



## **ACS Consultation Response Health and Safety Executive – Extension of Cost Recovery**

1. ACS (the Association of Convenience Stores) welcomes the opportunity to provide evidence to the Health and Safety Executive consultation on extending cost recovery. ACS represents 33,500 local shops across the country including Co-op, Spar, Costcutter and thousands of independent retailers.
2. Compliance with health and safety regulations is an important issue for our members. They take the responsibility for the safety of their employees and customers very seriously and invest significantly to ensure deliver safe working environments. The publication of the HSE cost recovery consultation has sparked significant concern from retailers across the country because of the huge cost implications of introducing cost recovery for health and safety related visits.
3. Oversight of healthy and safety compliance in convenience stores is undertaken by local authorities. However the consultation references the HSE's openness to consider allowing local authorities to recover costs from their health and safety enforcement and communications:

*“HSE will continue to engage and consult with Local Authorities to seek their views during the public consultation. In light of the consultation responses, and subject to the necessary legislation, the proposals could be amended to enable Local Authorities to recover the costs of their interventions from as early as April 2012.”*

4. Compliance with business regulation like health and safety and the associated costs is a hot political topic which the government is putting significant time and effort into mitigating the costs to business. This makes cost recovery proposals all the more disjointed from national trends on the future of enforcing regulations and engaging with the business community.
5. In this submission ACS outlines the reasons for not extending cost recovery powers to local authorities for health and safety regulations. Retailers have provided evidence on the number of yearly visits received for health and safety purposes and their overall investment in compliance to trade safely. ACS strongly urges the HSE not to recommend legislation to enable Local Authorities to implement cost recovery for their enforcement activities and would like to see this opportunity taken to confirm that Local Authority cost recovery will not be allowed in future.

## Existing Health and Safety Costs

6. Our members have been keen to provide us with evidence on the extensive amount of time, money and effort they put into compliance with health and safety regulations. This investment ranges from specialist equipment, dedicated teams of staff, annual training programmes for all employees and memberships of professional bodies. These costs represent a significant commitment to compliance with health and safety regulations and represent a standalone reason for not burdening retailers with more compliance costs.

### *Case Study One*

7. Case study one represents a company of 81 convenience stores trading in the North of England employing over 1000 workers. They have provided a breakdown of their investment in health and safety compliance costs across their business which equates to over a quarter of a million pounds:

<b>COMPLIANCE AND SAFETY MEASURES</b>	<b>TOTAL COST</b>
Staff Training	£200,000 per year
Safety Equipment	£9,700 per year
Fire Risk Assessment	£10,000 per year
Health and Safety Manager and Administration	£50,000 per year
<b>All health and safety measures</b>	<b>£269,700 per year</b>

### *Case Study Two*

8. Case Study two represents a multiple retailer in Scotland which highlights the depth of resource that businesses must have to be compliant. This retailer has the following health and safety structures in their business:

*Full time health and safety department containing four members of staff including:*

- Group HSE Manager, CMIOSH (Chartered Member of Institution of Occupational Safety and Health)
- Health and Safety Adviser TechIOSH (Technician Member of Institution of Occupational Safety and Health)
- Assistant Health and Safety Adviser, NEBOSH General Health and Safety Certificate
- Health and Safety Administrator

*Training for employees and managers across the company:*

- 65 Senior Managers trained to IOSH (Institution of Occupational Safety and Health) Managing Safety Level
- Six NEBOSH General Health and Safety Certificate trained line managers.
- Store Manager/Supervisors comprehensive in-house health and safety training programmes

### The Burden of Cost Recovery

- If Local Authorities were given the opportunity to use cost recovery procedure this would further compound the cost of health and safety measures for retailers. Working on the tariff outlined in the Cost Recovery consultation for the HSE we have modelled the additional cost that retailers would have to meet.
- The tables below reflect the number of visits and communications received from the two earlier case studies. On the basis of each letter costing £133 (1 hour to administer) we have estimated the potential costs.

#### Case Study 1a

Case Study 1a				
	2009/10	2010/11	2011 (To date)	Total Potential Cost (£)
Visits	75	85	28	-
Comms	44	38	6	-
Total (£)	5,852	5054	798	11,704

#### Case Study 1b

Case Study 1b				
	2008/09	2009/10	2010/11	Total Potential Cost (£)
Visits	33	30	39	
Comms	29	21	35	
Total (£)	3857	2793	4655	11,305

- For the figures we have on the total cost of health and safety investment for case study 1a we can assume an increase of 4.3 per cent on to their existing health invest of £269,700 per year.

## **Business Enforcement Relationship**

12. Developing a good relationship with enforcement agencies in communities is an essential part of modern day retailing. ACS consistently reinforces this message to our members highlighting the importance of working in partnership with their local authority, not against them. Given the pressures on retailers' and enforcers' time and budgets this is often difficult to continually facilitate. However, it is clear that introducing a cost recovery scheme for local authorities will place further stress on these working relationships.
13. Responsible businesses that would be inclined to report accidents to the HSE National Incidents Centre and learn from accidents would be less inclined to do so for fear of the cost of a follow up inspection. Non compliant businesses on the other hand will continue to put the public and their staff at risk unchecked.
14. Furthermore given the pressure on Local Authority budgets, enforcement officers may be more inclined to enforce in areas that would have previously been dealt with in more informal ways. ACS urges the HSE and Local Authorities to carefully consider the impact that cost recovery will have on relationships with their existing business clients.

## **Local Authority and Cost Recovery**

15. Anecdotally through members and via direct conversations with Local Authority representatives there appears to be a general consensus that Local Authorities do not favour introducing a cost recovery scheme. The HSE already have cost recovery procedures and back office systems for cost recovery, Local Authorities do not.
16. Implementing these systems across Local Authorities for the many health and safety enforcement roles they perform would be costly and logistically burdensome. This will be particularly true if local authorities are given powers to recover costs for all forms of communications, including phone calls and emails.
17. Furthermore cost recovery would hamper relationships between business and authorities which ultimately save costs and increase levels of safety.
18. ACS urges the HSE not to recommend legislation enabling Local Authorities to introduce a cost recovery scheme for health and safety regulations and would like to see this opportunity taken to confirm that Local Authority cost recovery will not be allowed in the future.

***For further information on this submission please contact Edward Woodall, Public Affairs Executive: [edward.woodall@acs.org.uk](mailto:edward.woodall@acs.org.uk)***