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Annex A

Post Implementation Review of Gas Safety (Installation and Use) (Amendment) Regulations 2018

Title: Post Implementation Review of Gas Safety (Installation and Use) (Amendment) Regulations 2018 (GSIUR 2018)	Post Implementation Review
PIR No: HSE-PIR2023-001	Date: 23/03/2023
Original IA/RPC No: RPC-3948(2)-HSE Lead department or agency: Health & Safety Executive (HSE)	Type of regulation: Domestic
Other departments or agencies:	Type of review: Statutory
Department for Work & Pensions (DWP)	Date measure came into force: 06/04/2018
Contact for enquiries: gas-enquiries@hse.gov.uk	Recommendation: Retain
	RPC Opinion: Green

1. What were the policy objectives of the measure? (Maximum 5 lines) The objectives of GSIUR 2018 were: a) to introduce flexibility to landlords' annual gas safety checks; b) exempt premises where gas is taken from the mains for compressing/dispensing to Compressed Natural Gas (CNG) powered vehicles; and c) regularise existing exemption on alternative safety checks without lowering safety standards.
2. What evidence has informed the PIR? (Maximum 5 lines) Responses to two online stakeholder surveys carried out from 21st May to 24th June 2022. The first survey attracted a total of 95 responses from landlords, gas engineers, housing associations and local authorities. The second survey received three responses from CNG businesses. Case studies also informed the Cost Benefit Analysis (CBA).
3. To what extent have the policy objectives been achieved? (Maximum 5 lines) The GSIUR 2018 regulatory framework remains a valid means of protecting people and places. Intervention by regulation is the most effective way to control risk of gas. Consensus amongst surveyed duty holders was that regulation is necessary and GSIUR 2018 was effective in keeping people safe. 92.6% of survey respondents believed Regulation 36A, which brought in flexibility to landlord's gas safety certificates, was of benefit. GSIUR 2018 has a Total Net Present Value of £243m and the case for maintaining these regulations remains strong.

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: Date: 12/10/2022

Further information

4. What were the original assumptions? (Maximum 5 lines) The Impact Assessment (IA) produced for GSIUR 1998 focused on three key areas of change which could standardise gas regulations and create less financial burden for businesses to adhere to them. This included an estimated present value saving to social landlords of around £200 million.
5. Were there any unintended consequences? (Maximum 5 lines) 87.4% of survey respondents indicated that they were not aware of any unintended consequences. 16.8% of respondents commented on negative consequences. The most common theme of negative impact was IT issues forming 10.5% of responses.
6. Has the evidence identified any opportunities for reducing the burden on business? (Maximum 5 lines) Two out of three survey respondents believed that changes to Regulation 2(4), which exempted CNG filling stations from the majority of the requirements of GSIUR 1998 by bringing them into line with other industrial premises, had resulted in greater clarity about the regulations for their organisations. Evidence from the Regulation 36(A) survey indicates that such opportunities have been achieved by the change. As such, there was no overwhelming evidence from the surveys that duty holders wished to revoke these amendments.

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)

GSIUR (1998) is domestic legislation operating within the scope of Great Britain (GB) with similar legislation in Northern Ireland. It was deemed disproportionate to compare it to other measures operating internationally – to this end no such assessment was undertaken.

Annex B

Author: Anna White and James Birkinshaw

Further information sheet

Title: Post Implementation Review of Gas Safety (Installation and Use) (Amendment) Regulations 2018 (GSIUR 2018) PIR No: HSE-PIR2023-001 Original IA/RPC No: RPC-3948(2)-HSE Lead department or agency: Health & Safety Executive (HSE) Other departments or agencies:	Post Implementation Review Date: 23/03/2023 Type of regulation: Domestic Type of review: Statutory Date measure came into force: 06/04/2018
Department for Work & Pensions (DWP) Contact for enquiries: gas-enquiries@hse.gov.uk	Recommendation: Retain RPC Opinion: Green

1. Introduction

1. This report is the Health and Safety Executive's (HSE) Post Implementation Review of Gas Safety (Installation and Use) (Amendment) Regulations 2018 ("GSIUR 2018").[1]

2. This PIR is the evaluation tool that fulfils the statutory requirement to review the Regulations at least every 5 years.[2] This PIR report will be published by 6 April 2023 to meet the statutory requirement.

3. The purpose of the PIR is to assess the amendments to GSIUR 1998 including:

a) Introduce flexibility around the timing of landlords' annual gas safety checks (**Regulation 36A**);

b) Exempt Compressed Natural Gas (CNG) filling stations where gas is taken from the mains for compressing/ dispensing to CNG powered vehicles from the majority of the requirements of GSIUR 1998 (**Regulation 2(4)**); and

c) Regularise and broaden an existing exemption to Regulation 26(9)(c) (**Regulation 26**) without lowering safety standards.

[1] https://www.legislation.gov.uk/uksi/2018/139/made
[2] https://www.legislation.gov.uk/uksi/2018/139/made

4. 92.6% of survey respondents believed Regulation 36A was of benefit. GSIUR 2018 has a Total Net Present Value of £243m and the case for maintaining these regulations remains strong.

5. The GSIUR 2018 regulatory framework remains valid. Intervention by regulation is the most effective way to control risk of gas. Consensus amongst surveyed duty holders was that regulation is necessary and GSIUR 2018 was effective in keeping people safe, this could not be achieved with a system that imposes less regulation.

2. Background

6. The GSIUR 1998, which apply in Great Britain[3], are domestic regulations that deal with the safe installation, maintenance and use of gas systems, including gas fittings, appliances and flues, mainly in domestic and commercial premises, e.g., offices, shops, public buildings and similar places. The regulations generally apply to any 'gas' as defined in the Gas Act 1986 (amended by the Gas Act 1995), apart from any gas comprising wholly or mainly of hydrogen when used in non-domestic premises. The requirements therefore include both natural gas and liquefied petroleum gas (LPG).

7. GSIUR 2018 came into force on 6 April 2018 and amended the GSIUR 1998. GSIUR 1998 was made under The Health and Safety at Work etc Act 1974 (the HSW Act)[4]. The Gas Act 1995[5] updated provisions in the Gas Act 1986[6], including new licensing arrangements for public gas transporters and permitting competition in the domestic gas market.

8. To ameliorate the impact of the required legislative change on business, the Regulations were supported by guidance including an ACOP[7] which sets out in detail what duty holders are expected to do in order to comply with the legal requirements.

3. What were the policy objectives of the measure?

9. To allow flexibility in the timing of landlords' gas safety checks to ensure that the annual gas safety check cycle is not shortened unnecessarily. Prior to the amendment, under regulation 36(3)(a), "...each appliance and flue to which that duty extends is checked for safety…at intervals of not more than 12 months

[3] https://www.legislation.gov.uk/nisr/2004/63/contents/made
[4] https://www.legislation.gov.uk/ukpga/1974/37/contents
[5] https://www.legislation.gov.uk/ukpga/1995/45/contents
[6] https://www.legislation.gov.uk/ukpga/1986/44/contents
[7] Approved Code of Practice, ACOP 304 – 314 provides guidance on compliance with Regulation 36(3); ACOP 245 provides guidance to Regulation 26(9)c and ACOP 63 provides guidance to Regulation 2(4)(g).

since it was last checked for safety…". In practice, however, landlords faced difficulty in gaining access to carry out these checks. In order to ensure that checks were carried out at intervals of not more than 12 months, many landlords (particularly social landlords) gained access around 5.2 weeks prior to the due date.[8] This led to a shortening of the safety check cycle year-on-year. Accordingly, housing associations, on average, carried out eleven annual gas safety checks over a ten-year period (instead of the statutory ten in a ten-year period) and subsequently held a certificate that lasted for eleven months instead of twelve. The expected benefit of the amendment was to bring forward significant savings for landlords with large numbers of properties and bring into scope all private and social landlords (Regulations 36(A) and 36(3)).

10. To exempt CNG filling stations from the majority of the requirements of GSIUR 1998, bringing them into line with other industrial premises. By exempting CNG filling stations from the requirements of GSIUR, the main anticipated benefits were twofold. First, it was anticipated that there would be less of a financial burden on businesses to comply with unnecessary requirements of GSIUR. Operators previously had to install a gas flow regulator, despite there being no requirement to control the pressure of gas supplied. This gas flow regulator had an estimated one-time purchase cost of £25,000 and ongoing maintenance costs of £750 per year. HSE experts were confident after consultation with industry that the additional regulators did not convey an additional safety benefit in this instance.

11. Second, the inconsistent treatment of CNG stations prior to the 2018 amendments led to confusion when other health and safety regulations applicable at the premises were more appropriate. As the aforementioned sites are already covered by existing health and safety regulations that are more appropriate it was also anticipated that the introduction of an exemption for CNG filling stations would improve the level of clarity over the regulatory framework for those operating such premises.

12. To regularise the exemption that allows engineers to carry out alternative safety checks when the requirements to measure heat input and/or operating pressure cannot be met (because there is no meter present) and broaden the scope of the exemption to include scenarios where it is not reasonably practicable to carry out these tests (meter not accessible, meter display not working etc.) (Regulation 26(9)).

13. Regulations 2(4) and 26(9) were changes in the law to incorporate existing exemptions. The overall objective was to amend the GSIUR 1998 in the least burdensome way possible, to give effect while ensuring no detrimental

[8] Results obtained from survey undertaken by CORGI technical services, details of which can be found in section 4.

effect or lowering of standards or safety because of the extra flexibility or increased clarity.

4. What evidence has informed the PIR?

14. We have assessed the extent to which the GSIUR 2018 met the policy objectives to introduce flexibility to landlords' annual gas safety checks; exempt premises where gas is taken from the mains for compressing/dispensing to compressed natural gas (CNG) powered vehicles; and regularise an existing exemption on alternative safety checks without lowering safety standards.

15. The research proposals were presented to HSE's Evaluation Working Group (EWG)[9]. It was proposed a proportionate approach would be appropriate for the PIR. Therefore, the evidence review resources were in line with a proportionate approach to PIRs.

16. Our approach to evidence gathering consisted of one widely publicised self-selecting survey which addressed Regulation 36A and another self-selecting survey addressing Regulation 2(4) that was distributed directly to CNG companies with CNG stations. The self-selecting survey meant that respondents effected by the amendments could choose whether or not to take part. These surveys were designed by HSE social researchers and economists.

17. HSE ran both surveys between 21 May 2022 and 24 June 2022 and sought the views of stakeholders regarding the following key areas:

a) objectives of GSIUR 2018;
b) costs of GSIUR 2018, inclusive of other costs; benefits; negatives; and
c) unintended consequences.

18. The survey attracted a total of 95 responses from landlords, gas engineers, housing associations and local authorities.

19. We used a variety of communication channels to promote the survey regarding Regulation 36A and reach the duty holders effected by the amended regulations.

