



Department
for Work &
Pensions

Public Bodies Review of the Health and Safety Executive (HSE)

March 2023

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Glossary

ACAS	The Advisory, Conciliation and Arbitration Service
ALB	Arm's Length Body
BEIS	Department for Business, Energy and Industrial Strategy <i>(On 7 February 2023 this department was dissolved and its functions split into three new departments: the Department for Business and Trade, the Department for Energy Security and Net Zero and the Department for Science, Innovation and Technology)</i>
BPR	Biocidal Products Regulation
BSR	Building Safety Regulator
CEO	Chief Executive Officer
CLEAPSS	Consortium of Local Educational Authorities of the Provision of Science Services
CLP	Classification, Labelling and Packaging Regulation
CO	Cabinet Office
COIN	Corporate Operational Information System
COMAH	Control of Major Accident Hazards
CPD	Continuing Professional Development
CSA	Chief Scientific Adviser
DA	Devolved Administration
DDAT	Digital, Data and Technology Profession
Defra	Department for Environment, Food and Rural Affairs
DHSC	Department of Health and Social Care
DLUHC	Department for Levelling Up, Housing and Communities
DWP	Department for Work and Pensions
EU	European Union
FFI	Fee For Intervention
FSB	Federation of Small Businesses
FTE	Full Time Employee
GDS	Government Digital Service
HMT	His Majesty's Treasury
HSE	Health and Safety Executive
HSL	Health and Safety Laboratory
HSWA	Health and Safety at Work, etc Act 1974
HR	Human Resources
IOSH	Institution of Occupational Safety and Health
ISMA	International Stress Management Association
LGA	Local Government Association
NCCAT	National Centre for Combustion and Aerothermal Technology
NCSC	National Cyber Security Centre

NDPB	Non-Departmental Public Body
NEBOSH	The National Examination Board in Occupational Safety and Health
NI	National Insurance
NMD	Non-Ministerial Department
NSTA	North Sea Transition Authority
OEUK	Offshore Energies UK
OGD	Other Government Department
ONR	Office for Nuclear Regulation
PAO	Principal Accounting Officer
PFI	Private Finance Initiative
PIC	Prior Informed Consent
PPPR	Plant Protection Product Regulation
PROTECT	Partnership for Research in Occupational Transport and Environmental Covid Transmission
PSRE	Public Sector Research Establishment
QAR	Quarterly Accountability Review
RACI	Responsible, Accountable, Consulted and Informed
R&D	Research and Development
RDEL	Resource Departmental Expenditure Limits
REACH	Registration Evaluation Authorisation and Restriction of Chemicals
ROSPA	The Royal Society for the Prevention of Accidents
RPA	Robotic Process Automation
SME	Small and Medium-Sized Enterprise
SRC	Science and Research Centre
TRL	Technology Readiness Levels
UKRI	UK Research and Innovation
WHU	Work and Health Unit

Foreword

In June 2022 I was appointed to lead a review of the Health and Safety Executive (HSE) on behalf of the Department for Work and Pensions (DWP).

HSE was last reviewed in November 2018 under the Cabinet Office's guidance for Tailored Reviews of arm's-length bodies and before that, in 2013, there was a major Triennial Review.

The scope of HSE's work is exceptionally broad and far-reaching. It operates in a complicated regulatory environment, covering a breadth of different sectors in different environments over a wide geographical area, with limited resources. I found that the organisation is generally well respected and is delivering its statutory duties effectively. However, in common with other regulatory bodies, it is having to manage the challenges around resourcing and recruitment.

HSE's function and format have changed significantly since the last review in 2018. It has taken on an increased volume of chemicals regulation work post European Union (EU) exit. HSE now has responsibility in those areas, which in the EU is the responsibility of the much larger European Chemicals Agency.

The second major change since the last review is the establishment of the new Building Safety Regulator (BSR) within HSE. The scope of my review does not include any consideration the merits of placing the BSR within the umbrella of HSE. The scale of the task in setting up the BSR function has been substantial with complex governance arrangements that have proven difficult for HSE and other stakeholders to manage. A period of stability would, in my view, enable HSE to deliver BSR efficiently.

As my background is in industry, I also found the governance arrangements stemming from wider Government controls both inside HSE, and between it and the various government departments it interfaces with somewhat overly prescriptive and 'clunky'. It was not clear to me for instance, what value the lengthy approvals systems added to the management of public money. The time senior management spend on accounting for their actions and signing-off on relatively low value items is an area where efficiencies could be achieved.



Despite this review being conducted at a time of great change in government, I was ably assisted in this review by a small team from DWP and I would like to thank them for their support. Everyone in HSE's various departments were courteous and helpful every step of the way. I received mainly positive comments from the external stakeholders I contacted, and I appreciate their open and honest comments and suggestions.

Gill Weeks OBE

Executive Summary

The objectives of the review were to consider the form and function of HSE in relation to its ability to fulfil its purpose and objectives and whether it is still required as a public body, followed by a consideration of its effectiveness as an organisation in relation to four areas; Efficacy, Efficiency Governance, and Accountability.

The remit of HSE is extremely broad. As the independent regulator for work-related health and safety in Great Britain it operates across the full range of industrial sectors. In doing so it carries out a wide range of activities, all of which I heard from stakeholders were being carried out well. HSE is a mature and well-run regulator and overall, it fulfils its purpose, which is still necessary to be delivered by a public body. There is a question of whether HSE's status as an Arm's Length Body (ALB) of the DWP is the right one, given its new wider remit, and whilst I don't think that the timing is right now for a major change that would further distract the senior leaders of the organisation, this should be resolved via a focussed examination of the issue.

In terms of efficiency, HSE already has a substantial efficiency challenge in place from the Spending Review of 2021 to deliver an annual savings equating to 5% of its overall budget by 2024/25. My conclusion is that HSE needs to quickly progress delivery of those savings and that any other substantial efficiency can only be delivered by delaying or ceasing current areas of work, which will mean difficult choices by Government, as no readily acceptable areas were presented to me.

The other area of efficiency relates to maximising HSE's current assets. Having visited the HSE science site in Buxton I was massively impressed by how the operation there is delivering a world-class programme of work. I firmly believe that more use could be made of the laboratories, research facilities and offices than is currently the case.

As HSE's remit has grown, it interacts with a wider range of Departments which has led to a complicated network of relationships. HSE's board and senior team and executive are strong and have a vision for the future. The commitment to the change agenda shown at that level needs to be driven through the organisation. There is scope both for HSE to consider streamlining its internal governance as to how it manages these relationships, and also there being better coordination across all those different Departmental asks, to ensure correct oversight of the totality of the requests and the balancing of the priorities between them.

In relation to the 'health' side of HSE's remit, Government is looking to take a more active role on the mental health agenda. I think HSE is well placed to do this and has already done much good work, but with a clearer steer and plan to link those working in Government on this with others in the charity sector and beyond, there is scope for HSE to be at the vanguard of a more integrated approach to what is a difficult issue.

Relations between HSE and DWP are open and strong, with issues addressed collaboratively and professionally, as demonstrated recently in joint discussions regarding the consistency of financial reporting. HSE is doing important work and needs to showcase its success and continue to improve access to its services via a refresh of HSE's overall external communications processes and products.

