

HEALTH AND SAFETY AT WORK ETC. ACT 1974

**HEALTH AND SAFETY
COMMISSION
HEALTH AND SAFETY
EXECUTIVE**

ACCOUNTS 1983–84

ACCOUNTS, prepared pursuant to section 10(6) and paragraphs 14 and 20 of Schedule 2 to the Health and Safety at Work etc. Act 1974, of the Health and Safety Commission and the Health and Safety Executive for the year ended 31st March 1984; together with the Report of the Comptroller and Auditor General thereon. (In continuation of House of Commons Paper No. 366 of 1983–84.)

Presented pursuant to Act 1974 c. 37, s. 10(6)

*Ordered by The House of Commons to be printed
19 June 1985*

LONDON
HER MAJESTY'S STATIONERY OFFICE

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HEALTH AND SAFETY COMMISSION

HEALTH AND SAFETY EXECUTIVE

FOREWORD

Background Information

The Health and Safety at Work etc Act 1974 provided for the creation of a Health and Safety Commission and a Health and Safety Executive and the continuation of the Employment Medical Advisory Service. The Commission is charged with a general duty to do such things and make such arrangements as it considers appropriate for the purposes of the Act. The Commission came into being on 1 October 1974 and appointed the Health and Safety Executive on 1 January 1975. It is the duty of the Executive to enforce relevant statutory requirements on safety and health, except in so far as this work is allocated by regulations to local authorities, and to exercise on behalf of the Commission such of the Commission's functions as the Commission directs it to exercise in accordance with section 11(4) of the Act. The Commission has from its inception relied upon the Executive to carry out work preliminary to the determination of policy and to implement decisions of the Commission.

The statement of accounts, under paragraphs 14 and 20 of Schedule 2 to the Act, have been prepared in a form determined by the Secretary of State for Employment with the approval of the Treasury.

Results and Appropriations

The surplus for the year amounted to £3,132,005. An amount of £113,641 was surrendered to the Exchequer leaving an operating surplus of £3,018,364 to be retained.

Review of Activities

The objectives of the Commission and the Executive derive from the Health and Safety at Work etc Act 1974, whose principal purpose is to secure the health, safety and welfare of people at work and to protect the public against risks to their health and safety arising out of the activities of people at work.

This is achieved through promulgation and enforcement of legislation, advice and guidance, the inspection of work places and the investigation of incidents involving injury, loss of life, or ill health and by stimulating industry to generate and adopt up-to-date codes of safe working practice.

Special publicity initiatives in the year have included a farm safety campaign "Safe Moves", a construction industry campaign, "Site Safe 83" and, a campaign on occupational noise.

Market Value of Land and Buildings

The commercial values of buildings occupied by the Commission and Executive are not included in the account as title, apart from the Royal Exchange works site Sheffield, rests with the Property Services Agency. The costs of adaptations to buildings, to make them suitable for the operational needs of the Executive, have been capitalised although many do not materially affect the true market value of the buildings. The Commission and Executive will not receive any recompense for this expenditure should they vacate a building whose title rests with the Property Services Agency.

Fixed Assets

The most significant changes in fixed assets in the year were:—

- (a) an increase in the net book value of land and buildings which was mainly due to expenditure of £1,633,000 on the refurbishment of the Headquarter buildings acquired in Bootle for dispersal; and expenditure of £390,000 on the Research and Laboratory Services Division site at Buxton;
- (b) an increase in the net book value of Machinery and Equipment which was mainly due to expenditure of £1,006,000 on new and replacement equipment for use by the Research and Laboratory Services Division; and expenditure of £1,130,000 on equipment for computer systems.

Research and Development

Progress was made on a wide-ranging programme of research and laboratory services, carried out in the Executive's own laboratories and through extramural contracts. The largest slice of the intramural research effort was devoted to environmental hazards, with other sizeable allocations going to engineering, to occupational medicine, and to the hazard area involving explosions, fire, explosives and major hazards. Notable topics in the programme included asbestos measurement, exposure to cadmium and to rubber fume, safety of microprocessor-based control systems, dispersion of clouds of heavy gas, test methods for explosives, venting of dust explosions, and exposure of various materials to fire.