20. We used a variety of communication channels to promote the survey regarding Regulation 36A and reach the duty holders affected by the amended regulations.

a) HSE e-bulletins for gas-e-bulletin subscribers

[9] Evaluation Working Group (EWG) provides assurance to HSE's Science and Evidence Research Advisory Group that progress is being made on appropriate evaluation of major interventions and surveys, planned science, evidence and research that has been delivered and the extent to which regulations have achieved their intended effects (Post Implementation Reviews).

b) Distribution channels of private landlord networks;
c) Presentation at ASCP conference; and
d) Direct emails sent to stakeholder organisations.
e) CORGI Technical Services conducted a survey amongst managers responsible for gas safety in Housing Associations across the UK (via the Association of Safety and Compliance Professionals

21. Those that took part in the survey were also invited to provide information on the costs associated with the implementation of the regulations. The results of the economic evaluation are included in Appendix 2 to this report.

22. We utilised case studies where available from respondents, in which they provide more detailed information on their cost savings since the implementation of Regulation 36A.

23. A link to a separate second survey relating to Regulation 2(4) was emailed directly to 7 Compressed Natural Gas (CNG) station operators. Between them, these 7 operators have responsibility for over 95% of the CNG filling stations in the UK which the review team believes to be exempt under Regulation 2(4).

24. The review team also assessed correspondence dating back to the commencement of GSIUR 2018 to determine if HSE had been made aware of any issues or unforeseen consequences resulting from the amendments. No issues had been identified.

25. Prior to the 2018 amendments, CORGI Technical Services conducted a survey on the move to an MOT-style[10] system of gas safety checks between 12 December 2013 and 10 January 2014 amongst managers responsible for gas safety in Housing Associations across the UK. The survey received 205 responses. The HSE-led evidence-gathering process ran from March 2016 through to September 2016, with further information gathered and assumptions tested as part of the public consultation, which ran from November to January 2017, and which received just over 200 responses. The results from both of the aforementioned surveys will also inform this PIR.

5. Assessment of risks or uncertainties in evidence base / Other issues to note

26. A self-selecting online survey was used to gather evidence to inform this PIR. We engaged stakeholders including those consulted during the

[10] The new flexibility will work in a similar way to MOT checks. Landlords will be able to carry out gas safety checks on their properties up to two calendar months before the date of their current safety check, but retain the original expiry date (as if the check had been carried out on the last day).

development and implementation of the GSIUR 2018, other relevant contacts known to HSE, and contacts found from publicly available information.

27. The review team recognised that there are uncertainties associated with the adopted research approach of using an online survey. A low response rate, for example, could bring into question whether the data gathered is representative of the target audience. In this case, one survey achieved over 95 responses and the second survey received three responses.

28. A potential weakness of using data from online survey responses is that respondents are not able to clarify the questions. This may lead to misunderstandings and misinterpretations which produce large ranges of responses to those questions that focus on costs, as many of the survey questions did. This is explored more fully in Appendices 1 and 2.

29. The main uncertainty in the evidence base for Regulation 2(4) is the low response rate to the survey which cannot be extrapolated for certain across the whole industry. However, the respondents have responsibility or involvement in approximately 50% of all CNG stations believed to be exempt under Regulation 2(4).

30. Whilst the low response rate does not make the data suitable for extrapolation across the whole industry, it should be noted that it still represents a significant proportion of the industry providing feedback on the amendment. The risk from this low response rate is further mitigated when the survey results are considered alongside other evidence, such as the absence of any issues on safety or regulatory confusion being raised with HSE since implementation. A further risk in the evidence base was raised from the difficulties associated with determining the accurate number of operational CNG stations exempted under the amendments. The original amendments used forecasts from the element energy report[11] to determine the estimated number of CNG stations in operation each year in the future. The British Compressed Gas Association confirmed the review team's estimates that the current number of operational CNG stations in scope of the exemption using site location lists from major CNG

11 https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwiFupzk6Zb6AhXMglwKHWNdB4sQFnoECAkQAQ&url=https%3A%2F%2Fwww.zemo.org.uk%2Fassets%2Freports%2F20150307_Low CVP%2520Infrastructure%2520Roadmap_Final%2520Report%2520(with%2520graphics).pdf&usg=AOvVaw3XNEX5548FprQ2N5-8K9k6

operating companies cross-referenced with online lists of CNG stations from the Gas Vehicle Hub[12] and logistics companies[13] is 23.[14]

31. The uncertainty arose in determining which of these operational CNG stations would have been exempt from GSIUR without the 2018 amendment. The original regulations made exemptions for sites such as factories, farms or quarries/mines and it was difficult to determine which premises would fall into these categories without consulting a large number of premises on an individual basis.

32. However, most CNG sites believed to be in scope of the exemption are run by larger organisations operating multiple sites. Feedback was therefore obtained for a significant proportion of the sites believed to be in scope from a relatively small number of contacts. In this regard, even if a small number of the individual sites run by those organisations may have been exempt regardless of the 2018 amendments, it was unlikely to have an impact on the results given by the operators.

33. The review team concluded that the research approach was sound, placed a proportionate burden on affected businesses and yielded good quality information, meeting the evidential needs of the review.

6. To what extent have the policy objectives been achieved?

34. The data from the CORGI survey results and previous HSE surveys have been used to consider whether the objectives of GSIUR 2018 have been met. The analysis of the survey results suggests the following findings:

Regulation 36(3) and 36A

35. The objective of the Regulation 36(3) and 36A amendments were to enable landlords to meet their legislative requirements of undertaking gas safety checks at twelve-month intervals without incurring unnecessary additional costs to meet this requirement and without lowering safety standards. The aim was to allow flexibility for landlords while ensuring the annual gas safety check cycle was not unnecessarily shortened.

36. The 2016 CORGI survey results suggest around 22.61% of social landlords started their access programme more than nine weeks before the

[12] https://gasvehiclehub.org/

[13] https://www.glpautogas.info/en/cng-stations-united-kingdom.html – CNG filling stations Great Britain (cng-stations.net). It should be noted that the figure from GLP Autogas is lower than that used by other organisations and this report. This is due to the fact that it only accounts for those CNG stations open to the public.

[14] Of the 23, 22 are bus and truck filling stations and 1 is for industry.

expiry date and 68.8% conducted their first access attempt more than four weeks before the expiry date.

37. Evidence from a 2017 HSE private landlord survey suggested around 0.25% of private landlords started their access programme more than nine weeks before the expiry date and 1.4% conducted their first access attempt more than four weeks before the expiry date.

38. Following the commencement of GSIUR 2018, results from the 2022 survey suggested around 22.1% of all landlords which responded started their access programme more than nine weeks before the expiry date and 69.5% conducted their first access attempt more than four weeks before the expiry date. These figures strongly correlate with those from the 2016 CORGI survey. It was identified that the results of the research may be slightly skewed towards the view of larger property management organisations given the largest group of respondents (41, 43.2%) reported managing 5,001 to 25,000 properties.

39. Ten respondents to the 2022 recent survey distinguished themselves as private landlords with 70% managing housing stock of 1-5 properties and the remaining 30% managing 6-20 properties.

40. 80% of these landlords started their access programme less than 5 weeks before the expiry date, 10% took 6 weeks and 10% specified other but did not stipulate times. 90% attempted first access less than 5 weeks and 10% specified other (Q4[15], 5[16] and 6[17]).

41. Compared to the 2016 private landlord survey, 86.9% took less than 5 weeks before the expiry date and 87% attempted first access less than four weeks before the expiry date.

42. While it is difficult to extrapolate from a small data set of private landlords, it is indicative that the behaviour of private and social landlords regarding management of annual gas safety checks continues to correlate to the size of housing stock: the larger the housing stock, the longer the lead-in time and earlier the access attempt.

43. The smaller the housing stock (1-5 properties), often held by private landlords, requires less logistical management compared to the stock held by

[15] **Question 4**; What is the size of your managed Housing Stock for which you have duties under Regulation 36 of the Gas Safety (Installation & Use) Regulations 1998? - Please choose one

[16] **Question 5**; How many weeks prior to the anniversary date of the landlord gas safety record do you commence your annual access programme? i.e. When does the first notification go out to tenants? - Please choose one.

[17] **Question 6**; How many weeks prior to the anniversary date of the Landlord Gas Safety Record do your contractors/in house team make the first attempt at access? - Please choose one.

social landlords (21-50,000+ properties). The access procedure exponentially extends from less than 4 weeks to the 12 weeks reported follows the increase of properties.

44. The intention of amendments 36(3) and 36A was to enable landlords to meet their legislative requirements of undertaking gas safety checks at twelve-month intervals without incurring unnecessary additional costs to meet this requirement and without lowering safety standards.

45. This was a permissive change; if a landlord were already complying with the law, they were under no obligation to take advantage of the flexibility and could continue carrying out checks within their current regime to still be complying with the law.

46. We are not able to attribute any overall behavioural changes from the survey questions in relation to Regulation 36 (3) and 36A (Q4-6) because they do not detail where benefits of the amended regulations have been seen.

47. Free-text answers to Q11[18] have provided more detail as to where the benefits to the change of Regulations 36(3) and 36A have been seen. 40.1% of respondents saw a positive impact of the changes to the Gas Safety Regulations, in that they allowed landlords to plan their service and repair programmes more efficiently. 12.1% noted the changes provide 'greater flexibility', while another 7.4% noted benefits of 'reduced costs' and 'enabled compliance'.

48. Case studies provided have reiterated logistical savings including fuel costs by enabling landlords to focus on one geographical area or tenant profile (student/professional) at a time; flatlining financial profiles by undertaking servicing in the summer and freeing up winter for repairs; and enabling tenants compliance as there is increased awareness as to when the services are undertaken.

49. Three of the respondents provided case studies with their projected savings resulting from the implementation of Regulation 36(3) and 36A. Each had housing stock of between 5,001-25,000 with the access programme starting between 8-10 weeks with first access attempt at 8 weeks with a success rate of 70%-89%. One attributed their £65k per annum saving on undertaking fewer gas services as previously they were undertaken every 10 months to ensure compliance. The second attributed their £150k per annum saving on fixing their servicing profile to the summer months. The third did not specify how they achieved their £65k per annum saving in their survey response, however

[18] **Question 11**; Have there been any other positive impacts resulting from the changes to Regulation 36A for you or for your organisation? - Add comment.

the separate case study they provided stated it was the result of logistical savings.

50. The evidence suggests the vast majority (92.6%) of respondents believe the introduction of the Regulation 36A has provided flexibility to enable compliance which is of benefit to all landlords and of those who responded, 97.9%, found no change in safety defects, and this indicates safety standards have not been lowered as a result of the introduction of Regulation 36A.