Recommendations

(as they appear in the main text, not in any order of priority)

1. That work is undertaken by government to consider the organisational status of HSE and whether a Non-Ministerial Department model is more appropriate as the delivery model. To be completed by 2025.
2. HSE, working with the DWP/DHSC Work and Health Unit, to develop specific initiatives in the work-related health and wellbeing space. To include updating relevant guidance, developing options for better enforcement and reviewing stakeholder engagement, over the next 9 months.
3. HSE to develop an updated overarching communication strategy that identifies and outlines how HSE will target different groups of stakeholders, along with the best methods of communication to be employed with each, within 12 months.
4. HSE to improve its website in terms of look and accessibility within 12 months, with a plan developed within 6 months for a full review of the entire website.
5. The Executive Committee to produce an action plan focused on improving the organisational culture around how management of change is governed and embraced, within 6 months.
6. HSE and DWP (partnership team and finance lead) to update and ensure clarity on financial reporting processes, within 6 months.
7. HSE to consider the existing forums for health and safety regulators, to ascertain whether there is room for improvement in terms of membership and identify any gaps where a better collective experience would be beneficial. Within 6 months.
8. A senior level forum to be established between HSE, DWP, Defra, DLUHC and the three successor departments to BEIS (Department for Business and Trade, Department for Energy Security and Net Zero and the Department for Science, Innovation and Technology) to assess and discuss how the totality of demands on HSE by Departments can be better coordinated. First forum to be set up within 3 months – ongoing frequency and terms of reference to then be agreed.
9. HSE to evaluate its internal decision making to establish who is responsible, accountable, consulted or informed, in respect of all key decisions involving external stakeholders, within 6 months.
10. HSE to consider how it engages with duty holders in specialist areas, with a particular focus on clarifying communications and processes relating to requests for the reconsideration of inspector decisions. This to be carried out within 12 months.
11. HSE and DWP to prioritise the proposed changes re pay reform work to be introduced, dependent on clearances, within the next 12 months.

12. HSE to create plans for further developing the use of the Buxton site, with a particular focus on the feasibility of establishing a National Centre of Excellence at HSE Buxton for research and development into the safe implementation of Net Zero fuels and energy storage, within 12 months.
13. HSE, in conjunction with wider government, to ensure that there are no unnecessary barriers to the effective use of the Buxton site. This to include, but not be limited to, an exploration with HMT on the approach to costing externally funded work and the need to recover full economic cost on all projects; acknowledging the requirements of Managing Public Money and the Private Finance Initiative (PFI) constraints. This work to commence within 6 months.

Scope and Purpose of the Review

1. The report sets out the findings from the Public Bodies review of HSE, which is an executive non-departmental public body, sponsored by DWP, reporting to the responsible Minister on behalf of the Secretary of State for Work and Pensions.
2. The review was undertaken during the Summer and Autumn of 2022, with support from a small review team from the DWP. The review's terms of reference, found in Annex A, were agreed by the Minister and Secretary of State, in accordance with the recently updated CO Public Bodies guidelines¹.
3. The objective I was set was to consider the form and function of HSE in relation to its ability to fulfil its purpose and objectives and whether it is still required as a public body, followed by a consideration of its effectiveness as an organisation in relation to four areas;
 - Efficacy
 - Governance
 - Efficiency
 - Accountability
4. Cabinet Office guidance sets a requirement to identify efficiency savings of more than 5%, to be achieved by ALBs within 1-3 years, unless a pre-existing efficiency savings target is already in place.
5. In developing this report and its associated recommendations my focus has been;
 - How HSE is currently performing and its ability to adapt and respond to future challenges and opportunities, whilst meeting its obligations;

¹ Cabinet Office, <https://www.gov.uk/government/publications/public-bodies-review-programme>, 2022

- How HSE is managing relationships with its key stakeholders including central and local government;
 - How well HSE manages its resources, including managing public money and how effective and efficient it has been in achieving its purposes and carrying out its functions;
 - Where HSE's function has changed significantly since the last review, how well it copes with these changes. This includes the establishment of the BSR, supporting the response to the Covid-19 pandemic and how it is planning to develop its scientific infrastructure post EU exit.
6. In undertaking the review, I spoke with over 40 external stakeholders, with meetings conducted both virtually and face-to-face, plus additional written communication from another 30 stakeholders and documentation provided from both HSE and DWP, all of which helped shape the findings of this report. I also attended a variety of internal HSE meetings including two Board meetings, as well as visits to HSE sites at Bootle and Buxton. A full list of the organisations interviewed is at Annex B.

Overview of HSE

7. HSE was created by the Health and Safety at Work etc Act 1974 (HSWA) and has since absorbed other regulatory bodies, for example the Pesticides Safety Directorate, which moved from The Department for Environment, Food and Rural Affairs (Defra) in 2008. Following the Grenfell tower tragedy, it now also has responsibility for reform of building safety through the new BSR.
8. The remit of HSE is extremely broad. As the independent regulator for work-related health and safety in Great Britain it operates across the full range of industrial sectors. In doing so it carries out a wide range of activities; formulating and developing regulations and guidance, visiting sites to ensure compliance, undertaking investigations, and undertaking extensive testing and research. Health and safety at work legislation is enforced by HSE or the local authority depending on the activity in question; local authorities being the main enforcing authority for activities such as retail, wholesale distribution and warehousing, offices, hotel and catering premises and leisure/consumer industries².
9. In 2021/22 HSE spent £267 million and employed over 2,700 members of staff, including over 1,000 inspectors, who carried out over 16,900 inspections. The HSE budget is funded in two ways, with roughly two thirds coming from government (£178m in 2021/22) and the remaining third funded through areas such as commercial research work, cost recovery and fees charged³.

² Health and Safety Executive, [Local authority enforcement - HSE and LAs Working together - HSE](#), 2022

³ Health and Safety Executive, [HSE Annual Report and Accounts 2021/22](#) p.22

10. Since being formed in the 1970's, HSE's remit to encourage, regulate and enforce workplace safety has progressively expanded and it now has responsibilities under many different pieces of legislation, although in some cases the ownership of policy lies with other government departments, for example, with the establishment of the BSR the policy responsibility is owned by The Department for Levelling Up, Housing and Communities (DLUHC).
11. The list of Statutory Instruments derived from the HSWA, under which HSE has responsibilities, is extensive; with over 100 different pieces of legislation that are directly applicable. There are a further 75 additional provisions, subordinate legislation, where HSE is impacted, for example, high hazard planning requirements, product safety, including the supply of products and chemical regulation, building safety and activity centres.
12. Section 3 of the HSWA refers to a broad general duty on employers to protect non-employees, from risks to their health and safety when they arise out of, or in connection with the employers' undertaking. There has been scope creep where this section is being used more frequently in litigation, so HSE have introduced, rightly in my view, a policy to manage their priorities in the enforcement of Section 3, especially in those areas where other regulators have responsibility.⁴
13. HSE has a first-class reputation as a proportionate regulator, tackling both traditional and new risk areas. The public expect HSE to uphold and enforce the HSWA by carrying out inspections of work activity and then taking appropriate action for those who do not comply with the regulations; it is expected that is done in a fair and consistent manner. The public perception, which having spoken to many stakeholders I share, is that HSE is a well-respected regulator, supportive and pragmatic in their approach, as demonstrated during the Covid-19 pandemic. Any areas for improvement singled out in this report should be seen in that context: there are always things that could be made better in any organisation, but HSE is a strong, well established, and well-run public body.
14. Finally, I would add that in conducting this review no concerns were expressed to me regarding any variance of approach or other issues related to how health and safety at work activity is undertaken in the devolved administrations of Scotland and Wales.

⁴ Health and Safety Executive, [Health and Safety at Work etc Act 1974 - Section 3 \(hse.gov.uk\)](https://www.hse.gov.uk/act1974/section3.htm), 2022

Efficacy

Recent Changes

15. Over the term of conducting this review, HSE released their annual report and accounts, detailing their purpose, key risks to the achievement of their objectives and their annual performance, in addition to publishing their business plan and 10-year strategy. These reports highlight how the remit of HSE has expanded, with several new areas of responsibility since the previous tailored review was undertaken. This includes⁵:

- Establishing the BSR for England with DLUHC having policy responsibility, to raise standards to prevent a tragedy such as Grenfell Tower happening in the future;
- Repatriated responsibilities for developing regulatory policy at a national rather than EU level, along with new regulatory functions previously carried out by EU institutions, but with no access to the historic data held by the EU;
- Expanded role and new responsibilities in chemical regulation: Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and Plant Protection Product Regulation (PPPR) where Defra has policy responsibility, Biocidal Products Regulation (BPR), Classification, Labelling and Packaging Regulation (CLP) and Prior Informed Consent Regulation (PIC) where HSE has policy responsibility;
- Supporting the government's Net Zero⁶ Strategy, in partnership with Department for Business, Energy and Industrial Strategy (BEIS), including safety trials of new hydrogen technologies;
- Leading the PROTECT (Partnership for Research into Occupational, Transport and Environmental Covid-19 Transmission) project, scheduled for completion in March 2023;
- Cyber Security: including a range of site inspections to assess the risk across the major hazards establishments, in liaison with BEIS and the National Cyber Security Centre (NCSC).