Future Developments

The Health and Safety Executive is expected in future to devote more of its resources to occupational health risks associated with toxic and carcinogenic substances, to major hazards and general hazards such as noise. Over the next three years or so a number of major control packages are expected to be completed covering, among other things, Control of Major Accident Hazards, Classification, Packaging, and Labelling of Dangerous Substances, Asbestos, Ionising Radiations, Electricity at Work and Flammable Gases and Oxygen. This new legislation will have a significant effect on the workloads of the field forces.

The dispersal to Merseyside of much of HSE's London headquarters is taking place over the period 1983-85.

Events since the end of the financial year

Important events since the end of the financial year have included:—

- (a) the making of regulations which deal with the licensing of contractors undertaking work with asbestos stripping and the tightening of the permitted levels of asbestos in air that workers may be exposed to, and
- (b) in response to the European Community Directive on Major Accident Hazards, regulations for the Control of Major Accident Hazards have been submitted to the Secretary of State for approval.

Health and Safety Commission Members

Chairman:

Dr E J Cullen was appointed Chairman of the Commission on 1 October 1983 following the retirement of Sir W J Simpson KBE.

Members:

Other members are Dr A H Raper, Dr C M Thomas OBE and Mr R F Eberlie nominated by the CBI; Mr R W Buckton, Mr P R A Jacques and Mr G Lloyd CBE nominated by the TUC; Mr D Mason nominated by the Association of Local Authorities, Scotland nominee; and Dr M C Shannon nominated by the Association of Local Authorities, England and Wales.

Disabled Persons

The Executive's policy is to give disabled people in their employment the same opportunities as others. Positive steps are being taken to increase the proportion of disabled persons in the employment of the Executive although it has to be accepted that the work of the field staff in particular requires them to be fully fit physically and mentally.

Employee Involvement

The Executive's policy is to consult fully with trade unions representing employees. The main HSE Whitley Council meets under the Director General's chairmanship four times a year. All matters of importance are discussed through committees or working groups. Each of the main offices has its own local Whitley committee.

Safety representatives have been appointed by the trade unions and joint safety committees have been formed both at headquarters and in local offices. A joint central safety committee deals with major matters.

Auditors

The accounts of the Commission and Executive are audited under Schedule 2 paragraph 14(2) of the Health and Safety at Work etc Act 1974 by the Comptroller and Auditor General.

E. J. Cullen
Chairman, Health and Safety Commission
Accounting Officer

30 November 1984

Schedule 1

HEALTH AND SAFETY COMMISSION

HEALTH AND SAFETY EXECUTIVE

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 MARCH 1984**

	Notes	£'000	£'000	<i>Previous Year £'000</i>
GROSS INCOME				
Grant-in-Aid	1d	85,651		80,143
Fees and Charges for specific work		4,325		3,948
Sales and Other Receipts		731		1,126
			90,707	85,217
EXPENDITURE				
Health and Safety Commission:				
Staff Costs	3	130		98
Other Operating Charges	4	105		72
Health and Safety Executive:				
Staff Costs	3	50,655		48,753
Other Operating Charges	4	33,510		30,755
Depreciation	1f	3,175		2,405
			87,575	82,083
			3,132	3,134
EXCEPTIONAL ITEMS				
Surrender of excess Grant-in-Aid balance				790
Surrender of windfall receipt	5		114	
OPERATING SURPLUS				
Retained Surplus BF			3,018	2,344
			21,586	19,242
Retained Surplus CF			24,604	21,586

The notes on pages 11 to 17 form part of these accounts.

Schedule 2

HEALTH AND SAFETY COMMISSION

HEALTH AND SAFETY EXECUTIVE

BALANCE SHEET AS AT 31 MARCH 1984

	Notes	£'000	£'000	Previous Year £'000
FIXED ASSETS				
Tangible Assets	6		23,939	20,537
 CURRENT ASSETS				
Debtors	8	3,377		3,069
Cash at bank and in hand	9	13		81
		<u>3,390</u>		<u>3,150</u>
 Creditors				
Amount falling due within one year	10	<u>2,725</u>		<u>2,101</u>
 NET CURRENT ASSETS			<u>665</u>	<u>1,049</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES			<u>24,604</u>	<u>21,586</u>
 FINANCED BY				
Income and Expenditure Account			<u>24,604</u>	<u>21,586</u>