51. More detail from the free text of the survey (Q12) has revealed the most common negative consequence of the Amendments for large landlords were the one-off costs required to enable their IT systems to record the flexibility 36(3) and 36A provided.

52. Evidence indicates the amendments to 36(3) and 36A had a positive and beneficial impact. There has been no significant evidence from the 2022 landlord survey that there is a significant level of discontent with the current requirements. This PIR concludes that the objectives have been met and revocation or further amendment of Regulation 36(3) and 36A is not required.

Regulation 2(4)

53. The objective of the Regulation 2(4) amendment was to exempt CNG filling stations from the majority of the requirements of GSIUR 1998 by bringing them into line with other industrial premises. These sites are already covered by existing health and safety regulations that are more appropriate at these sites.

54. Of the three responses received to the CNG survey, two claimed the amendment had had a positive effect on their organisation and had led to much greater clarity on the regulatory framework. The remaining respondent claimed it had had no effect on their organisation or the level of clarity on the regulatory framework. None of the respondents stated that there had been any negative effects.

55. As previously noted, the low level of response to the survey means that these results cannot be extrapolated to be considered as representative of the industry as a whole. However, given the nature of the industry, the variety of locations operated by the respondents, and the market share for which they account, they are likely to be broadly indicative of the views of industry.

56. Furthermore, when combined with the absence of any issues raised with HSE, either in relation to safety or confusion over the regulatory framework, there is little evidence to suggest that the amendment has led to unintended or

negative consequences on industry, and that any effect is likely to have been positive.

57. Evidence indicates the amendment has had a positive impact, thereby indicating the objective has been met. In addition, there is no significant evidence of any unintended consequences. The PIR concludes that there is no requirement to change or revoke the amendment to Regulation 2(4).

Regulation 26(9)

58. To regularise and broaden and existing exemption to Regulation 26(9)(c) without lowering of safety standards.

59. Where there is no meter present, engineers were unable to meet the requirements of Regulation 26(9)(c), which were to measure heat input and/or operating pressure. Engineers have to perform these checks and tests to make sure that the appliance and any associated flue that they have carried out work on are safe to use. In certain circumstances, where there is no meter to directly measure the heat input, and it is not possible to measure the operating pressure, there is an exemption (first issued in 2008) to the requirement to examine the gas appliances' operating pressure and/or heat input. This exemption allowed the use of alternative safety tests.

60. Additionally, evidence presented by some gas suppliers also identified that there were other scenarios where engineers could be enabled to carry out alternative safety tests, such as where the meter cannot be read because of the manner in which it has been installed; or, where the electronic display has failed, but the meter itself continues to work otherwise.

61. There has been no correspondence or RIDDORs sent to the review team as evidence to indicate the amendment has not been successful.

62. There has been no evidence to indicate the amendment to regularise and broaden the existing exemption to Regulation 26(9)(c) has lowered safety standards, thereby indicating the objective has been met. The PIR concludes that there is no requirement to amend or revoke the amendment to Regulation 26(9)(c).

7. What were the original assumptions?

63. The Better Regulation Framework Manual indicates that the Post Implementation Review (PIR) should assess the extent to which the effects anticipated in the original impact assessment (IA) actually occurred.

Regulation 36A: Social Landlords

64. Costs were expected to reduce over time as organisations became familiar with the requirements and set up new processes and systems. This included logistical savings, which would not be realised immediately, following time planning the most efficient routes and aligning gas checks in nearby properties. It was expected that any logistical savings would start to be realised after two or so years.

65. HSE expected social landlords would benefit from annual logistical savings of approximately £4.4 million, modelled to occur from Year 3. Over the ten-year appraisal period, it was estimated there would be a direct present value saving of around £29 million. This gave an estimated equivalent annual saving of around £3.4 million.

66. Economic analysis of the 2022 HSE survey suggests that these savings were realised, with annual savings of approximately £4.8 million, giving an estimated direct present value saving of £32 million, and an equivalent annual saving of £3.7 million.

Regulation 36A: Private Landlords

67. In the private-rented sector, the majority of landlords own only one or two properties. Accordingly, the scope for grouping gas checks is limited. Further, even larger 'multi-premise' landlords tend to have diverse locations and differing gas safety check timings.

68. HSE 2014 survey respondents tended to agree with this assessment, indicating that the logistical savings might be realised only by the very largest private landlords who have an estate sufficiently large to experience the types of savings estimated to be achieved by social landlords. As a result, HSE expected that any logistical savings to private landlords will be minimal and were estimated as nil. As with logistical savings for social landlords with in-house engineers, any such savings were assumed to be indirect.

69. We have not seen any evidence from our 2022 surveys that would change this assessment, and accordingly our economic analysis does not calculate any direct logistical savings for private landlords.

Regulation 2(4): CNG Stations

70. HSE's experts were confident that the exemption would not lead to any compromise on safety as the key relevant requirement from which CNG stations were exempted under the amendment (installation of a regulator) did not convey additional safety benefits.

71. The original impact assessment made a series of assumptions in order to determine the estimated number of CNG sites in scope of GSIUR, which would be exempted under the amendment to 2(4). These assumptions used

estimated future forecasts of the total number of operational CNG stations in the UK from a report commissioned by the Low Carbon Vehicle Partnership and completed by Element Energy. The proportion of total CNG stations in scope of the amendment at the time of implementation in 2018 was then applied to these forecasts to determine the estimated number of CNG stations in scope of the amendments each year up to 2030.

72. These estimated number of CNG stations in scope in the original IA are lower than those estimated at present by the review team. The original IA estimated that there would be around 10 operational CNG stations in scope of the amendments in 2021/2022, and the review team estimate there are approximately 20 operational CNG stations.

73. The absence of evidence of negative consequences suggests that the true number of operational CNG stations covered by the amendment being higher than originally estimated would lead to a greater net benefit.

8. Were there any unintended consequences?

74. The survey for Regulation 36A identified some unintended consequences, although these were not deemed to be significant. There was a clear majority of responses (83, 87.4%) to Question 13[19] expressing the opinion that no unforeseen consequences had arisen from the introduction of the GSIUR 2018. 10 (10.5%) participants asserted that unforeseen consequences had arisen.

75. While there were few responses to Question 13a[20], there was some consistency between a couple of themes. There were three (25%) responses from participants expressing the opinion that Regulation 36A was 'too ambiguous', while two (16.7%) related respondents claimed that there was a 'lack of understanding' of Regulation 36A. A further two (16.7%) participants asserted that the regulations were 'too ambiguous' without being any more specific. The survey responses, although limited, did not identify any unintended consequences.

76. All three respondents to the survey for Regulation 2(4) asserted for Question 3 that there were no unforeseen consequences for their organisations since the introduction of GSIUR 2018.

77. No concerns regarding safety, economic cost, confusion over the regulatory framework or other unintended negative consequences for

[19] **Question 13**, Are you aware of any unforeseen consequences arising from the introduction of the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain? - Please choose yes or no.
[20] **Question 13a**; Are you aware of any unforeseen consequences arising from the introduction of the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain? - If yes, please give brief details.

Regulation 26(9) have been raised with HSE since implementation of GSIUR 2018.

9. Has the evidence identified any efficiency opportunities for reducing the burden on business?

78. Question 11 asked if there had been any other positive impacts resulting from the changes to Regulation 36A. The most popular topic (22, 40.1%) was a positive impact of the changes to the Gas Safety Regulations, in that they allowed for landlords to plan more effectively their service and repair programmes. There were seven (12.1%) additional responses from participants who stated that the changes had allowed them 'greater flexibility', while another four (7.4%) each thought they had 'reduced costs' and 'enabled compliance'.

79. As the main policy objective of Regulation 36(A) was to reduce unnecessary burdens (repeat visits) on business, the results of the survey indicate that the amendments to GSIUR have reduced the burden upon business and enabled compliance by removing the additional safety check.

80. Question 5[21] of the CNG survey resulted in one response stating, "It's very helpful not needing a gas pressure regulator and for training of staff to now be aligned to CNG station expertise", indicating that the objective of Regulation 2(4) has been met.

81. No further opportunities have been identified at this time. This extra safety check is potentially placing an unnecessary and unintentional financial burden on landlords.

10. 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?

82. GSIUR (1998) is domestic legislation operating within the scope of Great Britain (GB) with similar legislation in Northern Ireland. It was deemed disproportionate to compare it to other measures operating internationally – to this end no such assessment was undertaken.

11. What are the recommendations of the PIR?

83. Based on the collective research supporting the PIR including stakeholder evidence, cost/benefit analysis and the epidemiological data, HSE considers that:

[21] **Question 5**; If you have any further observations or comments about the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain, please detail these below - Add comment.

a. the Regulations are achieving their intended objectives and that those objectives remain valid;
b. intervention by regulation is still required and remains the most effective way to maintain gas safety; and
c. it is not necessary to amend the provisions at this time.

84. The GSIUR 2018 amendments will be reviewed again in 5 years to ensure they continue to be relevant and deliver their intended objectives.[22]

[22] GSIUR Regulation 40A(3) Subsequent reports must be published at intervals not exceeding 5 years.

Evidence Summary Report: Gas Safety (Installation and Use) (Amendment) Regulations (2018) Post Implementation Review – Results and Analysis

1. Summary

1. Evidence informing the Post Implementation Review was based on the results of two online questionnaires, the first surveyed duty holders (e.g., landlords and gas engineers), and the second surveyed those running Compressed Natural Gas (CNG) stations.

2. Both surveys were conducted online from 24 May to 21 June 2022. The first survey attracted a total of 95 responses from landlords (including housing associations and local authorities) and domestic gas engineers. A further three responses were received from CNG stations to a specially designed, shorter set of questions. Links to both questionnaires can be found at Appendix C.

3. Most respondents were **aware of the amendments to Regulation 36.**

4. Most respondents thought that the amendments to the regulations had either **made no difference to gas safety or improved it.**

5. Just over half of respondents reported managing over 5,000 properties.

6. Most participants asserted that they gave tenants 8 to 10 weeks of notice that they required access to properties to carry out gas safety checks.

   a. The highest proportion of respondents (nearly 38%) claimed that they began to attempt access at 8 weeks before the gas safety check anniversary date.
   b. Most stated that they were successful in gaining access in between 60% and 100% of first attempts.

7. Most participants agree that it is beneficial for landlords to be able to operate gas safety checks within the flexibility provided by the amendment to Regulation 36, and that the change had met this policy objective without any increase in the rate of defects.

   a. Participants mostly reported positive consequences to these changes in the form of greater flexibility and enhanced planning for gas safety checks, maintenance, and repairs, while a much smaller proportion reported encountering problems in adjusting their IT systems to accommodate the flexibility in the timing of safety checks.