16. The latest 10-year strategy, Protecting People and Places⁷, focusses on the role of HSE, highlighting how HSE will adapt and change to meet this changing landscape, including supporting the delivery of wider government priorities such as Greening Government Commitments⁸ and improving the health of the nation, particularly focussing on supporting mental health in the workplace. The strategy has been

⁵ Health and Safety Executive, [HSE Annual Report and Accounts 2021/22](#), 2022

⁶ Department for Business, Energy & Industrial Strategy, [Net Zero Strategy: Build Back Greener - GOV.UK \(www.gov.uk\)](#), 2022

⁷ Health and Safety Executive, [Protecting people and places: HSE strategy 2022 to 2032](#), 2022

⁸ Department for Environment, Food & Rural Affairs and Cabinet Office, [Greening Government Commitments - GOV.UK \(www.gov.uk\)](#), 2021

welcomed by stakeholders with the strategic theme of ‘a collaborative HSE’ being positively received. Ensuring HSE is a great place to work, attract and retain people is discussed in further detail in the Efficiency section.

17. The HSE Business Plan 2022/23⁹ covers the first transitional year of HSE’s new strategy. Areas of focus and milestone deliverables include:

- The delivery of the Building Safety Regulator;
- Completion of the critical work in relation to the National Core Studies on COVID transmission to deliver outcomes, to support a response to future pandemics;
- Replacing legacy IT systems to drive significant efficiencies over the Spending Review and to ensure HSE builds its own in-house digital capability, complying with Government Digital Service (GDS) and CO requirements.

HSE’s Form and Function

18. Cabinet Office (CO) guidance¹⁰ outlines three criteria for classification of an organisation as an ALB, whereby at least one of the three tests must be met:

- Is this a technical function, which needs external expertise to deliver?
- Is this a function which needs to be, and be seen to be, delivered with political impartiality?
- Is this a function that needs to be delivered independently of ministers to establish facts and/or figures with integrity?

19. I have concluded that HSE clearly meets all three of these criteria. It owns the policy on health and safety at work legislation, which requires technical expertise that needs to be delivered with political impartiality to ensure public trust and legitimacy. And it is of particular importance that it be independent of ministers in undertaking its activities as a regulator.

20. In terms of the current delivery model, whereby HSE is an ALB overseen by the DWP, the previous (tailored) review of HSE noted that although that delivery model was working effectively, an alternative model such as a Non-Ministerial Department (NMD) might be more appropriate at some point in the future.

21. NMDs operate in a similar way to normal government departments in the functions they perform, they cover matters for which direct political oversight is judged unnecessary or inappropriate¹¹ These bodies have their own accounting officers, their own estimates and annual reports, and settle budgets directly with HM

⁹ Health and Safety Executive, [HSE annual business plan 2022 to 2023- About us - HSE](#), 2022

¹⁰ Cabinet Office, [Requirements for Reviews of Public Bodies - GOV.UK \(www.gov.uk\)](#), 2022

¹¹ Cabinet Office, [Public Bodies Handbook – Part 1. Classification Of Public Bodies: Guidance for Departments \(publishing.service.gov.uk\)](#), 2016, p.15

Treasury. Several bodies are structured in this way, including the Office of Rail & Road, which it is germane to note is also a regulatory body.

22. NMDs have greater autonomy when dealing with government, which I think would at some point benefit HSE in addressing its expanded remit. I do not consider it appropriate however, to make a recommendation that changing HSE to become an NMD be undertaken at this time. There is too much change currently occurring, both within HSE and wider government for this to be a feasible option at present. Any such change would fall within the scope of 'Machinery of Government' in any event and thereby require the involvement of Cabinet Office, HM Treasury and No.10. That said, this is still an unresolved issue in my opinion and would warrant further consideration, perhaps once the expanded HSE scope has had time to bed-in.
23. An issue that has been raised with me concerns the status of HSE employees as civil servants. Like its predecessor organisations, HSE was established in law as a Crown body, meaning that it carries out functions on behalf of the Government of the UK. As such, HSE inspectors are warranted Crown, or civil, servants, and are empowered to enforce the laws which are within HSE's field of responsibility. I also note that if the decision to grant HSE NMD status was taken, then HSE employees would automatically remain civil servants. It has been suggested that a change in employee status away from being civil servants would assist in recruitment due to greater pay flexibility, but I am not wholly convinced that would be the case as the wider public sector pay is also constrained and HSE are already looking at pay issues to seek to address this, as explored in the section later headed 'HSE staff'.
24. Another area of consideration when looking at a change of delivery model, is I believe the potential for the pooling of resource with other regulatory bodies which utilise similar skills or bringing some of the regulatory bodies and their functions together. This would provide simplified reporting lines and consolidation of governance structures, with the potential to reduce costs. It would also potentially facilitate an assembling of skills and expertise, cross-fertilisation of best practice and greater interoperability across the regulatory environment, reducing the number of regulators employers deal with.

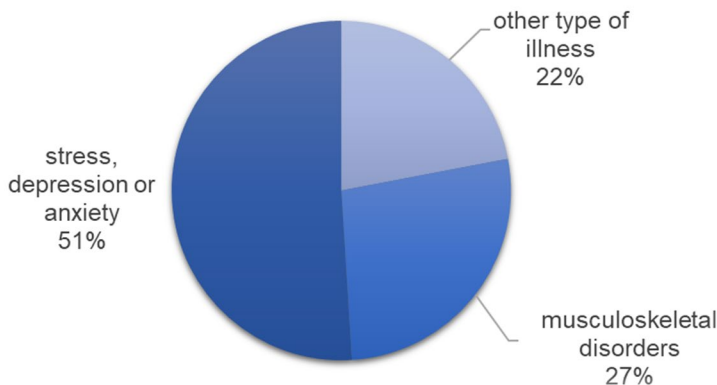
Recommendation 1: That work is undertaken by government to consider the organisational status of HSE and whether a Non-Ministerial Department model is more appropriate as the delivery model. To be completed by 2025.

The Health Agenda

25. While HSE is being asked to take on many new responsibilities (as set out above), they also continue to take on a more active role in supporting the expanding workplace health and wellbeing agenda.
26. HSE has played its part in ensuring that GB has one of the lowest rates of fatal and non-fatal work-related injury in Europe and all the stakeholders I talked to, with a

knowledge of such things, were at pains to point out how well HSE and GB’s regulatory framework compared to other comparable countries. Work-related ill health is however on the increase, with stress, depression and anxiety the most reported causes of absence in GB¹². It is estimated that the annual cost of poor mental health to employers in the UK has increased by 25% since 2019, adding around £53-£56 billion between 2021/22¹³.

Figure 1: New and long-standing cases of work-related ill health by type, 2021/2022¹⁴



27. I heard from stakeholders in HSE, government and the health sector that there is a growing recognition that there is a ‘sweet spot’ that can be achieved in regard to linking work and mental health issues, but that more needs to be done to raise the awareness with employers. HSE cannot do this alone; many stakeholders have a part to play in this area and progress can only be achieved by good collaboration between all parties concerned.

28. The DWP is the sponsoring government department for HSE and there is a joint DWP/DHSC (Department of Health and Social Care) ‘Work and Health Unit’ (WHU) that is tasked with looking at how to help disabled people and people with long-term health conditions start, return, stay and succeed in work by transforming support offered in workplace, health care and welfare settings. HSE are in regular contact with this unit on specific projects, with both sides endeavouring to understand the art of the possible in a time of constrained resources. HSE’s business plan includes a number of specific deliverables agreed with the Department on how it can support the health and work agenda, including providing guidance to small employers. I believe that HSE could play an even greater role and that the government could go

¹² Health and Safety Executive, [Protecting people and places: HSE strategy 2022 to 2032, 2022](#), p.5

¹³ Deloitte, [deloitte-uk-mental-health-report-2022.pdf](#), 2022, p.6

¹⁴ Adapted from Labour Force Survey (LFS) self-reported estimates, as cited in Health and Safety Executive, [Statistics - Work-related ill health and occupational disease \(hse.gov.uk\)](#), 2022

further in setting out expectations for HSE on the role it can play in the drive to improve health and wellbeing.

