

<b>Title:</b> Second Post Implementation Review of The Petroleum (Consolidation) Regulations 2014 <b>PIR No:</b> HSE-PIR2024-002 <b>Original IA/RPC No:</b> HSE0085 <b>Lead department or agency:</b> Health and Safety Executive <b>Other departments or agencies:</b> None <b>Contact for enquiries:</b> james.stewart3@hse.gov.uk	<b>Post Implementation Review</b>
	<b>Date:</b> 02/08/2024
	<b>Type of regulation:</b> Domestic
	<b>Type of review:</b> Statutory
	<b>Date measure came into force:</b> 01/10/2014
	<b>Recommendation:</b> Keep
<b>RPC Opinion:</b> N/A - Below de minimus	

**1. What were the policy objectives of the measure?** (Maximum 5 lines)

The Petroleum (Consolidation) Regulations 2014 (PCR) implemented a recommendation of the 2011 Löfstedt Review of health and safety legislation in the UK by consolidating, modernising, and simplifying previous legislative arrangements. PCR covers the safe storage of petrol at workplaces that dispense petrol and at non-workplaces. The purpose of PCR was to modernise, consolidate, and simplify the regulations while maintaining existing safety standards.

**2. What evidence has informed the PIR?** (Maximum 5 lines)

A proportionate approach was taken to the PIR, therefore HSE hosted a month-long online survey for the key stakeholder group. A total of 31 responses, some representing multiple companies and others multiple sites, were received from a range of different stakeholders, including regulators (22), petroleum retailers (6) and trade associations/others (3). This approach ensured that a wide range of stakeholders were given the opportunity to contribute to this review.

**3. To what extent have the policy objectives been achieved?** (Maximum 5 lines)

PCR allows dutyholders an opportunity to pay a storage certificate annual fee as an annual payment or a single payment over a longer period therefore simplifying compliance for businesses. Respondents took advantage of different payment frequencies, although not all Petroleum Enforcement Authorities (PEAs) offered 10-year payment options. Respondents mentioned that, as intended, retailers are taking more responsibility and that their members are finding it easier to make business related decisions.

Sign-off for Post Implementation Review: Chief economist/Head of Analysis and Minister

***I have read the PIR and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.***

Signed: **Edward Woolley** 

Date: 02/08/2024

## Further information sheet

Please provide additional evidence in subsequent sheets, as required.

### **4. What were the original assumptions?** (Maximum 5 lines)

The purpose of PCR was to simplify and modernise the existing legislation with minimal impact on industry with £30,000 net savings per annum. The main change was to replace licensing with petroleum storage certificates at dispensing premises, which is described in further detail in the previous PIR.

### **5. Were there any unintended consequences?** (Maximum 5 lines)

Respondents identified few unintended consequences of the PCR, and none that HSE were not already aware of from the previous PIR and engagement with key stakeholders. The Ministry of Defence (MOD) were not covered by the previous petroleum legislation but self-regulated in line with them. MOD sites are now subject to PCR but MOD have not been named as a regulator. Whilst the MOD are not named as a regulator, there is no regulatory gap as this is covered by the PEAs.

### **6. Has the evidence identified any opportunities for reducing the burden on business?** (Maximum 5 lines)

The evidence did not identify any further opportunities. As a result, the regulations remain relevant and no changes are recommended.

### **7. How does the UK approach compare with the implementation of similar measures internationally, including how EU member states implemented EU requirements that are comparable or now form part of retained EU law, or how other countries have implemented international agreements?** (Maximum 5 lines)

These regulations are not EU-derived. It is not proportionate in a light touch review to carry out an international comparison.

## **Annex 1- Summary of findings and conclusions.**

### **Introduction**

The Petroleum (Consolidation) Regulations 2014 (PCR) came into force on 1st October 2014. This followed a recommendation by Professor Löfstedt for HSE to simplify its legislative framework in his report 'Reclaiming health and safety for all: An independent review of health and safety legislation'<sup>1</sup>.

The Regulations cover the safe storage of petrol at workplaces that dispense petrol (dispensing premises) and at non-workplaces.

PCR is a permissioning regime which requires petrol operators to make an application to the regulator to store and dispense petrol. The Dangerous Substances and Explosive Atmosphere Regulations 2002<sup>2</sup> (DSEAR) are the risk-based goal setting legislation which requires petrol operators to assess and control the fire and explosion risks in relation to their undertaking. HSE is not the regulator for PCR, it is Petroleum Enforcement Authorities (PEAs) which are local authorities or fire and rescue services.

It is a statutory requirement to undertake a Post Implementation Review (PIR) of the Regulations within five years of them coming into force. This is the second PIR, and presents evidence gathered from stakeholders. It updates from the previous PIR to establish if the Regulations have continued to achieve their objectives, and whether stakeholders had experienced any unintended consequences because of the regulations.

#### **1. What were the policy objectives and the intended effects?**

The purpose of PCR was to consolidate, modernise and simplify the legislation whilst retaining the existing levels of safety. The review consolidated 12 pieces of existing petroleum legislation into a single set of regulations. The main change was to replace licensing with petroleum storage certificates at dispensing premises, which is described in detail in the previous PIR.