8. A significant majority of respondents reported that there were no unforeseen consequences to the regulatory changes.

2. Introduction

9. This paper provides an analysis of the evidence collected to inform the Post Implementation Review (PIR) of the Gas Safety (Installation and Use) (Amendment) Regulations (2018). The research approach was focused on using proportionate methods for data collection from relevant stakeholders in numbers adequate to provide robust results.

10. The Gas Safety (Installation and Use) (Amendment) Regulations (2018) came into force in April 2018. The main objective and intended effect of the amendment to Regulation 36A was to allow flexibility in the timing of landlord's gas safety checks and prevent any unnecessary shortening of the annual gas safety check cycle by moving to an "MOT style" of testing. This allowed landlords to carry out gas safety checks on their properties up to two calendar months before the expiry date of their current safety check but retain the original deadline date.

11. Regarding the part of these regulations relating to Compressed Natural Gas (CNG) stations, the amendment to Regulation 2(4) had the objective of exempting CNG filling stations from most of the requirements of GSIUR, bringing them into line with other industrial premises and providing more clarity for business about the appropriate regulatory framework.

12. This is the first time a Post Implementation Review of these regulations has been conducted. Accordingly, it was important to keep resources allotted to the necessary research proportionate while ensuring that the methods used were empirically sound, and that a reasonably broad proportion of stakeholders would be aware of the research and able to engage with it.

13. An on-line questionnaire was felt to be the most appropriate approach for engaging effectively with a broad range of landlords and gas engineers across the private and public sectors. The questionnaire was posted on the HSE Consultation Hub [23], and publicised by HSE gas e-bulletins, to private landlords through some private landlords' associations, and to social landlords which was co-ordinated by CORGI through the Association of Safety and Compliance Professionals (ASCP). A member of the project policy team attended an ASCP conference and issued a reminder about the online questionnaire to social landlords in person one week before the closing date.

3. Methods

14. The data on which this analysis is based were gathered by two online questionnaires (attached at Appendix C) conducted online between 24 May and 21 June 2022 to ascertain industry responses to the amendments in Gas Safety (Installation and Use) Regulations 1998 resulting from the previous public

[23] http://consultations.hse.gov.uk/

consultation, which ran from November to January 2017 leading to the amendment of these regulations in 2018.

15. It should be noted that the questionnaires utilised as many closed and multiple-choice questions as possible while keeping open, 'free-text' response questions to a minimum in order to keep responses times to a minimum. The questionnaires were also kept as short as possible and were designed to take no more than 10 minutes to complete. Efforts were made to keep methods proportionate, given that this is the first Post Implementation Review of these regulations, and that the changes introduced last time were intended to be beneficial to stakeholders.

16. The questionnaire attracted a good rate of response; 95 responses were received from landlords, gas engineers, housing associations and local authorities. A further three responses to a specially designed, shorter set of questions were received from compressed natural gas (CNG) stations. The analysis of these responses is included at the end of the gas safety questionnaire analysis.

17. Just over half of respondents to the main questionnaire reported managing over 5000 properties.

18. While there were 95 responses to the main questionnaire, it should be noted that not all respondents answered every question. Where qualitative, free-text answers were received, these were subjected to thematic analysis and 'coded' according to the main theme of the response, and the themes were then quantified in terms of their incidence. Where 'not answered' entries have occurred in numerical or closed questions, these have been left in place for consistency, and included in calculated total responses.

3. Findings

Section 1 - Gas Safety Questionnaire

19. **Question 1**; Are you aware that Regulation 36 of the Gas Safety (Installation and Use) Regulations 1998 was amended in 2018? - Please choose yes or no.

Table 1.

Response Options	**Count of Response**
Yes	89
No	4
Not Answered	2
Grand Total	**95**

20. As shown in Table 1 above, the response to Question 1 was highly positive, with 89 (93.7%) of the 95 respondents asserting that they were aware

of the 2018 amendments to regulation 36 of the Gas Safety (Installation and Use) Regulations.

21. **Question 2**; In your opinion, has the introduction of amendments to Regulation 36 of the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain - Please choose one.

Table 2.

Response Options	**Count of Response**
Improved gas safety a lot	19
Improved gas safety a little	19
Made no difference to gas safety	47
Worsened gas safety a little	4
Don't know	4
Not Answered	2
Grand Total	**95**

22. Almost half the total response to Question 2 (47, 49.5%) indicated that they felt that the revisions to the regulations had had no effect upon gas safety. Another 38 (40%) respondents felt that the changes had improved gas safety either a little or a lot.

23. **Question 3**; In your opinion, has the introduction of amendments to Regulation 36 of the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain - If you chose worsened a little/a lot, please briefly explain why you think gas safety has worsened.

Table 3.

Response Themes	**Count of Response Themes**
access rates lowered	1
does not improve safety	1
ease of compliance	3
ignores factors increasing risk to life and property	1
landlords may use to spread period and costs	2
Grand Total	**8**

24. It is interesting to note that the most popular of the (very few) free-text responses to Question 3 were actually positive in nature; three (37.5%) of the eight respondents reported that the changes to Regulation 36 had made compliance easier, without stating that gas safety had worsened. There were two (25%) further responses from participants who expressed the view that

landlords may use the change to MOT-style testing to 'spread' the testing period and thereby minimise their costs.

25. **Question 4**; What is the size of your managed Housing Stock for which you have duties under Regulation 36 of the Gas Safety (Installation & Use) Regulations 1998? - Please choose one

Table 4.

Response Options	Count of Response Options
1-5	10
6-20	8
21-100	2
101-1000	6
1001-5000	13
5001-25,000	41
25,001-50,000	8
50,000+	2
Not Answered	5
Grand Total	**95**

26. The largest group of respondents (41, 43.2%) reported managing 5,001 to 25,000 properties, while 13 (13.7%) asserted that they managed 1,001 to 5,000 properties. A further 10 (10.5%) said that they manage only 1 to 5 properties. As 51 (53.7%) of respondents reported managing over 5,000 properties, it should be borne in mind that the results of this research may be slightly skewed towards the view of larger property management organisations.

27. **Question 5**; How many weeks prior to the anniversary date of the landlord gas safety record do you commence your annual access programme? i.e. When does the first notification go out to tenants? - Please choose one.

Table 5.

Response Options	Count of Response Options
Less than 4 weeks	7
4 weeks	10
6 weeks	8
7 weeks	3
8 weeks	21
9 weeks	13
10 weeks	21
Other (please specify)	8
Not Answered	4
Grand Total	**95**

28. There were 21 (22.1%) respondents each asserting that they sent out initial notices that they required access to properties in relation to gas safety checks at 8 weeks and 10 weeks. A further 13 (13.7%) stated that they sent initial notices at 9 weeks. So, most (55, 57.9%) respondents started to give tenants notice at from 8 to 10 weeks.

29. **Question 5a**; How many weeks prior to the anniversary date of the landlord gas safety record do you commence your annual access programme? i.e. When does the first notification go out to tenants? - If you chose other, please specify.

Table 5a.

Response	**Count of Response**
11	1
12	6
Grand Total	**7**

30. Most of the few respondents to Question 5a (6, 85.7%) who had given 'other' responses at question 5, stated that they commenced their annual access programme at 12 weeks prior to the anniversary date of the landlord gas safety record.

31. **Question 6**; How many weeks prior to the anniversary date of the Landlord Gas Safety Record do your contractors/in house team make the first attempt at access? - Please choose one.

Table 6.

Response Options	**Count of Response Options**
Less than 4 weeks	13
4 weeks	10
5 weeks	3
6 weeks	9
7 weeks	6
8 weeks	36
9 weeks	3
10 weeks	9
Other (please specify)	3
Not Answered	3
Grand Total	**95**

32. The most popular answer to question 6 indicated that 36 respondents (37.9%) first attempt access at 8 weeks. Another 13 (13.7%) stated that they

first attempt access at less than 4 weeks, while a further 10 (10.5%) said they did so at 4 weeks.

33. **Question 6a**; How many weeks prior to the anniversary date of the Landlord Gas Safety Record do your contractors/in house team make the first attempt at access? - If you chose other, please specify.

34. There were only two responses to Question 6a, each indicating that they first attempt access at 12 weeks.

35. **Question 7**; What is your estimated first-time access success rate, expressed as a %? - Please choose one.

Table 7.

Response Options	Count of Response Options
0-9%	2
10-19%	1
20-29%	2
30-39%	3
40-49%	3
50-59%	5
60-69%	19
70-79%	20
80-89%	17
90-100%	17
Not Answered	6
Grand Total	**95**

36. The most popular response to Question 7 showed that 20 (21.1%) participants estimated they have a first-attempt access success rate of 70-79%. Another 19 (20%) estimated their first-time access rate at 60-69%, while a further 17 each assessed their initial success rates at 10-19% and 90-100%. Most respondents then, (73, 76.9%) indicated first-attempt success rates at between 60% and 100%.

37. **Question 7a**; What is your estimated first-time access success rate, expressed as a %? - If there has been a change, what has been the main contributor to the effect on first time access?

Table 7a.

Response Themes	Count of Response Theme - main contributor to effect on 1st attempt access

commercial considerations take precedence	1
COVID restrictions eased access	2
cultural change throughout organisation	1
easy access due to kind of tenants	1
engineers' workloads and communication with tenants	1
geographical grouping of visits	1
good communication with tenants	3
isolation during pandemic	3
not important to tenants	1
pandemic - unclear if positive/negative	2
Grand Total	**16**

38. There were three (18.7%) responses indicating that access had been improved through good communication with tenants, while another three (18.7%) asserted that access had become more difficult to some tenants having to self-isolate during the COVID 19 pandemic. A further two (12.5%) felt that COVID 19 restrictions had made access easier, while another two (12.5%) referenced the pandemic without indicating if it had a positive or negative impact upon rates of access.

39. **Question 8**; Under the 36A amendments the anniversary date of the Landlord Gas Safety Record check stays the same as long as the safety check is done within 2 months prior to the anniversary date. Do you believe it is beneficial for landlords to be able to operate gas safety checks within the flexibility provided by amendment 36A? - Please choose yes or no.

Table 8.

Response Options	**Count of Response Options**
Yes	88
No	6
Not Answered	1
Grand Total	**95**

40. There were 88 (92.6%) positive responses to question 8, indicating that a clear majority of respondents thought the amendment to Regulation 36A beneficial.

41. **Question 9**; Have you found any change in safety defects since the change has been brought in? - Please choose yes or no.

Table 9.

Response options	Count of Response Options
No	93
Not Answered	2
Grand Total	**95**

42. There were no responses to Question 9 indicating that any increase in safety defects had been found since the introduction of MOT-style gas safety checks. All respondents answering the question (93, 97.9%) indicated that this was not the case.

43. **Question 9a**; Have you found any change in safety defects since the change has been brought in? - If yes, has there been an increase or decrease, and can you give an estimated percentage of this increase or decrease?