29. The boundaries need to be clearer around what is work-related in this space; what can HSE, government and employers do that will make a real difference. Issues with mental health in the workplace need to be picked up from day one of employment; what is required is cultural change and that is never easy. Large industry groups are looking at health and wellbeing and they see the benefits for employees and companies. As ever, it is the small and medium-sized enterprises (SMEs) that are harder to reach and on which, for my mind, efforts must be focused.
30. For HSE's part, they are developing proposals, rather than waiting on ministerial instructions, but could be more proactive, given their expertise and relationship with employers. HSE add value by drawing on their wide experience, reputation, and reach with employers and have developed some good initiatives.
31. The current 'Working Minds' campaign, has created over 1000 champions of mental health to help businesses and workers to understand their legal duty and to prevent work-related stress. This is in collaboration with a number of campaign partners including Mind, the Advisory, Conciliation and Arbitration Service (ACAS), the Institution of Occupational Safety and Health (IOSH), International Stress Management Association (ISMA) and Federation of Small Businesses (FSB). HSE delivered Working Minds webinars that reached more than 4800 people and increased web traffic to the campaign site. HSE have released a podcast about Working Minds featuring Chair, Sarah Newton and Professor Sir Cary Cooper, a world leading expert on wellbeing.
32. Another recent initiative, HSE Health and Wellbeing Conference 2022, was a free, one day, interactive event, promoting better management and control of common risks and causes of work-related ill health across GB, supporting the government's response to the 'Health is Everyone's Business' consultation¹⁵.
33. I was struck by evidence from those involved in the health agenda that in their view HSE was a highly respected national asset which, with better resourcing, could be the catalyst for a major step forward in preventing ill health in the workplace. All the stakeholders I spoke to agreed that expanding its role in relation to mental health is a good thing, particularly in an economy where fewer people are working in heavy industries where physical safety is more of a priority. In an economy characterised by more home working, smaller employers, and more precarious employment, issues around mental health, stress and wellbeing are becoming ever more important.

¹⁵ Department for Work & Pensions and Department of Health & Social Care, [Government response: Health is everyone's business - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/health-is-everyones-business), 2921

34. As part of the review, I interviewed Professor Sir Cary Cooper CBE, Professor of Organisational Psychology and Health, University of Manchester and Chair of the National Forum for Health and Wellbeing at Work, who provided the following quote:

“HSE has always been at the forefront of looking at mental health and wellbeing at work. It meant the UK was the only country 20 years ago to set up management standards for stress at work; it was ahead of its time. HSE continues to lead the way developing these management standards and rolling out the Working Minds Campaign.”

35. HSE clearly has a credible role in this space, as a GB wide regulator they can share best practice and are in an advantageous position to bring all the key parties together to develop guidance for employers, setting out what good management of health looks like in a range of workplaces. They also have an enforcement role in workplace health and should use their powers to compel better behaviour from employers. HSE should consider what more they can do within the existing legislative framework and what more they could do if the relevant regulations were changed.

Recommendation 2: HSE, working with the DWP/DHSC Work and Health Unit, to develop specific initiatives in the work-related health and wellbeing space. To include updating relevant guidance, developing options for better enforcement and reviewing stakeholder engagement, over the next 9 months.

Response to Covid

36. My observation is that HSE rose well to the challenges posed by the Covid pandemic. It showed great agility in switching to home-based working where that was feasible and, as described to us by a number of stakeholders, showed a high degree of pragmatism in its regulation of business during the various phases of lockdowns.

37. When HSE became part of the government’s Covid response to businesses in May 2020, they reacted quickly, actioning and implementing a plan of action within 12 days of this ask. This response included establishing a 3-stage process of inspection, contacting over 550,000 businesses.

38. This demonstrated HSE’s ability to not only change their operating model within a short timescale, but to then learn lessons and embed more flexible ways of working going forward. As part of this, over 1.5 million phone calls were made to individual businesses, which proved critical in establishing a clearer picture of which businesses were still actually operating.

39. As part of the lessons learned from this, HSE recognised the need for more efficient IT systems and emphasised the benefit of HSE being more agile as an organisation: ‘not letting perfection be the enemy of the good’, which I heard from some internal

stakeholders could be the case at times. This is about the organisation's cultural approach to change and though I make no formal recommendation I do think this is something HSE needs to leverage into future projects.

40. At the time of writing, the Covid-19 public inquiry has started its work – it will be for the inquiry to decide if HSE's activity in response to the pandemic requires scrutiny.

Communications

41. HSE communicates using varying approaches and communication methods including via its website, regular liaisons with different stakeholder groups and publishing both an annual business plan and annual report. There are also correspondence and communication routes to deal directly with stakeholders, citizens, and users in respect of its services, with clear expectations around timeliness of response and levels of service.

42. For HSE to communicate effectively to its range of different stakeholders, its website and other communications channels must cater for the range of those seeking information. This will range from the public or small employers to local authorities and health and safety professionals operating in the private sector.

43. There are, I think, opportunities for communication to be more proactive, which would build confidence with cross-government stakeholders. HSE are exploring different outreach approaches and have had notable success in the agricultural sector; an area of persistent risk with the highest rate of work-related death of any industry¹⁶. Recently, HSE coupled with an organisation that provides training courses in this sector to develop an online agriculture compliance event, in order to allow work to continue during the pandemic. Activities involved farms completing online activities and surveys, focussing on high-risk activities in addition to proactive farm inspections. This information was then evaluated by HSE insight specialists, to inform the content and delivery of future inspections, which will ultimately feed in and influence the long-term engagement strategy within this industry. This strategy has proved to be a more efficient use of regulatory effort and has the potential to be used in other areas where HSE regulates.

44. I did receive comments, both from internal and external stakeholders, around the wider visibility of HSE and the apparent reluctance to "showcase" their achievements as an organisation. HSE indicated that central-imposed Government restrictions on communications spend, and in particular areas that are considered to be 'marketing' have in recent years limited the channels open to HSE in this space. Nevertheless, my sense is that HSE could look to be more innovative in this area.

45. The HSE website has been updated, is easier to navigate and locate necessary documents and information, particularly, having an extra 12 million hits over the

¹⁶ Health and Safety Executive, [HSE Annual Report and Accounts 2021/22](#), 2022, p.35

Covid period. It would, however, benefit from being further refreshed to appear more modern and dynamic, reflecting the changing face of HSE and highlighting its wide breadth of duties. This would not only showcase HSE's work but also assist in providing the right content for the range of stakeholders HSE faces off to. For example, making the recruitment and career opportunity information more accessible to those at the start of their career journey, who may not be aware of the breadth of the organisation or the potential career opportunities. Social media platforms are now being used more frequently to communicate such information to a wider and potentially younger audience, which is particularly useful in recruitment campaigns, and I support this.

Recommendation 3: HSE to develop an updated overarching communication strategy that identifies and outlines how HSE will target different groups of stakeholders, along with the best methods of communication to be employed with each, within 12 months.

Recommendation 4: HSE to improve its website in terms of look and accessibility within 12 months, with a plan developed within 6 months for a full review of the entire website.

Governance

46. HSE's governance structure is set out in a Framework Document drawn up between DWP and HSE. This document sets out the broad framework within which the organisation operates, including powers and duties, but also the roles and responsibilities of the Chief Executive (CEO), Chair, and Board. In addition, the document sets out DWP's requirements, as the sponsor responsible to Parliament for HSE governance and finance. Having looked at the framework document I consider it fulfils its required intent; I understand it is now to be updated in line with a cross-government template.

The Board

47. The Board monitors resources and performance, holding the organisation to account. The Board also ensures that effective arrangements are in place within the organisation to provide assurance on governance, risk management, and internal control.

