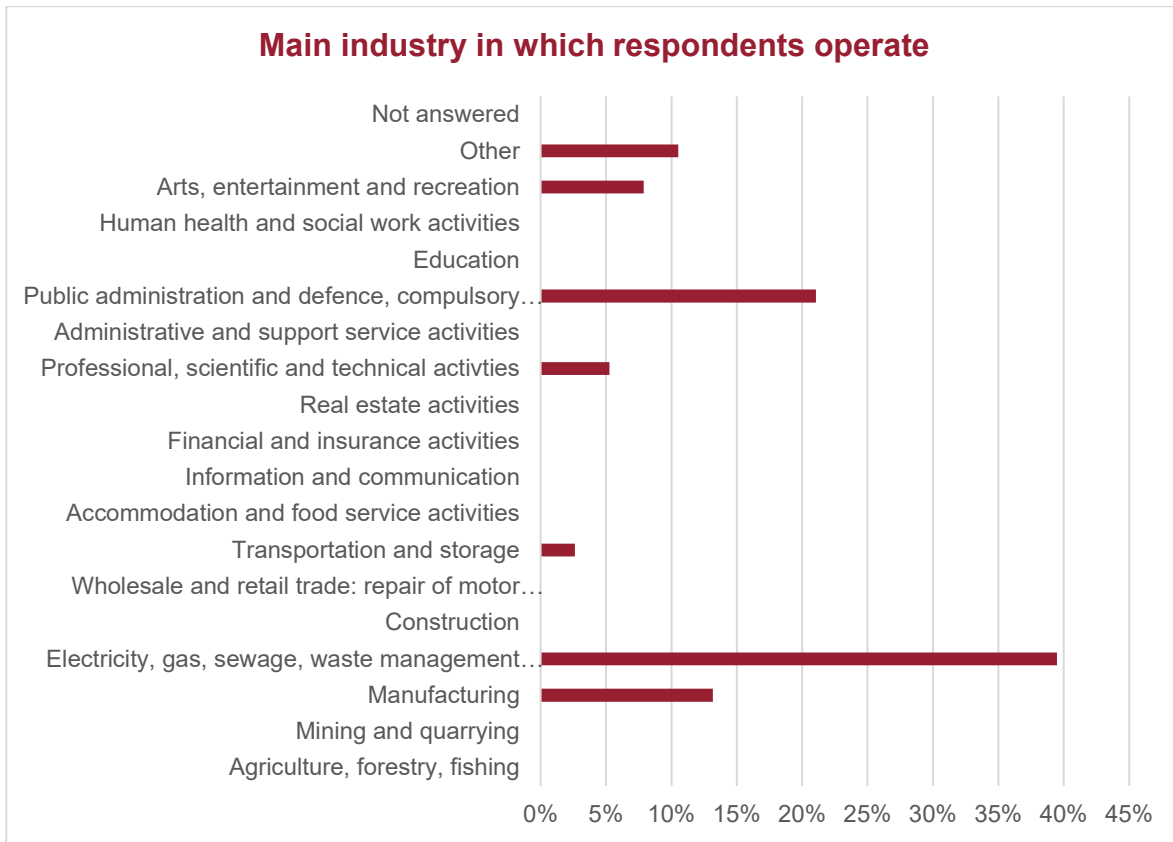
Figure 1 – type of organisation responding to consultation



14. The majority of respondents were from the “Electricity, Gas, Sewage, Waste Management and Remediation Services” sector (39%). The next biggest group of responses came from the “Public Administration and Defence, Compulsory Social Security” sector (21%).

15. **Figure 2** summarises the sectors that responded to the consultation.

Figure 2 – main industry of respondents to consultation



Responses to the questions

16. HSE asked consultees to consider a number of questions on the proposed amendments to cost recovery and to support their answer with some further explanation. Not all respondents answered every question. Of the 38 responses, 4 were not specific to the questions asked but rather provided general comments. These general comments have been allocated by HSE against the most relevant question and included in the analysis below. Respondents were asked to select from the following response to each question and explain their answer:

- a. Strongly agree.
- b. Agree.
- c. Don't agree or disagree (considered a 'neutral' response below).
- d. Disagree.
- e. Strongly Disagree.