44. There were only two responses to Question 9a; one was from a respondent indicating that they were not yet working to Regulation 36A amendments, and the meaning of the second was unclear in relation to the question.

45. **Question 10**; Have the regulations met the policy objective of allowing greater flexibility in the timing of gas safety checks to ensure that the annual gas safety check cycle isn't shortened unnecessarily? - Please choose yes or no.

Table 10.

Response Options	Count of Response Options
Yes	79
No	15
Not Answered	1
Grand Total	**95**

46. Most respondents to Question 10 (79, 83.1%) expressed the opinion that the annual gas safety check cycle had not been unnecessarily shortened by allowing greater flexibility in their timing.

47. **Question 11**; Have there been any other positive impacts resulting from the changes to Regulation 36A for you or for your organisation? - Add comment.

Table 11.

Positive Impacts - theme	Count of Positive impacts – theme

access more important than flexibility	1
allows more efficient service/repair planning	22
enables compliance	4
greater flexibility	7
incompatible with IT system	2
increased administration	1
MOT style to be adopted	3
None	7
oblige tenants to provide access	1
permits focus on problem units	2
reduced costs	4
Grand Total	**54**

48. Free-text answers to Question 11 were allotted codes according to their main theme. The most popular topic (22, 40.1%) was a positive impact of the changes to the Gas Safety Regulations, in that they allowed landlords to plan their service and repair programmes more efficiently. There were seven (12.1%) slightly more vague responses from participants who stated that the changes had allowed them 'greater flexibility', while another four (7.4%) each thought they had 'reduced costs' and 'enabled compliance'.

49. **Question 12**; Have there been any other negative impacts resulting from the changes to regulation 36A for you or for your organisation? - Add comment.

Table 12.

Negative Impacts - theme	**Count of Negative impacts – theme**
rule requires 2 previous gas certs before adoption	1
confusion about due dates	1
detrimental to access	1
extra demand	1
impact of COVID	1
increased costs	1
IT issues	10
lack of awareness of changes	4
more regulation	1
no margin for delays	1
None	23
resistance to changes	3
rule requires 2 previous gas certs before adoption	1

social and economic factors ignored	1
Grand Total	**50**

50. The most popular theme (10, 20%) among negative impacts of the regulatory changes was that of 'IT issues'; landlords having difficulty because their existing property management systems not being able to accommodate the changes and having to make adjustments. There were some less common recurring themes, such as participants expressing views that there is a 'lack of awareness' of the changes (4, 8%), or that there may be some 'resistance' to the changes (3, 6%).

51. **Question 13**; Are you aware of any unforeseen consequences arising from the introduction of the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain? - Please choose yes or no.

Table 13.

Response Options	**Count of Response Options**
Yes	10
No	83
Not Answered	2
Grand Total	**95**

52. There was a clear majority of responses (83, 87.4%) to Question 13 expressing the opinion that no unforeseen consequences had arisen from the introduction of the Gas Safety (Installation and Use) (Amendment) Regulations (2018). Only 10 (10.5%) participants asserted that unforeseen consequences had arisen.

53. Question 13a; Are you aware of any unforeseen consequences arising from the introduction of the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain? - If yes, please give brief details.

Table 13a.

Unforeseen Consequences – theme	**Count of Unforeseen Consequences – theme**
36A too ambiguous	3
all fuel types should use MOT style system	1
lack of understanding of 36A	2
possible data mismatches between contractor and HAs	1
regs too ambiguous	2

takes more planning	2
tick box exercise - may increase risk	1
Grand Total	**12**

54. While there were few responses to Question 13a, there was some consistency between a couple of themes. There were three (25%) responses from participants expressing the opinion that Regulation 36A was 'too ambiguous', while two (16.7%) related respondents claimed that there was a 'lack of understanding' of Regulation 36A. A further two (16.7%) participants asserted that the regulations were 'too ambiguous' without being any more specific.

55. **Question 14**; If you have any further observations or comments about the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain, please detail these below - Add comment.

Table 14.

Comments – theme	**Count of Comment theme**
amendments do not address access issues	2
checks should be done on tenants moving in and out	1
clarity needed on requirements for void properties	1
compliance dates unclear	2
improved training for engineers	1
landlords should have right of entry	1
more efficient management of gas safety	1
more flexibility for access	2
More flexibility needed during implementation	1
mutual exchanges require clarification	1
no complaints system for gas safe engineers	1
None	4
not implemented	1
oblige tenants to liaise with gas engineers	1
regs enable compliance	2

tenant and leaseholder owned appliances should be included in regs	1
unable to implement - IT issues	1
Unclear	1
Grand Total	**25**

56. The rate of response to Question 14 was quite low and there were few consistent themes to pick out. Two (8%) respondents each made observations about the regulations enabling compliance, there being a need for greater flexibility around the issue of access, compliance dates being unclear and the amendments not addressing access concerns.

Section 2 - CNG Station Questionnaire

57. **Question 1**; Has the legislative change to Regulation 2(4) of GSIUR (exemption for CNG stations) had a positive effect, negative effect, or no effect on your organization? - Please choose one.

58. There were two responses from participants asserting that the change to Regulation 2(4) had had a positive effect on their organisation, and one response stating that this had had no effect.

59. **Question 2**; What impact has the legislative change to Regulation 2(4) of GSIUR (exemption for CNG stations) had on the level of clarity about the appropriate regulatory framework for your organisation - Please choose one.

60. There were two respondents who stated that the change to Regulation 2(4) had resulted in much greater clarity about the regulations for their organisations, while one further responder claimed that there had been no impact and that the level of clarity remained the same.

61. **Question 3**; Has the legislative change to Regulation 2(4) of GSIUR (exemption for CNG stations) had any unforeseen consequences for your organisation? - Please choose yes or no.

62. All three respondents to Question 3 asserted that the change to Regulation 2(4) had no unforeseen consequences for their organisations.

63. **Question 4**; Has the legislative change to Regulation 2(4) of GSIUR (exemption for CNG stations) had any unforeseen consequences for your organisation? - If yes, please give brief details.

64. There were no responses to this question.

65. **Question 5**; If you have any further observations or comments about the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain, please detail these below - Add comment.

66. There was only one comment in response to question 5; “It’s very helpful not needing a gas pressure regulator and for training of staff to now be aligned to CNG station expertise”

67. It should be noted that the very low rate of response to the CNG section of the research means that the data it has produced is unsuitable for extrapolation across the CNG station industry.

The Costs and Benefits of Gas Safety (Installation and Use) (Amendment) Regulations 2018 | Post Implementation Review 2022.

1. Introduction

1. The economic and wider impacts of The Gas Safety (Installation and Use) (Amendment) Regulations 2018 (GSIUR 2018) is important to inform HSE's regulatory decision making. Monetised estimates are used by HSE to evaluate the economic impact of this regime.

2. General Assumptions: Time Horizon, Discounting and Rounding

2. As with the previous Impact Assessment, for this PIR we have adopted the usual ten-year appraisal period for an indefinite legislative amendment.

3. This is because our model of private landlords experiencing savings equivalent to one averted test every twenty-five years reflects an expected reality wherein these landlords will actually potentially experience small savings each and every year. As such, there is no need to use a twenty-five-year appraisal period to estimate these savings.

4. We apply a discount rate of 3.5% per annum, consistent with HM Treasury's (HMT) Green Book.[24]

5. We assume that one-off costs and cost savings are borne in the first year of the appraisal period. We also assume that on-going costs and cost savings are borne from each year from Year 1 to Year 10, unless stated otherwise.

6. Please note that many of the cost estimates presented in the following analysis have been rounded to two significant figures, unless stated otherwise. As such, some totals and tables may not appear to sum.

7. All figures presented are in 2021 prices unless stated otherwise.

Cost of Time

8. We assume a standard working week of 37.5 hours, with 7.5 hours in a working day.

9. The following analysis assumes that the value of employee time is the opportunity cost of that time to the employer. This will be equal at the margin to the cost of labour to the employer; that is, the gross wage rate plus any non-wage labour costs that the firm faces, such as national insurance and pension

[24] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063330/Green_Book_2022.pdf

contributions. The rationale for this is that a firm will hire workers up until the point at which the cost of doing so (i.e., the wages plus various non-wage costs paid on employed labour) is equal to the value the firm receives for the output of the additional worker.

10. We assume a cost of time of £13.82 per hour for letting agents and private landlords. This comprises the median hourly wage rate for letting agents of £11.54 per hour as specified Annual Survey of Hours and Earnings (ASHE) (2021)[25], uprated by 19.8% in accordance with HMT Green Book guidance.[26] We use this as proxy for a private landlord's cost of time, in line with other assessments of regulation in this sector.[27]

11. ASHE (2021) also indicates that the median hourly wage rate for functional managers and directors is £30.81.[28] We use this as a proxy for the cost of time of managers responsible for gas safety in social housing. Uprating this by 19.8% to allow for non-wage costs yields a full economic cost of time (FEC) of £36.91.

12. We use a wage of £14.84 per hour for Gas Engineers, also specified by ASHE (2021).[29] Uprating this by 19.8% to allow for non-wage costs gives a full economic cost of time of £17.78.

13. We assume a full economic cost of time for a service engineer to be £320 per day. This figure has come from a survey carried out by the Association of Gas Safety Managers (AGSM) which was sent out to their members, validated by the industry working group. Divided by 7.5 hours in a working day, this gives a per-hour FEC of £42.69.

Number of organisations

Housing stock

14. The total housing stock with gas was calculated by first gathering data, updated in 2021, from the Department for Levelling Up, Housing and Communities (DLUHC) on the total number of dwellings by tenure and district in England, Wales and Scotland.[30] A report by the Department for Business Energy and Industrial Strategy (BEIS), says that in 2020 approximately 15% of

[25] (Provisional) Table 14.5a – Occupation. Median hourly wage rate for Estate agents and Auctioneers, SOC 3544, (2021) ASHE

[26] The most recent Eurostat data suggests that non-wage costs are typically 16.5% of total unit labour costs. These are then divided by the proportion of total labour costs made up of wages to estimate non-wage costs as a proportion of gross wages, equivalent to 19.8% (16.5*(100/ (100-16.5))). http://ec.europa.eu/eurostat/documents/2995521/6761066/3-30032015-AP-EN.pdf/7462a05e-7118-480e-a3f5-34e690c11545

[27] http://www.parliament.uk/documents/impact-assessments/IA16-002F.pdf

[28] (Provisional) Table 14.5a – Occupation. Median hourly wage rate for Functional managers and directors, SOC 113, (2021) ASHE

[29] SIC 4322 Plumbing, heat and air-conditioning installation

[30] https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants

households were not connected to the gas network.[31] Accordingly, around 85% of households are connected to the gas network and would therefore fall under the proposed changes.[32] This percentage was then applied to the figures provided by DLUHC and are broken down in Table 1 by country and tenure.