E. J. Cullen
Chairman, Health and Safety Commission
Accounting Officer

30 November 1984

The notes on pages 11 to 17 form part of these accounts

Schedule 3

HEALTH AND SAFETY COMMISSION

HEALTH AND SAFETY EXECUTIVE

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	Notes	£'000	£'000	Previous Year £'000
SOURCE OF FUNDS				
Grant-in-Aid receipt	1d	85,651		80,143
Operating loss before Grant-in-Aid		(82,519)		(77,009)
Exceptional Item: Surrender of excess Grant-in-Aid balance				(790)
Surrender of windfall receipt	5	(114)		
Operating Surplus			3,018	2,344
Adjustments for items not involving movement of funds:				
Depreciation		3,175		2,405
Surplus on disposal of, and adjustments to, Fixed Assets		(34)		(28)
			3,141	
Funds from other sources:				
Proceeds from sale of Fixed Assets			50	47
			6,209	4,768
APPLICATION OF FUNDS				
Purchase of Tangible Fixed Assets	6		(6,593)	(5,028)
Working Capital Decrease			(384)	(260)
Movement of Working Capital				
Increase in Debtors	8	308		1,088
(Increase) in Creditors	10	(624)		(1,122)
			(316)	(34)
Movement in Net Liquid Funds				
(Decrease) in cash at bank	9		(68)	(226)
			(384)	(260)

The notes on pages 11 to 17 form part of these accounts.

HEALTH AND SAFETY COMMISSION

HEALTH AND SAFETY EXECUTIVE

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

(a) ACCOUNTANCY CONVENTION

The accounts are prepared under the historical cost convention.

Without limiting the information given, the accounts meet the requirements of the Companies Acts 1948–1981 and of the Statements of Standard Accounting Practice issued by member bodies of the Consultative Committee of Accountancy Bodies so far as those requirements are appropriate. Significant departures from Statements of Standard Accounting Practice are disclosed in the notes and the financial effect is quantified where practicable to do so.

The format of the accounts has been changed from that used in previous years to meet the requirements of the Companies Act 1981. Previous year figures have been restated in the new format.

(b) CURRENT COST ACCOUNTING

Current cost accounts have not been prepared on the grounds that current cost account adjustments estimated to arise from the application of SSAP16 are not likely to be material in relation to total expenditure. The principal adjustment would relate to the depreciation charge which in the present historical cost basis represents approximately 4.00 per cent of total expenditure.

(c) ANALYSIS BY ACTIVITIES

As all the activities of the Commission and Executive have been designed to use the measures in the Health and Safety at Work Etc Act 1974 to further the reduction of occupational accidents and disease it is not considered appropriate to provide for an analysis of costs and related revenues by each separate activity.

(d) GOVERNMENT GRANTS

Pursuant to Section 43 of the Health and Safety at Work Etc Act 1974, the Commission is financed by a Grant-in-Aid borne on a vote of the Department of Employment (Class IV Vote 23) and the Commission pays to the Executive such sums as the Commission considers appropriate for the purpose of enabling the Executive to perform its functions. The Grant-in-Aid is credited to income in the year to which it relates.

(e) ASSETS

Assets are held by the Health and Safety Executive which provides services for the Health and Safety Commission (except for certain Land and Buildings, see note 6 below).

(f) DEPRECIATION

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life, as follows:

Freehold buildings	over	50 years
Leasehold land and buildings	over	period of lease
Office furniture	over	15 years
Office machinery	over	10 years
Other machinery and equipment:		
Major items	over	10 years
Minor items	over	5 years
ADP equipment	over	7 years
Vehicles: Lorries	over	7 years (9 years for vehicles purchased on or after 1 April 1981)
Cars	over	5 years (7 years for vehicles purchased on or after 1 April 1981)

(g) REPAIR AND RENEWALS

Expenditure on repairs, renewals and minor items of equipment is charged to expenditure in the year in which it was incurred.

(h) RESEARCH

Expenditure on research is charged to expenditure in the year in which it was incurred.

(i) NOTIONAL INTEREST ON CAPITAL

Notional interest has been calculated on Fixed Assets and Working Capital at the rate prescribed by Treasury. For Fixed Assets this was 10.79 per cent and for Working Capital 10.11 per cent. The notional interest charge was calculated at £2,486,000 but has not been charged to the Income and Expenditure Account.

(j) NOTATION OF LOSSES, SPECIAL PAYMENTS OR GIFTS

In accordance with Treasury instructions a bulk figure of all losses, special payments or gifts indentified in a year need only be shown in the account when the total exceeds one hundred thousand pounds and individual cases need only be noted when they exceed one hundred thousand pounds.