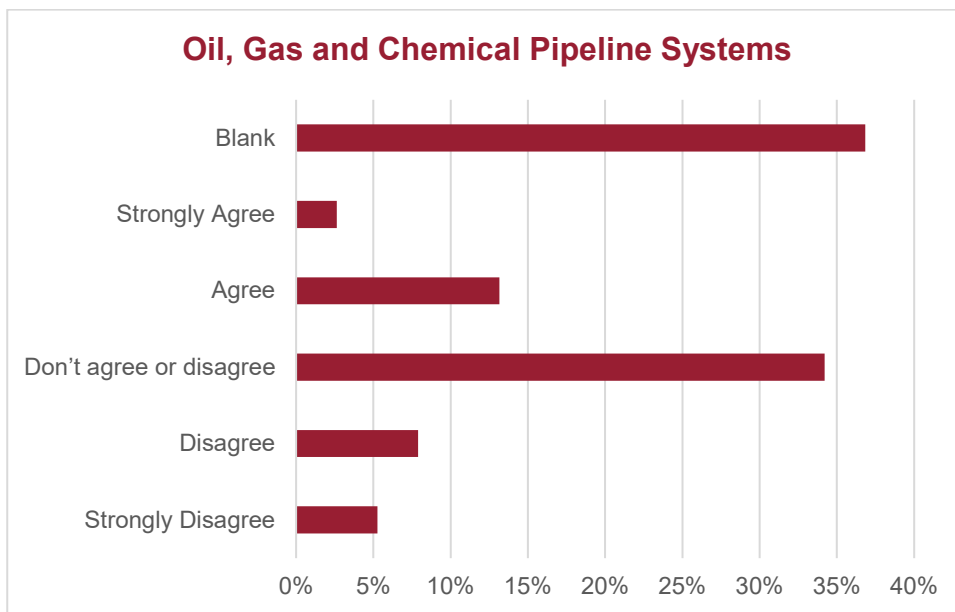
Question 1: Oil, Gas and Chemicals Pipeline Systems

To what extent do you agree or disagree that the proposed cost recovery regime is a fair and reasonable way for HSE to recover the cost of this activity?

Question 1

17. Of the 38 respondents, 14 did not provide a response to the question (37%). A total of 19 responses (50%) either strongly agree, agree or were neutral about the proposal for full cost recovery for oil, gas and chemicals pipeline systems.
18. A total of 5 responses (13%) of the 38 either disagree or strongly disagree with the proposal. These statistics are summarised in **Figure 3** below.

Figure 3 – Summary of response to Question 1 on oil, gas and chemical pipeline systems



Question 1: Comments in support of the proposal

19. A number of comments were received in support of the proposal and can be grouped into the following themes:
- The proposal is proportionate.
 - The proposal is consistent with other areas of HSE's work.
 - Considering the size of the duty holders in the market, additional costs should be negligible.
 - The proposal demonstrates that HSE are proactive in ensuring safe use of future technologies.

Question 1: Comments against the proposal

20. Comments received from those that disagree or strongly disagree cover the following themes:

- a. Queries over whether the risk profile of the sector warrants the charging scheme under the polluter pays principle.
- b. Concern that cost recovery schemes could harm the viability of emerging technologies (hydrogen and carbon capture and storage).
- c. Concern about the research element of emerging technologies which often takes place on behalf of industry or even government and so cost recovery against one duty holder would be unfair.
- d. Suggestions that Ofgem¹⁰ (the energy regulator for Great Britain) should be consulted and any cost recovery by HSE should be implemented with Ofgem as a pass-through cost.
- e. Questions about ‘common good’ in hourly rates, which HSE refers to as ‘indirect costs’ and why this fund can’t cover the costs of regulating these sectors.
- f. Concerns about how the start and end of operators’ liabilities and the suggestion that this will generate a lot of payment queries.

HSE response

21. Pipelines conveying dangerous fluids as described by PSR 1996 have been determined to possess major accident potential, by definition. These include pipelines conveying natural gas through our gas network and those which may be repurposed for conveyance of hydrogen. HSE therefore deems a programme of targeted risk-based inspections is required to adequately regulate this sector. At present only regulatory activity in relation to the natural gas networks is cost recoverable through the Gas Safety (Management) Regulations 1996¹¹ (GSMR 1996) cost recovery regime. The current FFI mechanism applying to all other pipelines only recovers costs for material breaches of the law and does not fund these risk-based interventions.
22. The risk-based approach will ensure costs are proportionate for each operator and regulatory oversight will help with public confidence and acceptance. Some of HSE’s costs may partially be borne by Government initially (e.g. work on Hydrogen for Heating). However, in order for HSE to effectively regulate existing work and new work, full funding via cost recovery is required.
23. Fee rates are a blended rate which includes an element of ‘indirect costs’ (previously referred to as ‘common good’). These ‘indirect costs’ are specific to each cost recovery regime and so any ‘indirect costs’ included in the offshore hourly rate are not related to costs associated with regulating under other regulations or sectors.
24. In terms of clarity about where liabilities start and end, HSE will work with operators to understand who are the duty holders in any particular work zone before commencing their regulatory activities.