Table 1. Total domestic stock with gas (thousands)

	Owner-Occupied	Rented privately	Rented from Housing Associations/ private registered providers	Rented from Local Authorities	Other public sector dwellings	**All Dwellings**
England	13,000	4,100	2,100	1,300	29	**21,000**
Wales	850	170	120	74	Nil	**1,200**
Scotland	1,300	340	250	270	Nil	**2,200**
Total	**16,000**	**4,700**	**2,500**	**1,700**	**29**	**25,000**

Note: totals may appear not to sum due to rounding.

19. Social housing includes those rented from Housing Associations (HAs)/ private registered providers (around 2.5 million units in
20.), Local Authorities (LAs)/ Unitary Authorities (UAs) (around 1.7 million units) and other public sector dwellings (around 29,000 units). Using
21. this gives a total social housing stock in GB (connected to the gas network) of approximately 4.2 million.

22. Also as outlined in
23. , there are approximately 4.7 million privately rented properties in GB connected to the gas network, and therefore in scope of GSIUR.

Number of landlords

24.
25.
26. Table **2.** Total number of social landlords in Great Britain

Number of housing associations in England	1614
Number of housing associations in Scotland	178

[31] https://www.gov.uk/government/statistics/lsoa-estimates-of-households-not-connected-to-the-gas-network Gov.UK

[32] Please note that a small number of the properties not connected to the gas network may still have a gas supply from an alternative source, for instance liquefied natural gas. Accordingly, any rented properties in these areas with gas appliances would also fall under GSIUR; however we expect this number to be minimal, and not likely to affect the overall scale of savings. As such, 90% is taken to be a simplifying assumption.

Number of housing associations in Wales	47
Total housing associations in GB	**1839**
Number of Local Authorities in England	346
Number of Unitary Authorities in Scotland	32
Number of Unitary Authorities in Wales	22
Number of Local Authorities	**400**
Total number of social landlords (GB)	**2,239**

Note: totals may appear not to sum due to rounding.

27. shows the number of social landlords in Great Britain. Providers of social housing include both HAs and LAs. The Homes and Communities Agency provide a list of current registered providers of social housing in England.[33]

Table 2. Total number of social landlords in Great Britain

Number of housing associations in England	1614
Number of housing associations in Scotland	178
Number of housing associations in Wales	47
Total housing associations in GB	**1839**
Number of Local Authorities in England	346
Number of Unitary Authorities in Scotland	32
Number of Unitary Authorities in Wales	22
Number of Local Authorities	**400**
Total number of social landlords (GB)	**2,239**

Note: totals may appear not to sum due to rounding.

22. The latest data from the Scottish Housing Regulator, accessed in August 2022, suggests that there are around 178 HAs in Scotland.[34] [35]

[33] https://www.gov.uk/government/publications/current-registered-providers-of-social-housing

[34] https://www.scottishhousingregulator.gov.uk/publications/charter-data-all-social-landlords

[35] We understand from consultation and from the Association of Gas Safety Managers (AGSM) that social housing contracts in Scotland can include a clause allowing the landlord to gain access to the property for, among other things, the completion of the gas check, even if the tenant has not assented. However, we

23. The Welsh Government provides a list of current registered social landlords.[36] As of August 2022, there were around 47 social landlords in Wales.[37]

24. Data from the Homes and Communities Agency (HCA) suggested that in August 2022 there were around 1614 HAs in England.[38]

25. HSE's Local Authority Unit holds information on the number of LAs across England, Scotland, and Wales. According to the most recent information, there are currently around 400 LAs/ UAs in GB.

26. Evidence on the total number of private landlords in Great Britain is limited. In answer to a written parliamentary question on 27 July 2021 from Lord Carrington, Lord Agnew of Oulton responded with HMRC data suggesting there are 2,185,000 private landlords earning money from rental income in 2021[39]. This figure is in line with estimates used by other Government departments, such as DLUHC.

27. The following analysis keeps the size of the current housing stock (both public and private), as well as the number of landlords, constant over the course of the appraisal period. This is a simplifying assumption; however, HSE feel this is proportionate for the following reasons.

28. Data from DLUHC suggests that in fact the total social housing stock has remained relatively stable over the last 5 -10 years. Estimates of the number of landlords are only used when calculating one-off costs of familiarisation and IT changes. As these are one-off costs, these will not be borne by new entrants to the market, and hence we have not modelled any changes in the number of landlords over the appraisal period.

3. Analysis of Costs and Benefits

29. Our research and analysis find that the introduction of flexibility in GSIUR 2018 has led to on-going annual savings to landlords due to a reduction in 'programme slippage' and logistical savings, although there have been some costs in terms of familiarisation and IT improvements. These costs and cost

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understand from evidence gathered after consultation with AGSM in Scotland that this clause is not often used by landlords as it is only executable after taking 'reasonable steps' to agree access with the tenant, and that these 'reasonable steps' usually lead to an agreed access before the clause is executed. As such, for simplicity, we shall assume that the situation in Scotland is similar to that in England and Wales.

[36] https://gov.wales/housing

[37] The actual number of registered landlords was 92, however one duplicate was removed.

[38] Data from the Homes and Communities Agency also includes LA providers of social housing in England. To avoid any double-counting, LA providers have been removed from these figures. LA providers are instead estimated using information from HSE's LA unit, as described in paragraph 25.

[39] https://questions-statements.parliament.uk/written-questions/detail/2021-07-14/HL2005

savings are based upon CORGI's survey, HSE landlord surveys and responses from within the industry.

Programme Slippage

30. Under the old Regulations, landlords were required to undertake annual gas checks, carried out by a registered gas engineer, on all of their properties. If successful, they then received a gas safety certificate which will be valid for the following 12 months.

31. In order to ensure that they met their statutory requirements (i.e., a gas check is carried out no longer than 12 months after the last one), many landlords began their annual gas check programme early to minimise access issues.[40] For example, if a landlord accesses a property after 11 months rather than at the annual 12-month date, then the following gas safety certificate will be valid for another 12 months, but from the one-month earlier date of access. This would lead to landlords losing a month's worth of the value of their gas safety certificate and causes them to have to undertake the next check at an earlier date. This is hereafter referred to as 'programme slippage'.

32. The amendments have allowed landlords greater flexibility. It has allowed landlords' gas checks to be carried out in a window of between 10 and 12 months after the previous check, but to be treated as if they were carried out on the last day of that 12 months' validity, thereby preserving the existing expiry date of the safety check record. Therefore, a certificate can be valid up to a maximum of 14 calendar months, although landlords cannot move to a regular 14-month cycle.

Social Landlords

33. Social landlords are individually often responsible for many thousands of properties; and collectively many million. Accordingly, in order to ensure they carry out gas checks at their properties within the required time, they begin their annual access programme early.

34. Those landlords who currently begin their annual access programme on average more than two calendar months, or about nine weeks[41], prior to the expiry date of a certificate will not see the savings of programme slippage as the move to an MOT-style system only gives flexibility up to two calendar months prior to the expiry date. Results from our survey suggest that around 9.5% of social landlords start their access programme more than nine weeks before the expiry date. Accordingly, we assume programme slippage savings might apply to potentially around 90.5% of the social housing stock of 4.2 million properties to some extent (Table 1). This is about 3.8 million properties.

[40] In a small number of cases, landlords experience difficulty in gaining access to properties for a number of reasons, for instance tenant availability, communication error, etc.

[41] The proposal is to allow flexibility of two calendar months, which rounds to nine weeks rather than to eight.

35. Of those respondents that first attempt entry less than ten weeks prior to the due date, the CORGI survey asked social landlords how many weeks prior they typically first attempted to gain access to undertake gas checks. As summarised in

36.

37. **Table 3**, the average number of weeks prior to the due date that the first entry attempt is made is around 6.1 weeks. Given that there are 52 weeks in a year, this implies one additional gas check on average about every nine years on average.

Table 3. Average number of weeks prior to check due date that social landlords first attempt access

Weeks prior to due date that first entry is attempted	Proportion of responses	Weighted average weeks early
1.5	16.3%	0.2
4	12.5%	0.5
5	3.8%	0.2
6	11.3%	0.7
7	7.5%	0.5
8	45.0%	3.6
9	3.8%	0.3
TOTAL	**100%**	**6.1**

Note: totals may appear not to sum due to rounding.

38. The period prior to the due date of 1.5 weeks is the assumed mid-point of the range 'Less than 4 weeks', as asked in the survey. The proportion of responses is adjusted to remove those answering 'Ten weeks' or giving an answer classified by CORGI as 'Other'.

39. The survey also asked what proportion of these first attempts at access were successful, i.e., that resulted in a gas check being successfully carried out, as opposed to, for example, finding the tenant was not at home as arranged. The results are summarised in

40. Table 4 and show that on average around 71% of first-time access attempts are successful.

Table 4. Average success rates for first entry attempts

Percentage rate of success at first attempt at entry	Assumed mid-point	Proportion of respondents	Weighted average success rate for first entry attempt

0-9%	4.5%	2.2%	0.1%
10-19%	14.5%	1.1%	0.2%
20-29%	24.5%	2.2%	0.6%
30-39%	34.5%	3.4%	1.2%
40-49%	44.5%	3.4%	1.5%
50-59%	54.5%	5.6%	3.1%
60-69%	64.5%	21.3%	13.8%
70-79%	74.5%	22.5%	16.7%
80-89%	84.5%	19.1%	16.1%
90-100%	95.0%	19.1%	18.1%
TOTAL	**-**	**100%**	**71.3%**

Note: totals may appear not to sum due to rounding.

41. CORGI did not ask about what happened in subsequent attempts, i.e., whether the second or third attempts were successful; or what delay in gaining access resulted. Such a delay in gaining access would reduce the average number of weeks prior to the due date that the gas check takes place down from the 6.1 weeks in table 3.

42. In the previous Impact Assessment we calculated that the delay associated with having to return for second and third attempts at access would lead to an additional test around roughly once every 9-10 years. We shared this assessment with CORGI and they agreed with our interpretation and conclusions.

43. Results from the CORGI survey, as well as consultation with housing associations, suggests that the cost of a gas check is about £73 on average.[42] For in-house gas checks, this includes an estimate for the administrative work. This is an average across the social housing sector and includes the cost of a 'light touch' service, as well as other gas appliances within the property checked (where applicable). This figure was tested and validated by our industry working group.

44. Over a ten-year appraisal period, this gives an estimated present value saving to social landlords of around £237 million. In equivalent annual terms, this is around £28 million.

[42] The assumption is made that the cost of a gas safety check is the same for social housing if done in-house or by a third-party.

