

Exempting from health and safety law those self-employed whose work activities pose no potential risk of harm to others

Health and Safety Executive

RPC rating: **fit for purpose**

Description of proposal

The proposal would exempt from health and safety law those self-employed individuals who pose no risk to the health and safety of others. Those working within specified high-risk activities would, however, remain subject to health and safety law. The proposal has changed since the previous green-rated RPC opinion of March 2013, changing the number of self-employed individuals who will be exempt from health and safety law.

Impacts of proposal

The IA includes evidence from a range of sources, including a Health and Safety Laboratory survey, Local Authorities, enforcement records and the original Loftstedt report suggesting that “*there would be no savings to existing self-employed from changes in working practices, as we do not expect behaviour to change as a result of the exemption*”. The evidence suggests that 90% of self-employed individuals do not believe they have any legal obligations regarding their own health and safety. The remaining 10% believe that the removal of health and safety obligations would not make any difference to their working practices.

The HSE, however, expects there to be some savings to 180,000 existing self-employed people who are aware of the law no longer needing to stay up to date with health and safety requirements (£870,000 per year, £7.5 million 10-year net present value (NPV)), and from reduced familiarisation costs for around 9,100 new self-employed individuals each year who will be exempt from requirements (£65,000 per year, £0.5 million 10-year NPV, based on Office for National Statistics data on volume of new businesses, adjusted for those likely to be aware of health and safety requirements).

One-off familiarisation costs are estimated to total £3.4 million for existing self-employed individuals to understand the change and assess whether they will be exempt from health and safety law. The estimates are based on detailed breakdowns of self-employed occupations, the likelihood of those occupations being exempt and different assumptions for considering whether the exemption would apply, for example considering the difference between office and non-office based work. Based on the evidence presented, the RPC is able to validate the estimated average net benefit to business of around £0.41 million.

Quality of submission

The IA deals effectively with the uncertainty associated with some of the estimates, in particular time savings, costs and existing levels of non-compliance. The HSE has undertaken work to understand current levels of awareness and compliance with existing laws, and this is reflected in the analysis. The resulting statement that the proposal is likely to have no impact on existing behaviours appears reasonable.

Other comments

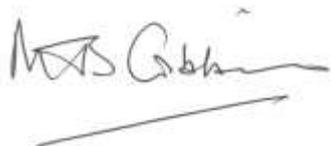
The analysis relating to the cohorts of individuals likely to be exempt, or to undertake different types of work, draws on a very detailed annex with reference to summary figures, for example in the footnotes 26 – 29. The IA would be more accessible if these figures were presented in a single place or table explaining concisely the overlaps between them.

Initial departmental assessment

Classification	OUT
EANCB	-£0.41 million
Net present value	£4.65 million
Business net present value	£4.65 million

RPC assessment

Classification	OUT
EANCB – RPC Validated	-£0.41 million
Small and micro business assessment	Not required (deregulatory)



Michael Gibbons CBE, Chairman