48. HSE is led by a tripartite Board comprised of 10 members, chaired currently by Sarah Newton, having responsibility for the oversight of HSE's strategic vision, business plan and policies. These are ministerial appointments, so as such HSE do not have direct control of appointments to the Board. This is overseen by the Arm's Length Partnership Division within DWP who undertake campaigns on behalf of Ministers, involving HSE in the design of the roles and the selection process. These campaigns are subject to an audit process by the Office of the Commissioner

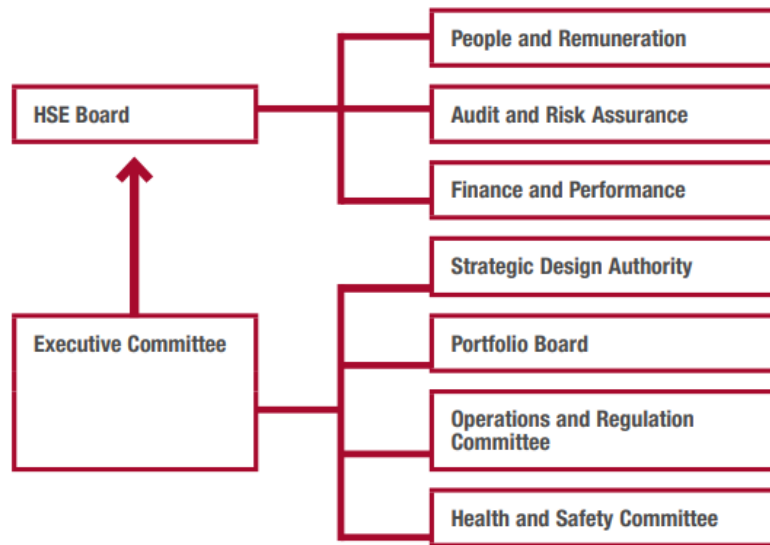
for Public Appointments. Board remuneration is in line with that paid to the other ALBs sponsored by DWP. Currently it meets 10 times a year, and there are several sub-committees as appropriate.

49. Sarah Newton is now 2 years into her tenure and has clearly worked hard as the Chair to build a stronger working Board. She took up her position during the Covid pandemic in August 2020, which was especially challenging as HSE was adapting to new ways of working and managing its Covid response.
50. The framework document requires the HSE chair to have a yearly Board evaluation and there should be an independent review every 3 years. The 2020/21 evaluation was conducted independently, concluding there were no significant areas of concern. The most recent 2021/22 review was carried out internally, with generally positive findings, including the development of the latest strategy and the scrutiny of HSE performance.
51. A recurring issue, raised in previous evaluation reviews, was the issue of the Board potentially being too operationally focussed, with a recommendation to consider ways to improve the Board dynamic, to support the Executive Committee more effectively. My observations are that this has been addressed; having witnessed two Board meetings one in Aberdeen and one in Cardiff, I was impressed with the professional and open style of the Chair and the way issues were thoroughly discussed, supported by an appropriate level of presentational material and with scope for all views to be heard and responded to. The executive was held to account and challenged appropriately.
52. It has been noted that the current Board is large, although within its suggested size range. The makeup of the Board is set in primary legislation, substantive parts of which dates back more than 40 years. Whilst not within my gift to recommend a change to this, I would question whether the prescriptive nature of that make-up is appropriate today. Although face-to-face meetings are viewed by many as preferable, virtual meetings are proving to be an efficient and cost-effective method to conduct business.

Executive Committee

53. HSE has an Executive Committee, launched in 2020, that is commensurate with its role as a major, mature regulator. 2019-20 saw several significant changes, including bringing in a new CEO in Sarah Albon.
54. In addition to the HSE Board and Executive Committee, there are a number of sub-committees as per figure 2 below. The sub-committees of the HSE Board generally meet 3 times per annum, whilst those of the Executive Committee meet 10 times per annum.

Figure 2: Governance Structure of Senior Committees¹⁷



55. It is clear to me that the CEO is working hard to further develop what is a strong senior team. There have been recent changes to the senior legal team and a new HR director has been recruited and from what I have seen, the senior team works well supporting the CEO in her vision to improve the organisation through change.
56. Somewhat unusually, the CEO chairs all the sub-committees previously set out. This shows that she is clearly knowledgeable about all areas of the business but could consider delegating more and thereby make use of the senior management to greater effect.
57. One relatively small area of concern related to change management, with several stakeholders within HSE expressing a view that agreed process changes are not always percolating effectively down the chain of command. In my view the executive committee could usefully consider how to improve the organisational culture around how management of change is governed and embraced.

Recommendation 5: The Executive Committee to produce an action plan focused on improving the organisational culture around how management of change is governed and embraced, within 6 months.

Charging and Financial Reporting

58. The Framework Agreement between DWP and HSE requires HSE to provide monthly reports to DWP on its financial performance and to inform the department of any changes in achieving its financial objectives.¹⁸

¹⁷ Health and Safety Executive, [HSE Annual Report and Accounts 2021/22](#), 2022, p.60

¹⁸ Health and Safety Executive & DWP, [Framework Document \(hse.gov.uk\)](#), 2019 p.15

59. There was previously an issue regarding DWP not receiving HSE financial reports in a timely manner, resulting in it being too late for inclusion in monthly reports, at times arriving in an incompatible format and not sufficiently granular to determine areas of concern. This is now resolved, but DWP finance advised that it would be preferable to provide financial management information packs, aligned with other DWP ALBs, adding to the consistency and transparency of their financial reporting. I support the DWP position and suggest that financial reporting processes are updated and clarified as soon as practicable.
60. In terms of other income, HSE receives the full cost of its activity delivered on behalf of other government departments; all with a varying amount of supporting paperwork and associated performance and governance meetings;
- DWP – Grant-in-Aid delegated to HSE
 - Building Safety Regulator – Partial budget transferred from DLUHC to HSE via DWP
 - Defra – Cost of pesticides activity invoiced to Defra periodically based on actual and planned delivery
 - Commercial activity – For various OGDs and wider public sector invoiced at key milestones.
61. The Fees For Intervention (FFI) charging mechanism was introduced in 2012 and aims to recover HSE's related costs where there has been a material breach of the law, with no charge for duty holders who comply with the law or where there is no material breach¹⁹. After initial, early, concerns from dutyholders this charging system is now widely accepted. HSE has a number of a permissioning regimes, mainly in the high hazard sectors where it can charge for its regulatory activity including issuing consents, licences, and approving safety cases. In chemicals regulation, HSE is able to charge for undertaking and reviewing a new pesticide application and for some activities under REACH.
62. HSE are proposing to increase the fees regulations by 2% in response to general inflationary pressures. This will have to be approved by the Secretary of State for DWP for implementation in April 2023. The Spending Review 2021 settlement includes spend to save funding, primarily to replace HSE's obsolete document repository and content management system. This should improve regulatory outcomes and increase cost recovery through using regulatory intelligence to improve targeting non-compliant dutyholders.
63. I have been informed that when HSE is undertaking work for different government departments, who each have their own method of charging and receiving payment which is inefficient from an HSE perspective. I understand that departments have their own individual accounting systems but having to operate multiple systems

¹⁹ Health and Safety Executive, [HSE: Fee for Intervention - What is FFI?](#), 2022

generates avoidable costs for HSE and could benefit from being simplified into one standardised charging mechanism if possible. This is one of a number of cross-Government coordination matters that need to be explored and which I touch upon again in the section on accountability.

Recommendation 6: HSE and DWP (partnership team and finance lead) to update and ensure clarity on financial reporting processes, within 6 months.

HSE Staff

64. From the conversations I had with staff it was clear that HSE are striving to ensure that their organisation is a great place to work and that they can attract and retain exceptional people, as they recognise that the organisation is only as good as the people they employ. HSE's strategy has a strong focus on keeping their workforce motivated and engaged, partly by making leaders visible and accountable.
65. Several government stakeholders expressed concerns around resourcing levels. They felt that this could negatively affect HSE's capacity to deliver, especially given the growing number of new government priorities that HSE is having to manage. I think the solution here is around having clear lines of reporting, so that the policy delivery areas HSE are working to are clearly specified and any potential pinch-points or competing requirements identified. I will return to this issue in the next section of the report.
66. HSE are keenly aware of the shortage of staff in specialist areas such as pipelines, radiation, fire and occupational hygiene, as well as digital and IT, and are doing what they can to tackle this by establishing a new system with the intention to upskill current and new HSE employees. This 'spend to save' initiative should translate into long-term substantial savings.
67. I believe HSE could also make more use of secondees from industry and academia to help plug the recruitment gap, particularly in the growingly important area of Net Zero research, although there has been some reluctance from HSE to doing this. One cannot help thinking, however, that a level of pay commensurate with the importance of the roles involved would be most effective. A review of the pay structure with a view to the possible implementation of a capability-based system has been underway for some months, and I would recommend it be prioritised for introduction in the new financial year (see Efficiency section below).
68. Aside from the issue of appropriate remuneration, I heard evidence from inspectors and others within HSE that the requirements for recruiting inspectors are too prescriptive. There are, however, recent positive changes being made to make this process more flexible; with development on experience and merit and the training programme amended to be more flexible and modular, with degree classification requirements relaxed.