Private Landlords

45. The impact of the changes will be markedly different in the private-rented sector. Rather than being responsible for often thousands of properties (as is the case with many Housing Associations), most private landlords typically own only a handful of properties.[43] Accordingly, private landlords report much less difficulty in gaining access to their properties than their social counterparts. As a result, in most cases they do not begin their annual access programme as early, and hence do not experience the same shortening of the annual gas check cycle.

46. Evidence from the Homelet survey of private landlords suggested that around half (51%) of landlords carry out the gas check one week or less prior to the expiry date. While these landlords will benefit somewhat from the proposed changes, this will be slight and for modelling purposes, we have excluded them, assuming their savings will be nil. HSE is not aware of high levels of non-compliance amongst private landlords, but we expect that this 51% would include a proportion that goes beyond the twelve-month period under the current requirements.

47. The remaining 49% of private landlords carried out their gas check on average two weeks before the expiry date. Were the current system to continue in stasis, these landlords would therefore end up carrying out one additional gas check every 25 years or so.

48. Results from the survey suggest that the average cost of a gas safety check in the private rented sector is around £73, which is similar to that for social landlords. This figure was tested and validated by the industry working group as part of the research process.

49. This gives direct savings from the flexibility in the privately rented sector equivalent to an annual saving of around £4.3 million, giving an estimated present saving value over ten years of around £37 million.

Logistical Savings

Social Landlords

50. The extra flexibility afforded by the changes in GSIUR 2018 has also led to Logistical Savings. These refer to the savings expected as a result of being able to group gas checks more effectively in nearby properties owing to the flexibility afforded by the date.

51. Under the old system, difficulty gaining access to properties combined with the rigidity of expiry dates meant that neighbouring or nearby properties often had gas checks due on a range of dates. This led to gas engineers

[43] https://homelet.co.uk/homelet-rental-index/landlord-survey-2015

travelling to and from properties in order to complete gas checks on any given day. Under the new system, representatives from the social housing sector have reported that they are able to group their properties more effectively to minimise this "zig-zagging" effect, thus reducing travel time of gas engineers carrying out gas checks. This reduced travel time is a resource saving for housing associations that have their own gas engineers (approximately 25%[44]), or gas contractors that carry out checks on social landlords' behalf.

52. Based on a social housing stock of approximately 4.2 million properties, and using the 25% of social landlords that have in-house gas engineers as a proxy for the proportion of social housing that is serviced by an engineer employed by the landlord[45], this means that approximately 1 million social properties could benefit from logistical savings for in-house engineers.

53. Modelling this "zig-zagging" is, by nature, extremely difficult to achieve with a great degree of confidence. All the following assumptions have been informed by consultation with industry through the various surveys and workshops described above; and has been further validated through formal consultation.

54. Evidence from the social housing sector gathered as part of the research for the consultation stage IA suggested that under the current system, a gas engineer could carry out on average around six gas checks in any given day.[46] With the new flexibility allowing landlords to carry out checks up to two months prior to the date of expiry, thereby improving the grouping of properties, industry suggested that a gas engineer could expect to complete around seven gas checks in any given day. This figure has since been ratified as a reasonable estimate of the actual benefits realised, by consultation with industry experts and through a series of case studies that we have received.

55. Evidently, however, not all properties are able to be grouped more effectively, due to geographical restrictions for instance. Furthermore, social landlords would already have been undertaking this style of grouping, and so not all social housing will have benefited from the further flexibility. Responses from the industry working group suggest that these logistical savings would be applicable to around 60% of the housing stock. Accordingly, we expect that of the 1 million properties which are serviced by an in-house gas engineer, only 635,000 have benefited from logistical savings.

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[44] A senior member of the Association of Gas Safety Managers (AGSM), which represents managers responsible for gas safety in their organisations, suggested that approximately 25% of all social landlords have in-house gas engineers responsible for carrying out gas checks. The remaining 75% fulfil these duties using contractors or other parties.

[45] This is a proxy because, while we estimate that 25% of social landlords employ in-house gas engineers, we are not sure how these map onto the number of actual social properties. However, we believe that applying the assumption of 25% from landlords onto properties as well is reasonable.

[46] The majority of gas safety checks are carried out alongside a service of the relevant appliance, however in the interest of brevity we have referred to this simply as a gas check.

56. Based on a gas engineer carrying out 6 gas checks per day, this means that a total of approximately 105,000 engineer days were required to complete all gas checks across the 635,000 properties under the old system each year.

57. Based on a gas engineer carrying out 7 checks per day due to the greater flexibility, this means that a total of approximately 91,000 engineer days are required to complete all gas checks across a housing stock of 635,000 when properties are grouped.

58. We therefore estimate that around 15,000 service days would be saved by gas engineers employed directly by social landlords, at a full economic cost of £320 per day.

59. Industry also stated that these logistical savings would not be realised immediately, as they spend some time planning the most efficient routes and aligning gas checks in nearby properties. Feedback from the sector suggests that any logistical savings will only start to be realised after two or so years.

60. Based on the assumptions above, HSE estimates that social landlords have benefited from annual logistical savings of approximately £4.8 million, modelled to occur from Year 3. Over the ten-year appraisal period, this gives an estimated direct present value saving of around £32 million. This gives an estimated equivalent annual saving of around £3.7 million.

Private Landlords

61. In the private-rented sector, most landlords own only one or two properties. Accordingly, the scope for grouping gas checks is limited. Further, through consultation with the sector it has become clear that even larger 'multi-premise' landlords tend to have diverse locations and differing gas safety check timings.

62. Public consultation respondents tended to agree with this assessment, indicating that the logistical savings might be realised only by the very largest private landlords. Given that very few private landlords own six properties or more, there could only be very few private landlords that would have an estate sufficiently large to experience the types of logistical savings that social landlords are estimated to do. As a result, HSE expects that any logistical savings to private landlords will be minimal and have therefore been estimated as nil.

Familiarisation costs

63. The estimates presented below have been informed by consultation with industry through the various surveys and consultations described above. They have been further tested through formal public consultation. HSE recognises, however, that the process by which businesses respond to changes in their regulatory duties is highly variable, and so the following estimates are an

average across all businesses, and represent our understanding based on the most recent information.

Social Landlords

64. As summarised in

65.

66. Table **2.** Total number of social landlords in Great Britain

Number of housing associations in England	1614
Number of housing associations in Scotland	178
Number of housing associations in Wales	47
Total housing associations in GB	**1839**
Number of Local Authorities in England	346
Number of Unitary Authorities in Scotland	32
Number of Unitary Authorities in Wales	22
Number of Local Authorities	**400**
Total number of social landlords (GB)	**2,239**

Note: totals may appear not to sum due to rounding.

67. , there are approximately 2,200 social landlords (LAs/HAs) in GB. Responses from industry suggest that between 1 and 4 people spent approximately 1 hour each familiarising with the changes; around 1 and 4 hours per social landlords, with a best estimate of around 2.5 hours.

68. At an hourly cost of time of £36.91 (ASHE 2021), this gives an estimated range of between £83,000 and £330,000 for familiarisation across all social landlords, with a best estimate one-off cost of approximately £206,000. This was a one-off familiarisation cost, assumed to have occurred in Year 1 of the appraisal period.

Private Landlords

69. Evidence from HSE's survey of the private-rented sector suggests that approximately half of all private landlords would spend time reading and understanding the changes to GSIUR. Based on 2.1 million private landlords (see above), this means that around 1.1 million would take time familiarising.

70. The remainder would essentially 'pick up' the information through routine interactions with lettings agents or gas engineers; or through reading their gas safety certificate once issued, which they would do anyway. They are estimated to incur zero additional cost.

71. Survey responses received from members of the RLA, NLA and UKALA, suggest that it would take private landlords approximately half an hour (30 minutes) to familiarise with the changes. On the basis of 50% of all private landlords spending half an hour reading and understanding changes at a cost of £13.82 per hour, this is estimated to have led to one-off costs of familiarisation of around £7.5 million.

Letting Agents

72. According to the Interdepartmental Business Register (IDBR), there are around 18,000 estate agents in Great Britain.[47] We will assume for simplicity that all of these are involved in the rental market to some extent, rather than only sales.

73. We have assumed in our analysis that the time required for letting agents to familiarise with the changes was like that of the large social landlords; this is because they are both organisations that have a good existing level of understanding of the requirements and will both manage large estates. However, we assume that only one person on average would familiarise per letting agent (as opposed to between one and four for housing associations). This is because letting agents are on the whole smaller than housing associations (69% employ fewer than five people[48]); and, unlike housing associations, lettings agents tend not to have gas engineers on staff, who would likely require additional familiarisation. This gives around 1 hour per organisation, or around 18,000 hours in total.

74. Costed at an FEC of £13.82 per hour (see above), this gives an estimated one-off cost of around £250,000.

Engineers

75. Smaller gas engineering companies that offer ad hoc gas safety checks may want to familiarise themselves with the proposed changes, but this would be their own choice as they do not have a duty to discharge, other than to perform a gas operation safely.

76. Larger companies, however, may offer gas check management contracts and would need to familiarise with the changes to ensure their offer remained compliant. It is not clear from HSE's research how many companies might offer such a service; however, it seems reasonable to assume that only the larger companies in the sector would be capable of doing so, given the additional resources needed to manage these contracts. According the IDBR[49], there are around 260 companies in the plumbing, heating and air-conditioning

[47] http://web.ons.gov.uk/ons/data/dataset-finder/-/q/datasetView/Economic/UKBA01a?p_auth=23fXCIYv&p_p_auth=kqcUy9h7&p_p_lifecycle=1&_FOFlow1_WAR_FOFlow1portlet_geoTypeId=2013WARDH&_FOFlow1_WAR_FOFlow1portlet_UUID=0 There are 17,795 enterprises in the UK; subtracting the 370 in Northern Ireland takes us to 17,425 for GB only.

[48] Ibid. At the UK level, the figures are 12,325 enterprises employing fewer than five out of a total of 17,795.

[49] Ibid.

sector that employ more than fifty people (this is around 7% of all such enterprises, the majority of which are micro businesses).

77. It would be an overestimate to assume that all these businesses offered such gas contract management, but this will serve as a useful simplification.

78. Given the nature of the changes proposed and the scale and size of the organisation, we estimate that the time required from such a company to familiarise would be like that of a housing association at between around 1 and 4 hours, with a best estimate of 2.5 hours (see paragraph 67).

79. If we assume an FEC per hour for a gas service engineer of £42.69, this gives an estimated one-off cost of engineer familiarisation of between around £11,000 and £44,000, with a best estimate of around £28,000.

IT Costs

Social Landlords

80. In order to take advantage of the benefits of the proposal, landlords had to make changes to their IT systems (in essence, this involved changes such as the addition of an extra entry into their current database for the date at which the check was carried out, so the system holds this date as well as the expiry date).