2 OPERATING SURPLUS

	£	Previous year £
(a) This is stated after charging or crediting:		
Commission Members remuneration (see Note 2b)	27,767	10,069
National Audit Office fees	<u>17,250</u>	<u>17,000</u>
Travel, subsistence and hospitality:		
Chairman and other Commission members	21,962	13,719*
Staff	5,995,783	4,589,910*

(b) Commission members' remuneration		<i>Previous year</i>
	£	£
Fees	8,247	5,830*
Other emoluments	4,466	4,239
Lump sum to former Chairman	12,895	NIL
Pension to former Chairman	2,159	NIL
	<u>27,767</u>	<u>10,069</u>

* Previous year figures restated to reflect expenditure wrongly attributed.

	£	£
The emoluments of the Chairman	<u>40,145</u>	<u>37,750</u>

Other Commission members' emoluments fell within the following ranges	No.	No.
£ nil – £5,000	8	8
£5001 and over	NIL	NIL

(c) Senior employees:		
The following number of senior employees received remuneration falling within the ranges below	No.	No.
£30,001 – £35,000	23	5
£35,001 – £40,000	1	NIL

3 STAFF COSTS

	£000	<i>Previous year</i> £000
Health and Safety Commission		
Wages and Salaries	96	76
Social Security costs	6	5
Superannuation costs	13	17
Pension costs	15	NIL
	<u>130</u>	<u>98</u>
Health and Safety Executive		
	£'000	£'000
Wages and Salaries	38,589	37,845
Social Security costs	2,802	2,809
Superannuation costs	9,264	8,099
	<u>50,655</u>	<u>48,753</u>

The average number of employees during the year of the account was made up as follows:

	No.	<i>Previous year</i> No.
Administration	1,775	1,762
Professional	607	605
Inspectorial	1,258	1,308
Industrial	85	89
	<u>3,725</u>	<u>3,764</u>

4 OTHER OPERATING COSTS

Health and Safety Commission

	£'000	<i>Previous year</i> £'000
General Administrative Expenses	38	21
Rent, rates, maintenance and other premises costs	60	44
Other current expenditure on goods and services	7	7
	<u>105</u>	<u>72</u>

Health and Safety Executive

	£'000	<i>Previous year</i> £'000
General Administrative Expenses	13,572	11,476
Rent, rates, maintenance and other premises costs	12,001	10,826
Research, Testing & Survey services	4,208	4,765
Other current expenditure on goods and services	3,729	3,688
	<u>33,510</u>	<u>30,755</u>

5 EXCEPTIONAL ITEMS

	£'000	<i>Previous year</i> £'000
Exceptional Charge		
Surrender of excess grant-in-aid	—	790
Surrender of windfall receipt	<u>114</u>	<u>—</u>

Investigations revealed a discrepancy, in favour of the Executive, of £113,641 between the accounting records of advance payments maintained by the Executive and the Property Services Agency. The discrepancy was treated as a windfall receipt that had not been included in Estimates and was therefore surrendered to the Exchequer via the Department of Employment during 1983-84.

6 TANGIBLE FIXED ASSETS

	Land and Buildings £'000	Machinery and Equipment £'000	Other Fixed Assets £'000	Total £'000
Cost at 1 April 1983	13,625	14,437	3,989	32,051
Additions in year	2,280	3,431	882	6,593
Deduct: Disposals during year		(171)	(168)	(339)
Adjustment of Gross Value				
Deduct:	(1)	(348)	(252)	(601)
Balance at 31 March 1984	15,904	17,349	4,451	37,704
Depreciation:				
At 1 April 1983	4,355	5,554	1,605	11,514
Charge in year	1,095	1,749	331	3,175
On disposals		(135)	(158)	(293)
Adjustment of cumulative depreciation				
Deduct:		(377)	(254)	(631)
Accumulated depreciation at 31 March 1984	5,450	6,791	1,524	13,765
Net Book Value at 31 March 1984	10,454	10,558	2,927	23,939
Net Book Value at 31 March 1983	9,270	8,883	2,384	20,537

The book value of other fixed assets at 31 March 1984 represented £1,729,000 for office furniture, £376,000 for vehicles and £822,000 for office machinery. Comparative figures for 31 March 1983 were £1,392,000 for office furniture, £386,000 for vehicles and £606,000 for office machinery.