69. I am satisfied that HSE have diversity and inclusion policies in place which aim to attract, develop and retain diverse talent, improve ethnic minority representation and gender balance and tackle bullying, harassment and discrimination. Their gender pay gap has improved from the previous year, with a 18.3% median pay gap, with progress made in achieving their goal of having gender parity in the senior leadership roles²⁰.
70. Where I think HSE needs to re-evaluate its approach is with regard to diversity and some residual non-progressive attitudes, which, as put to me by more than one stakeholder, are not appropriate for the forward-looking organisation HSE wants to be. As an example, the annual report shows the level of staff reporting bullying and/or harassment to be at 8%²¹, which seems high, albeit in line with DWP and other government departments. HSE senior management needs to maintain its strategic focus on addressing legacy cultural issues as part of their new continuous improvement approach to HR issues, but I would suggest that more targeted work be done to establish if there is a need for a shift in culture in some specific areas. As part of this HSE could consider drawing on DWP's HR expertise to further refine their approach.

Accountability

To Government

71. As indicated in paragraph 46, governance arrangements are set out in the Framework Agreement, drawn up most recently in 2019 by DWP in conjunction with the HSE Board. This document sets out the broad framework within which HSE operate, including its powers and duties and the roles and responsibilities of the Chief Executive, Chair and Board. It also sets out DWP's requirements as the sponsor responsible to Parliament for HSE governance and finance.
72. I found that HSE has a good working relationship with DWP. The primary contact is managed through the DWP ALB Partnership Division, with frequent, regular engagement undertaken in a professional manner on both sides.
73. HSE and DWP also engage more formally through Quarterly Accountability Review (QAR) meetings. These meetings enable the DWP to hold HSE to account and provide a forum for discussing operational delivery, budgets, forecasts, and some policy issues of mutual interest (for example, the mental health agenda). Having sat in on one of these meetings I was particularly impressed with the CEO's depth of

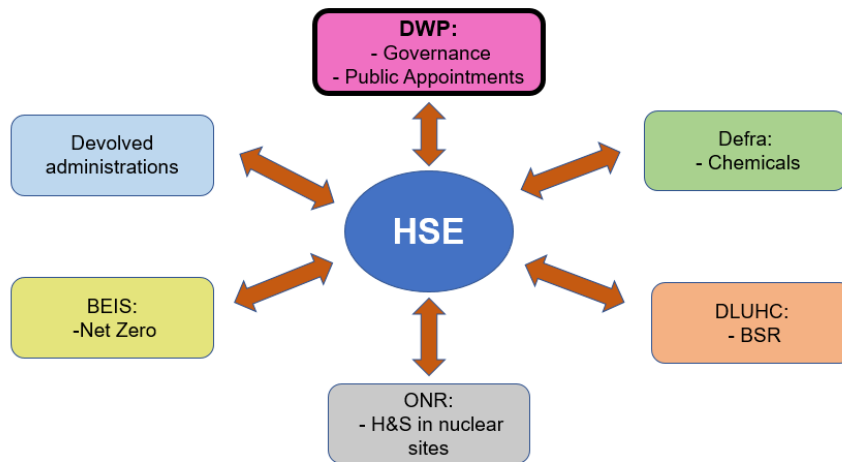
²⁰ Health and Safety Executive, <https://www.hse.gov.uk/aboutus/assets/docs/the-annual-report-and-accounts.pdf>, 2022, p.90

²¹ Health and Safety Executive, <https://www.hse.gov.uk/aboutus/assets/docs/the-annual-report-and-accounts.pdf>, 2022, p.48

knowledge on all the varied topics discussed and with the robust but professional approach that the partnership team took.

74. Aside from its links with DWP, HSE has interactions with several other government departments and regulatory bodies. The key ones are set out below, with a more detailed diagram at Annex D.

Figure 3: HSE and its links to government/other bodies



75. HSE has historic links to another regulator in the Office for Nuclear Regulation (ONR), ONR having been divested out of HSE as a separate entity some 8 years ago. They share the same building in Bootle and whilst there have been instances of the two bodies competing for staff, their overall working relationship is good. Where I think both bodies, and indeed other regulators, could look to work more closely is in considering best practice in ensuring a consistency of approach. Although I understand that ONR, HSE and other regulators are part of the UK Health and Safety Regulators' Network, where common issues and approaches are discussed, I suggest it might be appropriate to examine this existing forum, to ascertain whether there is any potential room for improvement.

Recommendation 7: HSE to consider the existing forums for health and safety regulators, to ascertain whether there is room for improvement in terms of membership and identify any gaps where a better collective experience would be beneficial. Within 6 months.

76. With regard to the relationship with DLUHC, there would still seem to be too many layers of governance in place related to the BSR. This is something all parties are aware of and are working to reduce. Whilst DLUHC officials are keen to be sighted on decision making where it affects them, as put to me, it is about having confidence that the money approved in business cases is being used for the purposes intended.

77. A similar picture emerged when looking at interaction with BEIS. Particularly on the 'energy' aspect of BEIS' activity where it was apparent that an integrated approach on the funding for Net Zero was not yet in place, nor was the mechanism for getting industry properly played in; something I will return to in the section relating to the science division at Buxton.
78. From HSE's perspective there was also a clear need for BEIS to have a single voice when making requests of HSE: both HSE and BEIS stakeholders agreed that messaging could be quite contradictory at times. Agreeing joint priorities is key, which points to a need to link up better, including more senior level interfaces.
79. Defra told me a similar story; their interaction with HSE being focused on chemicals and pesticide work. HSE are a delivery body for Defra but are not a Defra ALB, so the relationship is complex. For pesticides, Defra owns the functions and delegates to HSE, whilst for chemicals HSE have their own status and law but Defra has the policy for REACH (chemicals), with some chemical regimes also owned by BEIS. In addition, most of this joint work is devolved making decisions even more complex. There is also an integration of decision making; in some areas HSE takes decisions as the Agency, in others it provides opinions and recommendations to Defra and Devolved Administrations (DAs) for the Secretary of State to take decisions (with DA consent) so that roles are intertwined further.
80. I heard comments that in some areas where HSE do not hold the policy, they could be slow to react, waiting for specific direction and reluctant to engage in cross cutting policy making. Others experienced issues over the prioritisation of work, particularly in areas where HSE resources are constrained. Following exit from the EU, the governance arrangements have not been straightforward especially surrounding the chemicals regime. The complex governance can cause inefficiencies regarding decision making, for instance in resourcing where HSE are having to juggle the best use their staff which makes it difficult to have a conventional delivery relationship. However, despite the challenges and complexities, significant progress has been made, including setting up new operational processes, legislative systems and a new IT platform.
81. There are to my mind two common threads around governance in HSE. One relates to the organisation's internal approach and the other relates to the complex external eco-system it finds itself operating within.
82. Internally, there seems to be an apparent reluctance to be pro-active in engaging policy makers on possible delivery options where those policy teams are out-with HSE itself. HSE's position is that they are not resourced to, or responsible for, delivering policy in those areas outside of its remit and cannot therefore deploy scarce resources to those activities in the same way as it does to areas it feels it owns. Indeed, the HSE Board has been consistently clear with the Executive that the organisation must not stray into areas that are not funded.