¹⁰ Ofgem: <https://www.ofgem.gov.uk/>

¹¹ The Gas Safety (Management) Regulations 1996:
<https://www.legislation.gov.uk/uksi/1996/551/contents/made>

25. At present the only pipeline activity regulated by Ofgem the economic regulator is the gas transmission and distribution networks. HSE regulatory activity with respect to these networks is already cost recovered under GSMR 1996 cost recovery regime and it is not proposed to amend those well-established arrangements.

Question 2

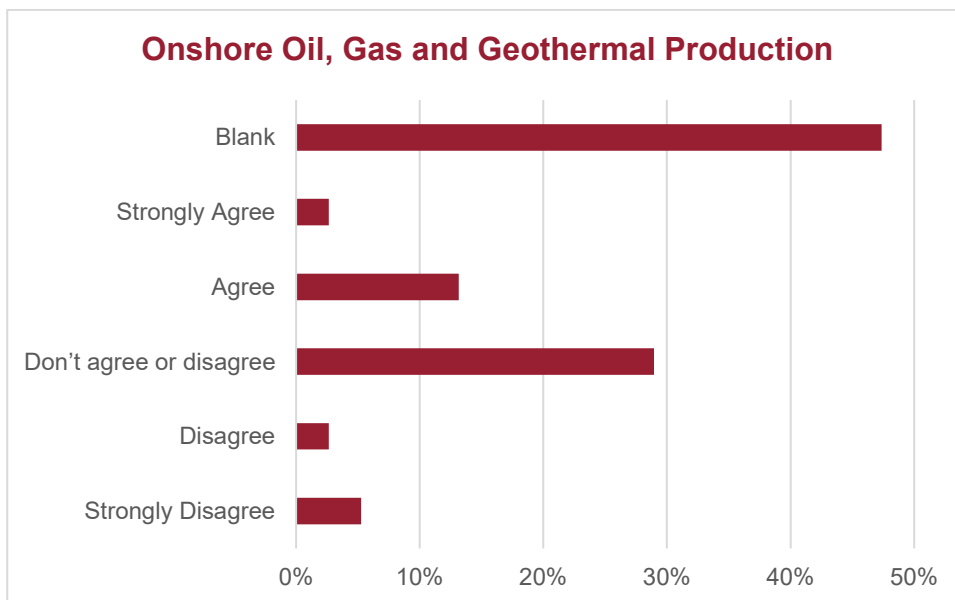
Question 2: Onshore Oil, Gas and Geothermal Exploration and Production

To what extent do you agree or disagree that the proposed cost recovery regime is a fair and reasonable way for HSE to recover the cost of this activity?

26. Of the 38 respondents, 18 did not provide a response to the question (47%). A total of 17 (45%) either strongly agree, agree or were neutral about the proposal for full cost recovery for onshore oil, gas and geothermal exploration and production.

27. 3 of the 38 respondents (8%) either disagree or strongly disagree with the proposal. These statistics are summarised in **Figure 4** below.

Figure 4 - Summary of response to Question 1 on oil, gas and chemical pipeline systems



Question 2 - Comments in support of the proposal

28. A number of comments were received in support of the proposal and can be grouped into the following themes:
- Consistent with other regimes and suggestion that the Control of Major Accident Hazards Regulations 2015¹² (COMAH 2015) hourly rate should apply.
 - The proposal is proportionate to the scope of the work discussed.
 - Fees would be seen as negligible weighed against potential profit in the industry.