#### **2. Describe the rationale for the evidence sought and the level of resources used to collect it, i.e. the assessment of proportionality.**

A light-touch approach to the research was taken. This is proportionate considering the policy intent of PCR to simplify and modernise existing legislation with minimal impact on industry and an estimated saving of £30,000 for business per annum. The previous PIR did not identify any significant issues arising from the implementation of the PCR, and ongoing engagement with Petroleum Enforcement Liaison Group (PELG) had not identified any additional concerns.

As with the previous PIR, HSE was confident that key stakeholders PELG, who were instrumental in shaping the new petroleum legislation, could provide good quality evidence of how the regulations were working in practice. The PELG represents the sector (regulators, petrol operators and industry representatives) and they were aware of the requirement for the PIR, the timeframe and agreed to assist with the process. An in-house electronic questionnaire was developed to gather views from PELG stakeholders and ran from 6 July to 7 August 2023. This method of research was identified as an effective tool for securing an insight into the views and

---

<sup>1</sup> <https://www.gov.uk/government/publications/reclaiming-health-and-safety-for-all-lofstedt-report>

<sup>2</sup> <https://www.legislation.gov.uk/ukxi/2002/2776/contents>

opinions of those who implement and enforce the PCR and to update core questions from the first PIR in 2019.

### **3. Describe the principal data collection approaches that have been used to gather evidence for this PIR.**

An in-house electronic questionnaire was developed to gather views from the PELG stakeholders which ran from 6 July to 7 August 2023. The PELG were notified of the questionnaire and asked to share with the members they represented, with a further reminder disseminated later in July. The majority (22) of responses came from regulators. There were six responses from retailers representing 1,222 petrol filling stations between them. There were two trade associations who responded, accounting for 4160 members.

### **4. To what extent has the regulation achieved its policy objectives? Have there been any unintended effects?**

There were no significant findings, HSE were already aware of most of the findings from the previous PIR or through regular interactions with PELG, and these have been considered. Thirteen respondents said that they were aware of unintended consequences of the PCR. Ten of the respondents who detailed unintended consequences were regulators. The unintended consequence raised most often was lack of notification of work on sites, this was also raised in the 2019 PIR. As part of the previous legislative regime regulators could impose licence conditions requiring any change or work on site to be notified.

As part of the intended move from a licence to a certificate the ability for individual regulators to impose licence conditions was removed, and notification is only required if there is a prescribed material change as defined in PCR. One regulator raised concerns around changes of products and services on forecourts. Many of the comments made did not relate directly to unintended consequences, but rather to administrative issues or to a need for increased understanding of the regulations. Work is ongoing with PELG to increase understanding of regulators around the PCR requirements. One respondent commented on how the system is improving as PEAs are developing a better understanding of their role. Trade association respondents said that the PCR had enabled business to take more responsibility and had improved retailers' ability to make business decisions – which is evidence of the PCR achieving the intended outcomes in modernising and simplifying the legislation.

As with the previous PIR, it was again raised as an unintended consequence that the Ministry of Defence (MOD) is now subject to the regulations, having previously self-regulated in line with them. Whilst the MOD are not named as a regulator, there is no regulatory gap as this is covered by the PEAs.

One respondent commented that the difference in the number of containers that can be filled being dependent on the material of the container causes confusion. This arises from the consolidation of regulations and has not previously been raised as an issue. Guidance is already in place on HSE's website.<sup>3</sup>

### **5. Brief summary of original assumptions and actual costs and benefits and effects on business**

---

<sup>3</sup> <https://www.hse.gov.uk/fireandexplosion/assets/docs/portable-petrol-storage-containers.pdf>

The purpose of PCR was to simplify and modernise the existing legislation with minimal impact on industry with £30,000 net savings per annum. The main change was to replace licensing with petroleum storage certificates at dispensing premises, which is described in further detail in the previous PIR.

Two regulators raised the issue of collection and non-payment of fees. This has arisen due to the policy intent of moving from annual licence renewal to an ongoing certificate but is an administrative issue for the PEAs. A retailer mentioned that not all PEAs offer 10-year payment frequencies, as such the associated potential savings set out in the impact assessment (IA) may not be being fully realised. However, the responses received are not likely to be representative enough to be definitive about the realisation of these savings, given the light touch nature of the PIR.

## **Conclusion**

- The PCR is achieving the policy objectives to modernise and simplify the regulations whilst maintaining levels of safety. This review has indicated that the regulations should remain as they are, with no changes required.
- Petrol retailers are taking up the full range of frequency options for paying for their petroleum storage certificates, although one retailer commented that not all PEAs offer the 10-year option. This element of PCR and the benefits it could offer to businesses may not be being fully realised.
- Stakeholders identified few unintended consequences of the PCR. HSE was aware of most of these concerns from the previous PIR as well as ongoing engagement with PELG and work is ongoing to address these. Some issues raised as unintended consequences indicate an ongoing need to fill knowledge gaps and to improve understanding.
- Several PEAs raised issues associated with the administrative costs of certification and non-payment of petroleum storage certificates. Whilst this has arisen from the ongoing nature of the certificate, this is an administrative issue for the PEAs.
- Trade associations mentioned that retailers are taking more responsibility and that their members are finding it easier to make business related decisions. This is evidence of the PCR achieving the intended outcomes in modernising and simplifying the legislation.