83. This seems to me to be missing an opportunity. A recognition of the importance of having input to policy making from the delivery area concerned must surely help with better policy being developed, thereby ensuring that workable solutions are developed and implemented with the buy-in of the practitioners involved. This must also be coupled with clarity on where the correct point for making empowered decisions lies – and making that explicit to all parties involved, including partners in government departments. That might mean HSE recognising that the accountable governance lies elsewhere and that they will need to engage with that process and find a way to tailor it with their own internal governance.
84. As an example, I heard evidence of HSE having a representative on a government project board that made a key decision which was subsequently not supported by HSE, thereby undermining the authority of the person HSE had appointed to that board. I have deliberately stayed clear of commenting on the complexities of the BSR and its set-up in this report, but there again I heard evidence of a maze of decision-making bodies, often with overlapping areas of responsibility. That has now largely been resolved, but I think that it points to a need for HSE to review its hierarchy of decision making: who is responsible for a given decision, who is accountable and are those agreements transparent to all? Specifically, HSE representatives on cross-cutting Boards need to be clear on their ability to make decisions.
85. The second aspect of this issue relates to helping HSE balance the potentially competing demands of different Departments across all its business strands. This will become increasingly important if resources become more constrained and difficult choices and trade-offs undertaken. The previous issue of refining HSE's internal governance and how it feeds into each Department's programme will address the relationship with each Department and programme individually. There would appear, however, to be a need for a more holistic approach across all of HSE's interactions with different Departments so that those resource and timing trade-offs can be surfaced and resolved. Such an approach could also explore cross-cutting issues such as the charging out of HSE's services referred to earlier.

Recommendation 8: A senior level forum to be established between HSE, DWP, Defra, DLUHC and the three successor departments to BEIS (Department for Business and Trade, Department for Energy Security and Net Zero and the Department for Science, Innovation and Technology) to assess and discuss how the totality of demands on HSE by Departments can be better coordinated. First forum to be set up within 3 months – ongoing frequency and terms of reference to then be agreed.

Recommendation 9: HSE to evaluate its internal decision making to establish who is responsible, accountable, consulted or informed in respect of all key decisions involving external stakeholders, within 6 months.

To Duty-holders

86. The relationship HSE has with the various industries and individual entities it regulates is not something that the DWP partnership team could or should be sighted on. In fact, only during a review such as this are these are stakeholders asked for their views on how HSE operates as a regulator. Not to say that HSE does not conduct surveys itself of how its services are considered, but that there is no independent oversight or checks. This generates a much wider question of 'who regulates the regulators?' but as that is a question well beyond the scope of this review, I mention it only in passing.
87. The evidence I heard in relation to the vast majority of HSE's regulatory activity was of dedicated staff applying the legislation with intelligence, consistency and consideration of specific circumstances. This must be stressed: HSE is performing its role as the regulator of health and safety at work very well in most industries and most of the time. Given the resource constraints within which HSE operates, I was struck by the highly professional and dedicated staff that we talked to.
88. All that said, I do consider a recommendation is appropriate however, in asking HSE to review how in relation to the more niche industrial sectors it can better ensure;
- a. a consistent and even-handed approach is taken with duty holders, and that
 - b. there is a clear, proportionate and well communicated method by which expert duty holders can have input to decision making, where appropriate, and be able seek a review of contested requirements/decisions.
89. I do this based on evidence received from several sources, across several specialised industrial sectors. Stakeholders gave detailed and very plausible evidence of instances where the expectations of a given inspector varied substantially from those of the next inspector that individual or company then deals with. This is, at best confusing, and at worst highly costly for the businesses concerned, who feel they have no effective or simple way of challenging the determinations without recourse to a formal legal process.
90. I also heard evidence from a couple of organisations concerned that escalating issues or challenging HSE rulings would lead to repercussions in terms of how they were treated by HSE. I found no evidence for this being the case, but it was clearly a genuine fear for the organisations concerned and points to a need for HSE to re-evaluate its interaction in some of these more specialist fields.
91. Clearly in any system of regulation, individual inspectors must be given some measure of discretion; they see a given issue in the context of the site or business concerned and decide on what action is required in good faith.
92. Where I consider there is an issue, is with the sectors that have unique risks and issues attached to them. The group representing the use of ionising and chemical

substances in schools had concerns that they were being regulated in the same way as universities and hospitals holding far higher quantities of harmful materials. They reported that inspectors have a different interpretation of what is proportionate, and the standards being applied in some cases is leading schools to reconsider whether to stop practical work. I find this worrying and hope that a pragmatic solution can be found; as a nation we surely need pupils to engage with science from an early age.

93. It should be noted that the same people also reported areas of good practice and positive dialogue that could be rolled out across all areas for the schools' sector. Stakeholder meetings are useful but tend to be where HSE talks to the duty-holders rather than a two-way discussion.

Recommendation 10. HSE to consider how it engages with duty holders in specialist areas, with a particular focus on clarifying communications and processes relating to requests for the reconsideration of inspector decisions. This to be carried out within 12 months.

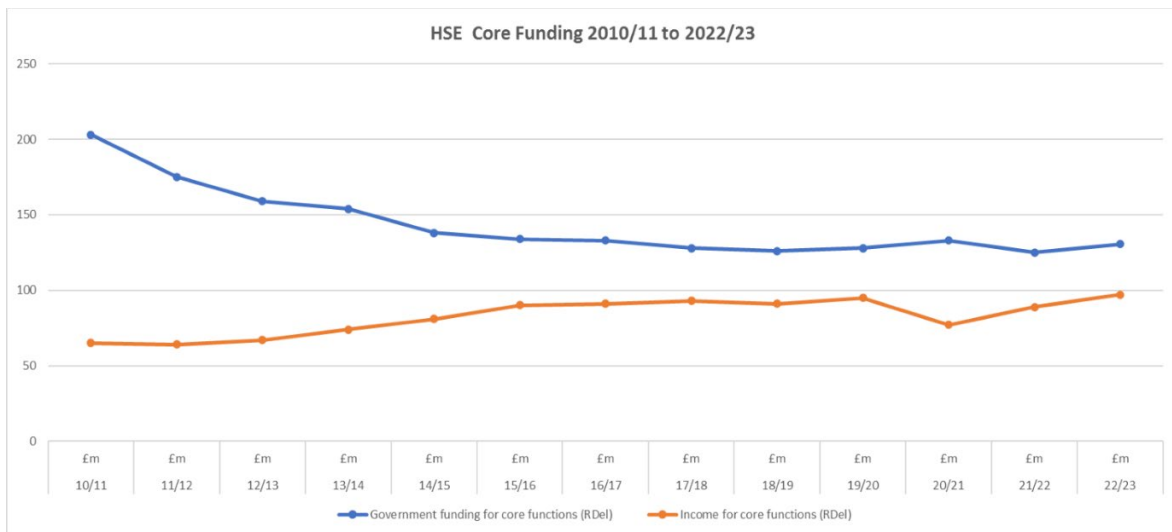
Efficiency

94. As an organisation HSE has a strong track record of delivering year on year efficiencies. With established processes in place to drive efficiency savings, in addition to private sector bench marking, HSE compares itself against published Civil Service benchmarking data which it uses to inform the annual budgeting process to both deliver efficiency savings and to support delivery of the business plan.

95. Under the CO guidelines for this review, HSE is expected to identify efficiency savings to Resource Departmental Expenditure Limits (RDEL) of more than 5%, to be realised within 1-3 years. As part of the 2021 Spending Review, HSE has already committed to equivalent savings, see Savings section below.

96. Following the introduction of cost recovery Government funding for HSE core activities has declined steadily, with more of the cost apportioned to duty-holders. The amounts in the diagram below show the actual allocations, therefore the real-term funding reductions are higher due to inflation, which has been absorbed through additional savings.

Figure 4: HSE Core Funding 2010/11 to 2022/23²²



Notes to Figure 4:

1. Figures are actual allocations so real term funding reduction is significantly higher due to impact of inflation for pay and non-pay costs. If the graph was adjusted for inflation, it would show a significantly higher percentage reduction in the level of government funding over the period.
2. 20/21 income reduction was due to impact of early Covid restrictions.
3. Figures exclude recent additional funding for new responsibilities
4. Core funding increase in 22/23 partly due to Health and Social Care Levy NI increase

Savings

97. HSE has already delivered over £100m savings since 2010/11 through successive spending reviews. It has consistently delivered savings through a combination of cost reduction (estates, insourced IT and procurement), efficiency (utilisation, process improvement) and increasing income through cost recovery and commercial income growth.