Question 2 - Comments against the proposal

29. Comments received from those that disagree or strongly disagree cover the following themes:
- Comments that general taxation should cover the cost of HSE's time.
 - Concern that cost recovery could lead to less future environmental and safety development within the industry.
 - Suggestions that 'common good' now referred to as 'indirect costs' included in hourly rates should cover any shortfall in funding.
 - Concern the proposal is targeting those best able to pay rather than on any other basis.
 - Concerns that this will lead to uncertainty about the viability of geothermal energy. Expressions that the risk from geothermal projects is very low and questions about whether HSE will distinguish between larger deep geothermal wells and the shallower geothermal wells.
 - Suggestions that 'business as usual' will become 'cost recoverable consultancy.'
 - Arguments that cost recovery in the past has been for areas where compliance has not been adequately demonstrated and this proposal is a move to charging industry for 'normal' regulation.

HSE response

30. The onshore oil, gas and geothermal exploration and production sector has been identified by HSE as a sector where a risk-based intervention strategy is required. This sector has major accident potential and the current cost recovery mechanism of FFI for material breach only does not fund the specialist resource required to undertake these risk-based programmes of intervention. The risk-based approach will ensure that poorer performers will attract the most time from HSE.
31. The decision to implement cost recovery is based on the sector being identified as high hazard and strategically important and as such requires specialist inspections.
32. HSE experience in other sectors is that cost recovery supporting appropriate regulatory oversight will lead to continuous improvement in terms of safety and environmental outcomes.

¹² The Control of Major Accident Hazards Regulations 2015:
<https://www.legislation.gov.uk/ukxi/2015/483/contents/made>

33. It is anticipated that the regulatory support of these sectors will enable development of emerging technologies safely and will provide public assurance.
34. Fee rates are a blended rate which includes an element of ‘indirect costs’ (previously referred to as ‘common good’). These ‘indirect costs’ are specific to the cost recovery regime and so any ‘indirect costs’ included in the hourly rate for other cost recovery regimes are for costs associated with that regime only.
35. It is government guidance to cost recover the full cost of a service (see Managing Public Money¹³). FFI is the mechanism for recovering costs where compliance has not been adequately demonstrated. However, HSE has operated a number of cost recovery regimes for many years, in high hazard sectors and this proposal is in line with that long standing approach.
36. The Health and Safety and Nuclear (Fees) (Amendment) and Gas Safety (Miscellaneous Amendment) Regulations 2024 will define what is meant by a geothermal site and the definition will exclude any small lower risk or non-commercial geothermal boreholes / wells.

Question 3

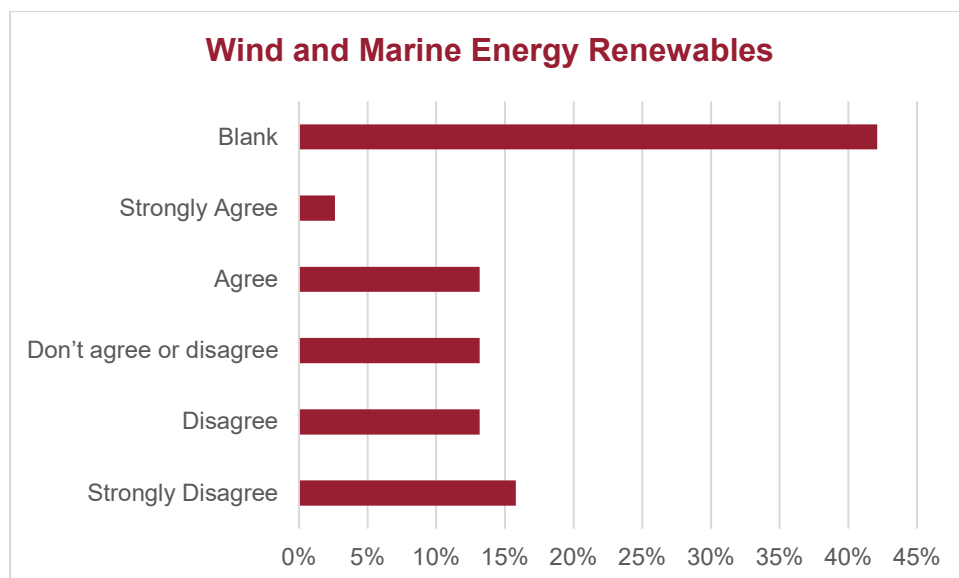
Question 3: Wind and Marine Energy (Renewables)

To what extent do you agree or disagree that the proposed cost recovery regime is a fair and reasonable way for HSE to recover the cost of this activity?

37. Of the 38 respondents, 16 did not provide a response to the question (42%). A total of 11 respondents (29%) either strongly agree, agree or were neutral about the proposal for full cost recovery.
38. 11 of the respondents (29%) of the 38 respondents either disagree or strongly disagree with the proposal. These statistics are summarised in **Figure 5** below.