Legal title to the property solely occupied by the Executive has not yet been transferred from the Property Services Agency to the Executive. Therefore figures for land and buildings only represent capital improvements and additions financed by the Health and Safety Executive on properties in their occupation. The value of solely occupied buildings taken over by the Executive on or after April 1975 in respect of which the title has not been transferred to the Executive is not included in the Fixed Assets.

The net book value of land and building comprises:

	£'000	Previous Year £'000
Freehold	94	96
Long Leasehold	1,132	1,030
Short Leasehold	9,228	8,144
	<u>10,454</u>	<u>9,270</u>

7 ADJUSTMENTS

Following the annual review and checks of assets held during the preparation of the 1983-84 accounts, and additional checks on assets moved during dispersal from London to Bootle and Sheffield adjustments to the gross value and accumulative depreciation figures for machinery and equipment and other fixed assets were found to be necessary to reconcile the asset records with existing assets held. The main adjustments were in respect of scientific equipment (gross value £415,000, accumulative depreciation £377,000, net book value £38,000) and old furniture (gross value £310,000, accumulative depreciation £310,000, net book value nil) to account for disposals that had not been reflected in earlier accounts. The adjustments are not considered significant enough to affect the true and fair view of prior year accounts.

8 DEBTORS	£'000	£'000	<i>Previous year</i> £'000
Debts falling due within one year:			
Sundry Debtors	675		671
Imprests and Advances	558		681
Prepayments	1,152		1,087
		<u>2,385</u>	
Debts falling due after more than one year:			
Imprests and Advances		<u>992</u>	<u>630</u>
Total		<u><u>3,377</u></u>	<u><u>3,069</u></u>

The Nuclear Installations Act 1965 required nuclear installations to be licenced and Section 24(3) provides for licensees to pay the expenses of the work deemed attributable to licencing. It is the Commission's policy to recover full costs wherever practicable and the accrued costs relating to work attributable to the Pressurised Water Reactor project amounted to £1,016,000 for 1980–1981, £2,079,000 for 1981–1982, £2,125,000 for 1982–1983 and £2,278,000 for 1983–1984. As these costs may only be recovered if and when a licence is granted the total (£7,498,000) accruing is not reflected in the balance sheet.

9 CASH:	£'000	£'000	<i>Previous year</i> £'000
Cash: with Paymaster General	(55)		50
at bank and in hand	<u>68</u>		<u>31</u>
		<u><u>13</u></u>	<u><u>81</u></u>

10 CREDITORS	£'000	£'000	<i>Previous year</i> £'000
Amounts falling due within one year			
Sundry Creditors	2,267		1,745
Payments Received on Account	369		303
Social Security costs	15		13
Other Taxation costs	74		40
		<u>2,725</u>	<u>2,101</u>

11 SUPERANNUATION

The employees of the Health and Safety Commission and Health and Safety Executive are Civil Servants to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply and for 1983–84 contributions of £9,277,000 were paid to the Paymaster General at rates determined from time to time by Government Actuary and advised by the Treasury. For 1983–84 these rates were 24 per cent for non industrial staff and 21 per cent for industrial staff.

12 CAPITAL COMMITMENTS

	<i>Previous year</i>	
	<i>£'000</i>	<i>£'000</i>
Contracted	<u>1,175</u>	<u>2,853</u>

E J Cullen

Chairman, Health and Safety Commission
Accounting Officer

30 November, 1984

**CERTIFICATE AND REPORT
OF THE
COMPTROLLER AND AUDITOR GENERAL**

I certify that I have examined the foregoing Balance Sheet, Income and Expenditure Account, and the supporting information set out in the Statement of Source and Application of Funds and the Notes. In my opinion these give, under the historical cost convention, a true and fair view of the state of affairs of the Health and Safety Commission and the Health and Safety Executive at 31 March 1984 and of their transactions and the source and application of their funds for the year ended on that date, and comply with the provisions of the Health and Safety at Work etc. Act 1974 and directions made thereunder by the Secretary of State with the approval of the Treasury. I have no observations to make upon these Accounts.

Gordon Downey
Comptroller and Auditor General

National Audit Office
17 June 1985

HER MAJESTY'S STATIONERY OFFICE

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ISBN 0 10 244785 3