81. Survey responses, validated by the working group, suggested that these IT costs ranged from between £1,000 and £10,000, with a best estimate of £5,500 per landlord. These costs have been estimated by housing associations to include the costs of engineering the changes, testing them and, in some cases, aligning them with handheld devices carried by the associations' engineers and other workers. The resource to do this would often have been contracted in.

82. Assuming all social landlords were required to make these changes, this led to one-off IT costs of between £2.2 million and £22.4 million, with a best estimate of around £12.3 million. However, some HAs had suggested that costs associated with regulatory change are already included in the contract with their IT service providers, and hence they will only see some portion of these costs. Accordingly, HSE expect these costs to have been an upper estimate of the likely impact.

Private Landlords

83. Only a small proportion of private landlords would have been required to make such changes to their IT systems, either because they keep a copy of their gas check records elsewhere, or because their systems are less complex. This was supported by responses to the survey HSE sent round to private landlords, of which only a handful suggested that they would incur any costs associated with updating their IT systems.

84. Feedback from consultation, suggested that the costs of this adjustment were in a range of between around £50 up to £500, with a best estimate of around £280.

85. Across the 21,850 private landlords estimated to have been affected, this gives an estimated one-off cost of between around £1m and £11 million, with a best estimate of around £6 million.

Unquantified costs/savings

86. Tenants may also have benefitted from the increased flexibility to some extent, as they now have a larger window within which to successfully negotiate with their landlords when to carry out the gas check. It has not been possible to quantify this impact.

Wider Impacts

87. Wider impacts have been considered and no further impacts have been identified for:

a. Statutory Equality Duties;
b. Human Rights;
c. Justice System;
d. Rural Proofing;
e. Social Impacts;
f. Environmental impacts; and
g. Sustainable development.

88. We have considered the criteria for wider competition and health and wellbeing impacts and do not consider that there is anything that needs to be addressed.

Small and Micro Business Assessment (SaMBA)

89. GSIUR 2018 applies to several different industries and businesses, placing duties on large Housing Associations and other registered providers of social housing as well as individual private landlords owning only a handful of properties who in many cases would be considered a small or micro-sized business.

90. The management of gas – be it at a residential property (for gas safety checks, for example) or industrial site (CNG) – is an intrinsically high-hazard activity, with the potential for major accidents involving multiple casualties. This is not necessarily linked to business size, however, and so it would be inappropriate to grant an exemption to small and micro businesses involved in the activities covered under GSIUR 1998.

91. However, as a deregulatory measure, HSE expects that all the proposals described in the above PIR will be net beneficial to businesses and we expect, given the make-up of the private-rented sector and the limited scale of most

private landlords' estates that a great deal of the savings will accrue to larger enterprises.

4. Conclusions

92. This cost-benefit analysis finds that GSIUR 2018 led to one-off costs to business of around £31 million, however the flexibilities resulting from the changes delivered annual benefits to business of around £33 million, resulting in an NPV £243 million and an EANDBC of -£28 million

93. This cost benefit assessment allows us to conclude that the benefits significantly outweigh the costs and will continue to do so for the foreseeable future. It demonstrates that the impact of GSIUR 2018 on businesses has a large social value and that the case for maintaining this regulation remains strong.

5. Headline Costs and Benefits Table (nearest £m)

	One-Off			Average Annual			Present Value			EAC		
	Low	Best	High	Low	Best	High	Low	Best	High	Low	Best	High
Costs												
Private Landlords												
Familiarisation	£7,552,000	£7,552,000	£7,552,000				£7,552,000	£7,552,000	£7,552,000	£877,000	£877,000	£877,000
IT Costs	£10,925,000	£6,009,000	£1,093,000				£10,925,000	£6,009,000	£1,093,000	£1,269,000	£698,000	£127,000
TOTAL	£18,477,000	£13,561,000	£8,644,000	**£0**	**£0**	**£0**	£18,477,000	£13,561,000	£8,644,000	£2,147,000	£1,575,000	£1,004,000
Social Landlords												
Familiarisation	£331,000	£207,000	£83,000				£331,000	£207,000	£83,000	£38,000	£24,000	£10,000
IT Costs	£22,390,000	£12,315,000	£2,239,000				£22,390,000	£12,315,000	£2,239,000	£2,601,000	£1,431,000	£260,000
TOTAL	£22,721,000	£12,521,000	£2,322,000	**£0**	**£0**	**£0**	£22,721,000	£12,521,000	£2,322,000	£2,640,000	£1,455,000	£270,000
Others												
Familiarisation (letting agents)	£251,000	£251,000	£251,000				£251,000	£251,000	£251,000	£29,000	£29,000	£29,000
Familiarisation (engineers - landlords)	£44,000	£28,000	£11,000				£44,000	£28,000	£11,000	£5,000	£3,000	£1,000
Familiarisation (engineers - meters)	£289,000	£217,000	£145,000				£289,000	£217,000	£145,000	£34,000	£25,000	£17,000
IT Costs (letting agents)	£1,598,000	£1,598,000	£1,598,000				£1,598,000	£1,598,000	£1,598,000	£186,000	£186,000	£186,000
IT Costs (engineers)	£3,800,000	£2,653,000	£1,505,000				£3,800,000	£2,653,000	£1,505,000	£441,000	£308,000	£175,000
TOTAL	£5,982,000	£4,746,000	£3,509,000	**£0**	**£0**	**£0**	£5,982,000	£4,746,000	£3,509,000	£695,000	£551,000	£408,000
TOTAL COSTS	**£47,180,000**	**£30,828,000**	**£14,475,000**	**£0**	**£0**	**£0**	**£47,180,000**	**£30,828,000**	**£14,475,000**	**£5,482,000**	**£3,581,000**	**£1,682,000**
Savings												
Private Landlords												
Programme Slippage				£4,275,000	£4,275,000	£4,275,000	£36,794,000	£36,794,000	£36,794,111	£4,274,552	£4,274,552	£4,274,564
TOTAL	**£0**	**£0**	**£0**	£4,275,000	£4,275,000	£4,275,000	**£36,794,000**	**£36,794,000**	**£36,794,111**	**£4,274,552**	**£4,274,552**	**£4,274,564**
Social Landlords												
Programme Slippage				£23,830,000	£23,830,000	£23,830,000	£205,122,000	£205,122,000	£205,122,000	£23,830,000	£23,830,000	£23,830,000
Logistical Savings				£4,837,000	£4,837,000	£4,837,000	£32,125,000	£32,125,000	£32,125,000	£3,732,000	£3,732,000	£3,732,000
TOTAL	**£0**	**£0**	**£0**	**£28,667,000**	**£28,667,000**	**£28,667,000**	**£237,247,000**	**£237,247,000**	**£237,247,000**	**£27,562,000**	**£27,562,000**	**£27,562,000**
TOTAL SAVINGS	**£0**	**£0**	**£0**	**£32,942,000**	**£32,942,000**	**£32,942,000**	**£274,041,000**	**£274,041,000**	**£274,041,111**	**£31,836,552**	**£31,836,552**	**£31,836,564**
TOTAL NET	**-£47,180,000**	**-£30,828,000**	**-£14,475,000**	**£32,942,000**	**£32,942,000**	**£32,942,000**	**£226,861,000**	**£243,213,000**	**£259,566,000**	**£26,355,000**	**£28,255,000**	**£30,154,000**

Appendix 3: Resources

Final Questionnaires

Landlord and Gas Engineer Questionnaire - https://consultations.hse.gov.uk/hse/gas-safety-installation-use-amendment-regs-reg36/

1. In your opinion, has the introduction of the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain (please pick one option)
    - Improved gas safety a lot
    - Improved gas safety a little
    - Made no difference to gas safety
    - Worsened gas safety a little
    - Worsened gas safety a lot
    - Don't know

2. (If worsened a little/ a lot) Please briefly explain why you think gas safety has worsened. (Free text answer)

3. What is the size of your managed Housing Stock for which you have duties under Regulation 36 of the Gas Safety (Installation & Use) Regulations 1998? (Numerical answer)

4. How many weeks prior to the anniversary date of the landlord gas safety record do you commence your annual access programme? ie When does the first notification go out to tenants? (Please give number of weeks – numerical answer)

5. How many weeks prior to the anniversary date of the Landlord Gas Safety Record do your contractors/in house team make the first attempt at access? (Please give number of weeks – numerical answer)

6. What is your estimated first-time access success rate, expressed as a %? (Numerical answer)

6a) If there had been a change, what has been the main contributor to the effect on first time access? (Free text answer)

7. Under the MOT style gas safety checks the anniversary date of the Landlord Gas Safety Record check stays the same as long as the safety check is done within 28 days prior to the anniversary date.

Do you believe it is beneficial for social landlords to be able to operate MOT style gas safety checks, for appliances covered under Regulation 36 of the Gas Safety (Installations & Use) Regulations 1998? (Yes/no answer)

7a) Have you found any change in safety defects since the change has been brought in? (Yes/no answer) If yes, has there been an increase or decrease, and can you give an estimated percentage of this increase or decrease?

8. Have the regulations met the policy objective of allowing greater flexibility in the timing of gas safety checks to ensure that the annual gas safety check cycle isn't shortened unnecessarily? (yes/no answer)

9. Have there been any positive impacts resulting from the changes to regulation 36a for you or for your organisation?

'Please briefly give details' (free text answer)

10. Have there been any negative impacts of a 'MOT style' servicing on your organisation?

'Please briefly give details' (free text answer)

11. Are you aware of any unforeseen **positive** consequences arising from the introduction of the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain? (Yes/no answer)

- If 'yes', please give brief details (free text answer)

11a). Are you aware of any unforeseen **negative** consequences arising from the introduction of the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain? (Yes/no answer)

- If 'yes', please give brief details (free text answer)

12. If you have any further observations or comments about the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain, please detail these below (free text answer).

CNG Station Questionnaire Regulation 2(4) Questionnaire -
https://consultations.hse.gov.uk/hse/gas-safety-installation-use-amendment-regs-cng/

1. Has the legislative change to Regulation 2(4) of GSIUR (exemption for CNG stations) had a positive effect, negative effect or no effect on your organization? (please choose one)
   - Positive effect
   - No effect
   - Negative effect

2. What impact has the legislative change to Regulation 2(4) of GSIUR (exemption for CNG stations) had on the level of clarity about the appropriate regulatory framework for your organization (please choose one).
   - Much greater clarity
   - More clarity
   - Same level of clarity/no impact
   - Less clarity
   - Much less clarity

3. Has the legislative change to Regulation 2(4) of GSIUR (exemption for CNG stations) had any unforeseen consequences for your organization? – Please choose yes or no.

4. Has the legislative change to Regulation 2(4) of GSIUR (exemption for CNG stations) had any unforeseen consequences for your organisation? - If yes, please give brief details.

5. If you have any further observations or comments about the Gas Safety (Installation and Use) (Amendment) Regulations (2018) in Great Britain, please detail these below (free text answer).