Figure 5 - Summary of response to Question 3 on Wind and Marine Energy Renewables

¹³ Managing Public Money:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1174979/Managing_Public_Money_-_May_2023_.pdf



Question 3: Comments in support of the proposal

39. A number of comments were received in support of the proposal and can be grouped into the following themes:

- a. Agreement that the examples provided demonstrate the case for cost recovery.
- b. Suggestions that the profit margins of these industries mean cost recovery by HSE will be readily absorbed.
- c. Agreement that the proposal is proportionate to the scope of the work proposed.
- d. Agreement with the assessment that the industry is high hazard.
- e. Acknowledgement that the proposal is consistent with cost recovery for other types of industry.

Comments against the proposal in Question 3

40. Comments received from those that disagree or strongly disagree cover the following themes:

- a. Arguments that the current FFI arrangement for cost recovery is sufficient.
- b. Concern that moving to the proposed cost recovery scheme will have a cost impact on projects and operations and that this in turn could adversely impact the viability of some projects and may impact the UK's ability to meet its net zero targets and migration from traditional (fossil fuel) energy sources to renewables.
- c. Concern that the approach will change HSE's motivation to revenue generation and interfere with the relationship between industry and HSE.
- d. Suggestion that there is a lack of clarity in the definition of Wind and Marine Energy (Renewables) in the consultation document.
- e. Future energy developments, for example hydrogen co-location, would be covered by COMAH 2015.
- f. Suggestion that a cost recovery regime is disproportionate to the risk profile of the industry and would represent an unreasonable burden, that would stifle innovation and deter investment.
- g. Suggestion of inconsistency with other industries with similar or higher risk profiles than wind and marine renewables e.g. construction and sub-COMAH chemical and process industries.

- h. Acknowledgement that there are certain points in the life of wind and marine assets where there is a significant risk, during construction and service activities, but for the majority of the time the risks are less.
- i. Suggestions that an approach that ensures an asset is safe by design and by the application of robust procedures during the operations and maintenance phase would be a more effective way of ensuring risks associated with an asset are reduced as low as is practicable.
- j. Suggestions that the design phase could be supported by a safety case from the duty holder.
- k. Concern for erosion of the positive existing partnership between the HSE and industry
- l. Disagreement with the judgement by HSE that the sector is high hazard in hostile locations.
- m. Requests that Offshore Energies UK¹⁴ (OEUK) should be identified as a member of the Cost Recovery Review Group, and further review of the proposed membership considered to ensure appropriate entities are invited.
- n. Concern that the cost recovery system may not be fair and that HSE may target companies who are less adversarial and who might pay the quickest / easiest.

HSE response

41. HSE has identified that the hazard associated with wind and marine energy (renewables) is significant enough that FFI does not cover the full cost of regulating. The proposed cost recovery regime will include regulatory interventions associated with the full life cycle of the installations. Wind and marine energy renewables are critical national infrastructure, and the associated hazard is exacerbated by the fact that the installations are in remote and hostile locations which are not readily accessible. A programme of risk-based intervention is required to effectively regulate this industry, and this can only be funded through full cost recovery, which is in line with HM Treasury guidance in Managing Public Money.
42. The risk profile associated with wind and marine energy renewables does vary throughout the lifecycle and HSE's targeting approach will mean it intervenes at higher risk times when it can have the most influence. A full cost recovery regime will allow HSE to engage at all stages of the lifecycle of a project and recover its costs whereas FFI would not allow HSE to do that because it is dependent on a material breach.
43. A full cost recovery regime will allow HSE to recover regulatory costs including those of offshore oil and gas specialist inspectors whose skills, knowledge and experience are required in the offshore environment.
44. HSE will develop a risk-based intervention strategy which will inform work plans. HSE will inspect business according to these risk-based work plans rather than for revenue

¹⁴ Offshore Energies UK: <https://oeuk.org.uk/cdal-aboutus/>

generation. HSE's experience with other charging regimes is that the relationship with duty holders is not impacted as the charging regimes are fair and proportionate.

45. The definition of Wind and Marine Energy (Renewables) will be set in law by the proposed new statutory instrument, The Health and Safety and Nuclear (Fees) (Amendment) and Gas Safety (Miscellaneous Amendment) Regulations 2024.
46. There are now and increasingly will be potential areas of overlap between different areas of HSE's regulation and thereby cost recovery regimes. We will always know which regime applies in a particular set of circumstances and where clarification is needed this can be provided in writing and at cost recovery review group meetings.
47. HSE is not aware of any evidence from other cost recovery regimes it administers that innovation or investment is stifled. There are many examples where HSE has been consulted early to enable new and innovative projects to go ahead.
48. HSE does not find justification for a safety case approach at this time, but HSE will of course keep this under review.
49. HSE will produce a charging guide for each new regime which will inform duty holders about the extent of charging regime and how costs will be charged.
50. HSE will set up a cost recovery group and will communicate to industry annually about any changes to hourly rates.
51. All the proposed cost recovery regimes will be kept under regular review to ensure they are meeting the policy objective. HSE stresses that this will enable this growing industry to continue operating with a strong record of health and safety performance and will provide public assurance which is important in avoiding delays and encouraging growth.

Question 4

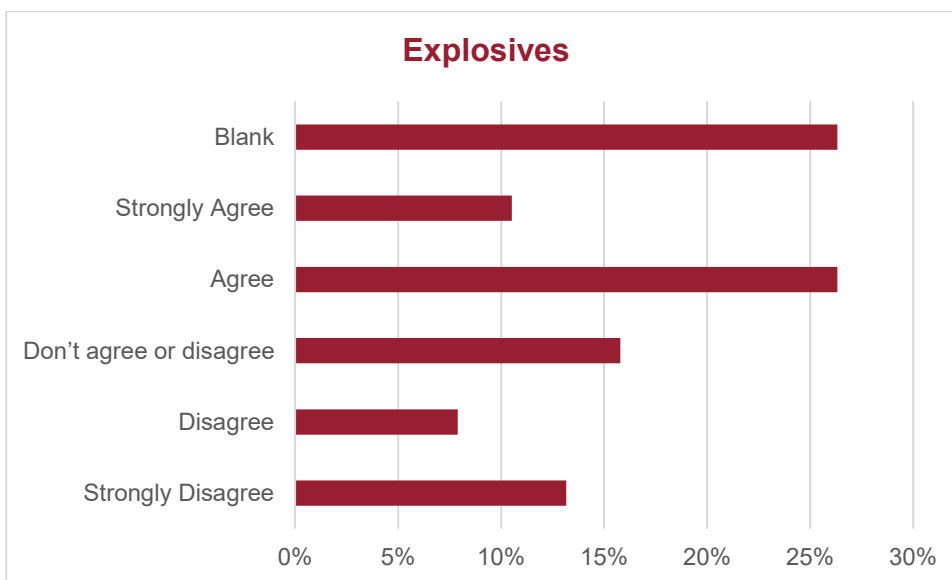
Question 4 Explosives

To what extent do you agree or disagree that the proposed changes produce a fair and reasonable way for HSE, Local Authorities and Police to recover the cost of this activity?

33. Of the 38 respondents, 10 did not provide a response to the question (26%). A total of 20 respondents (53%) either strongly agree, agree or were neutral about the proposal.

34. A total of 8 of the 38 respondents (21%) either disagree or strongly disagree with the proposal. These statistics are summarised in **Figure 6** below.

Figure 6 - - Summary of response to Question 4 on Explosives



Question 4: Comments in support of the proposal

35. A number of comments were received in support of the proposal and can be grouped into the following themes:

- a. Recognition that high-risk industries should pay for their regulation.
- b. Agreement that the proposal is proportionate to the scope of the work.
- c. Agreement that an increase in license fees is required to better meet the costs of the licensing authorities. Acknowledgement however that consideration must also be given to the fact that if the fee increases too much, this could deter legitimate business and push the sale of fireworks to the illegal market.
- d. Acceptance that the proposal is proportionate to the risk profile of the industry.
- e. Suggestions that the proposal provides consistency and transparency with other high-risk industries.

Question 4: Comments against the proposal

36. Comments received from those that disagree or strongly disagree cover the following themes:
- a. Comments that general taxation should cover the cost of HSE's time.
 - b. Comments that cost recovery could lead to less environmental and safety investment.
 - c. Suggestions that the proposal is not fair or reasonable and the proposed fees are excessive for the level of service.
 - d. Concern about the level of fees for small businesses.
 - e. Concerns that the current licensing system is not working, and applications can take a very long time for HSE to process. The link between increased costs and improved service is not clear.
 - f. Concerns about sites where there is a dual permissioning regime such as COMAH and ER2014.
 - g. Arguments that a fixed fee and an hourly rate penalise small companies who might have simple applications and demands.
 - h. Arguments that the hourly rate is too high and there should be a different rate for administration and specialist staff.
 - i. Suggestions that the hourly rate should not be higher than the rate suggested for CDG.
 - j. Suggestions that the proposal seems inconsistent with other regimes, for example petroleum, Food Standards Agency, the Information Commissioner and that the explosives industry has been adequately regulated for decades and pays the highest tax burden ever – this would increase that tax burden.
 - k. Concern about whether consistent billing will be achieved.
 - l. Concerns that an increase in licence fee could increase illegal sales of fireworks.
 - m. Arguments that the scale of the price increase is unjustified.

HSE response

37. HSE has identified that the risk associated with working with explosives is significant enough to require HSE to implement risk-based intervention strategies. Such risk-based interventions require additional funding and HM Treasury guidance in Managing Public Money is to recover from the duty holder the full cost of providing the service.
38. HSE has robust procedures in place to accurately record time and invoice quarterly.
39. The Licence fees are not currently recovering the full cost of the service e.g. the costs of undertaking a program of risk-based interventions aimed at ensuring that people feel safe where they live, where they work and, in their environment. The licence fee increase will be set to recover the actual costs of running the licensing service so that work activities creating risk can be appropriately regulated. This will be a 5% increase compared to current fees, in line with the update to the rest of the fees and charges in

the Health and Safety and Nuclear (Fees) Regulations 2022¹⁵ (as amended) (Fees Regulations 2022). This approach is in line with HM Treasury guidance in Managing Public Money.

40. HSE has recognised that adequate resources have not been in place to deliver explosives permissions to the timescales that it wants to deliver to and has recently recruited two Explosives Permissioning Officers. These team members will be focussed on permissioning and will therefore not have to respond to reactive demands such as fatal and injury incidents, dangerous occurrences and concerns. HSE also continues to work on incremental improvements to the IT that supports the licensing process.
41. HSE has considered the concerns raised by some trade associations who believe an increase in fees in the local authority regulated sector (principally firework sales) will result in distribution moving underground. Fees for licences granted by the police and local authorities will continue to reflect the effort required to draft or renew them and include a fee element for proportionate inspection. Following this consultation and review of cost data, licence fees will be increased by 5% which is in line with the increase to other fees and charges in the Fees Regulations 2022.
42. HSE will produce a charging guide that will be available on HSE's website when the new charging regime comes into force. This will explain how costs will be charged and to whom and will build on the very clear separation HSE has in place between COMAH and its other charging regimes.

¹⁵ The Health and Safety and Nuclear (Fees) Regulations 2022:
<https://www.legislation.gov.uk/uksi/2022/1378>

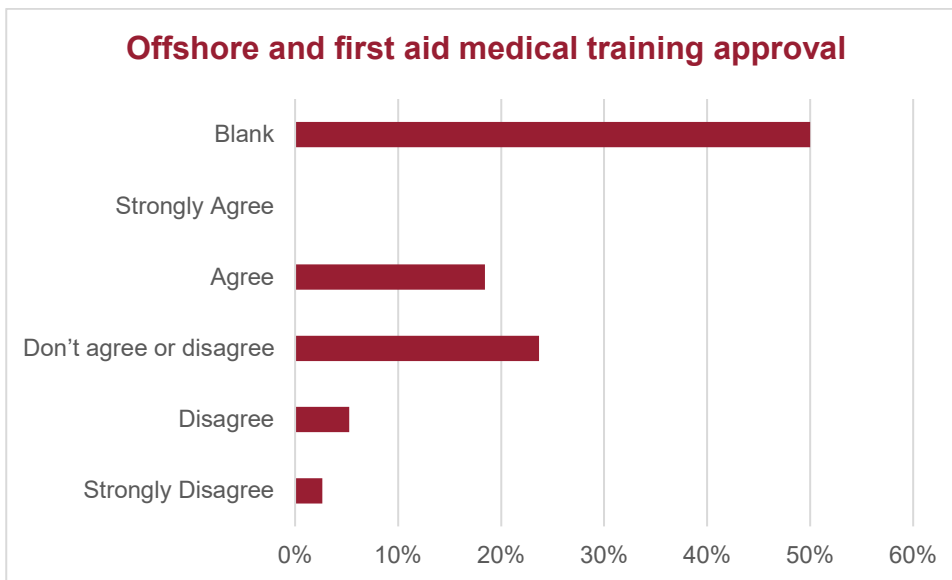
Question 5: Offshore First Aid and Medical Training Approvals

To what extent do you agree or disagree that the proposed simplification and associated rates (for offshore first aid and medical training approvals) are a fair and reasonable way for HSE to recover the cost of this activity?

Question 5

42. Of the 38 respondents, 19 did not provide a response to the question (50%). A total of 16 respondents (42%) either strongly agree, agree or were neutral about the proposal for full cost recovery.
43. Of the 38 respondents, 3 (8%) either disagree or strongly disagree with the proposal. These statistics are summarised in Figure 7 below.

Figure 7 – Summary of responses to Question 5 on Offshore and first Aid medical training approval



Question 5: Comments in support of the proposal

44. A number of comments were received in support of the proposal and were grouped into the following themes:
- Agreement that simplification of the fees will generally make life easier for industry.
 - Acknowledgement that other types of industry already get charged by HSE.
 - The suggestion that the proposal provides transparency associated with the recoverable costs.

Question 5: Comments against the proposal

45. Comments received from those that disagree or strongly disagree cover the following themes:
- a. General arguments provided that the proposal amounts to an additional tax which could lead to decreased environmental and safety investment and is not proportionate to the scope of the work.
 - b. Suggestion that the rationale for the change is not clear, arguing that under the simplified regime the renewal fee would be rolled into a site visit which would not always be required.
 - c. Arguments that the work charged by HSE might be an unnecessary task which could be better conducted by industry.
 - d. Statement that individual approvals by HSE should not be required if instead first aid training providers could build their training on recognised standards, developed by national or international organisations and recognised by HSE.

HSE response

46. The fees for approval of offshore medical training and offshore first aid training are complex and span 4 multi-columned tables, separating out a fee for original approval and a fee for the associated site visit, fees for renewals of approvals and then fees for future site visits and cancellation fees. The proposal will simplify the fees to just three types of fee: original approval, fees for future site visits and a reasonable charge for any cancelled site visits.
47. HSE anticipate that this will make the administration of these fees more straight forward for HSE and also easier to understand for industry. The fees are set to recover the actual costs of running the approval service. This approach is in line with HM Treasury guidance in Managing Public Money.
48. HSE undertakes approvals of first aid training and offshore medical training on the grounds of the risk profile of operations offshore which warrant medicals and first aid training to be a required standard determined by HSE.
49. However, on reflection we are now proposing to pause this simplification and not include in the Health and Safety and Nuclear (Fees) (Amendment) and Gas Safety (Miscellaneous Amendment) Regulations 2024. This will also enable HSE to gather more data about the appropriate fee structure that will ensure costs are fully recovered for these approvals.

Conclusion

50. HSE received 38 responses to the consultation, with 8 of these responses being from trade associations that represent a number of viewpoints.
51. For all but one of the questions asked, a majority agreed or were neutral about the proposal compared to those who disagreed with the proposal. The question about cost recovery for wind and marine energy (renewables) was answered with equal agreement/neutrality compared with disagreement. HSE understands the concern that these are emerging technologies but considers that the high hazard and critical national importance of these industries warrants a risk-based intervention strategy from HSE. This will enable this growing industry to continue operating with a strong record of health and safety performance and provide public assurance which can avoid delays and encourage growth.
52. HSE has robust procedures in place to record time and to estimate full cost hourly rates. Charging guides will be published on HSE's website which explain how hourly rates are calculated and what and whom will be charged. HSE will also set up cost recovery review groups to communicate with industry and listen to any concerns as the new regimes comes into force.
53. Full cost recovery is in line with HM Treasury guidance in Managing Public Money. General taxation is not appropriate for this type of regulation because the high hazard and or strategic importance of the industries requires a certain intervention strategy which can only be funded by the industry themselves.

Further information

For information about health and safety, or to report inconsistencies or inaccuracies in this guidance, visit [the HSE website](#).

You can order HSE priced publications at [the HSE books website](#).

HSE priced publications are also available from bookshops.

This publication is available on the HSE website [here](#).

© Crown copyright If you wish to reuse this information visit [the HSE website](#) for details. First published 03/2024.

Published by the Health and Safety Executive 03/24.