98. HSE further committed to deliver five percent reductions on its baseline by the end of 2024/25 in monetary terms, equating to a £7m saving. This is made up of approximately £4m through the proposed new energy division cost recovery regimes, and a further £3m through more efficient use of inspectors time to undertake regulation, improved processes (including time recording) to ensure HSE recovers all its relevant costs and increases income, improved targeting of higher risk workplaces driving increased FFI income. Whilst delivering significantly new work in BSR and Chemicals, HSE will be broadly retaining a similar level of corporate support which will deliver further economies of scale and resulting savings. HSE already had a lower headcount for March 2022 than was the case in 2015/16 despite adding 298 FTE for new public manifesto functions, repatriated functions from the European Commission and insourced activity. In real terms it

²² Health and Safety Executive, 2022

has a baseline 315 FTE lower than 2015/16. At the same time, it has continued to deliver its agreed business plan targets through more efficient ways of working. The ratio of staff in the corporate centre in relation to those in delivery areas has therefore improved.

99. I think it worth noting that had the BSR been established from scratch as a stand-alone organisation, it would have required the establishment of a new complex supporting infrastructure which would have come at a substantial cost. On top of that, litigation resource is in the process of being moved in-house, which is anticipated to deliver savings of £1m over the spending review 2021 period.

100. HSE is looking to introduce new cost recovery schemes to address the regulatory risks in a more sustainable way, to improve its overall efficiency, including areas such as mining, radiation and renewable energy. This is expected to generate in the region of £4m per year, whilst ensuring that the industries that create these risks bear the burden on funding proportionately, rather than the taxpayer.

101. HSE benchmarks some of its corporate functions, including finance being benchmarked to the private sector comparisons and pay benchmarking data is also used to ensure its pay and rewards system is competitive, using the Hays benchmarking service. There is an on-going cross-Government benchmarking exercise being undertaken which will provide additional data for HSE to consider in relation to corporate functions. I welcome this work and the opportunity it presents.

102. My conclusion is that it is not easy to identify any clear further savings, without affecting core delivery, that could be made at the present time, given the increased workload with which HSE is being tasked.

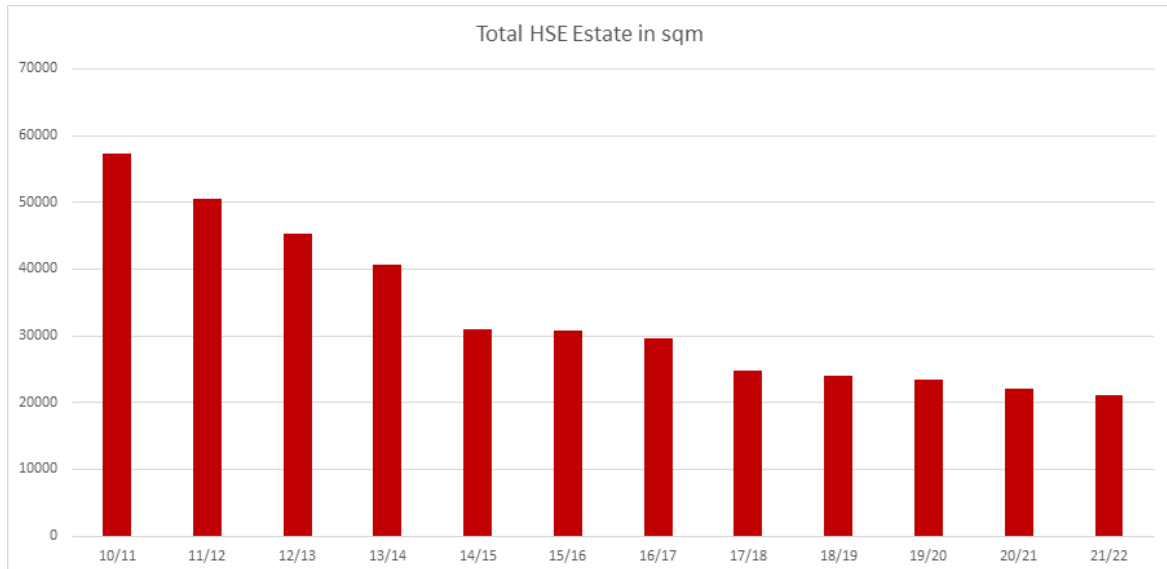
The HSE Estate

103. HSE's head office is in Bootle, Merseyside and they have approximately 26 field offices throughout GB. They need to be strategically located to enable effective regulatory presence. The estate strategy of HSE has reduced space by 20% since 2015 and lease agreements have been renegotiated, resulting in savings of approximately £7m. This includes sharing space in the Bootle headquarters with the ONR, Charities Commission, Valuation Office, Home Office, His Majesty's Passport Office and DWP. Overall, space has been reduced from 15m² per FTE to 9m² over the last 5 years.

104. The Bootle headquarters and the Science Division at Buxton were both procured under a PFI on a 30 Year Contract which ends in 2035. The current (2021-22) annual PFI service charge for the two accommodation buildings is a hefty £11.7million and this accounts for around 50% of the whole estate costs.

105. The diagram below demonstrates a reduction in HSE space of 63% over the period. To note that Buxton is excluded in the diagram as it is a specialist science site with different space requirements from a standard office environment

Figure 5: Total HSE Estate in square meters (sqm)



106. It is difficult in my view to see how any further efficiency savings from the HSE estate could be achieved, but this needs to be kept under constant review, whilst factoring in the effect of hybrid working on office space requirements.

Digital Efficiencies

107. HSE's IT strategy since 2015 has targeted upgrading and replacing old technologies of its existing IT estate, with the objective of systems being no older than 2 versions of the latest version, the industry standard supported by vendors.

108. The key Corporate Operational Information System (COIN, as used by inspectors), is over 20 years old, both unreliable and inefficient, posing a significant risk to HSE's activities and cost recovery income. Agreeing the BSR digital development and delivery approach proved difficult and resulted in significant delays.

109. Many technologies have now been replaced, with some being re-platformed, and others retired. There are a number of legacy systems still in use, with plans in place to reduce cyber security and business continuity risks associated with such systems and the intention to retire legacy systems within the next two to three years.

110. HSE have recently insourced a substantive external IT contract, which is anticipated to deliver a £1m per annum saving. This is a positive efficiency saving that not only aims to save money but also strengthen the skillset of the IT department, providing the ability to leverage these skills into future IT projects, without the ongoing need for external IT contractors. However, the overall pace of delivery of COIN has not been implemented quickly enough. The implementation of

COIN is paramount for HSE to function as a modern, effective and efficient public body.

111. There is a risk that if the planned investment in IT does not go ahead, then any projected efficiency savings would not be delivered. It is also difficult to see how savings could be delivered differently if such a central part of HSE's operation is not updated.
112. Until 2015, the HSE Buxton site was the Health and Safety Laboratory (HSL) with its own Accounting Officer and Board. HSL had its own networks, its own software tools, data storage and access, and the overall IT strategic approach was different to that of HSE. A series of projects are being delivered to move Buxton from its HSL heritage to the current HSE IT approach. Given the difficulties there are in electronic communication between Buxton and the rest of HSE this is long overdue.
113. A multi-year programme is now underway to move more than 120 specialist software tools from HSL to HSE IT, whilst maintaining security and data integrity. A new HSE research network for research and development activity is being developed. Capital investment has been made in 2021-22 and 2022-23 to procure upgraded systems, with the programme due to complete in March 2025.
114. I welcome the proposed digital improvements, but I think it is critical that HSE maintain the momentum on this; both to ensure that efficiency savings are realised and also to guard against a tendency within HSE to over-plan in a bid to achieve perfect outcomes.

External governance and financial approvals

115. I heard from several stakeholders, across both HSE and Government departments, that 'excessive levels of governance' are creating unnecessary bureaucracy and inflating costs. Whilst it is not within the terms of reference of this review to look at wider government rules, and acknowledging that the solution lies outside the remit of DWP, I feel it is important to set out the issues, as I see them, in the light of seeking efficiency savings across the organisation.
116. My thoughts are that there are too many layers of governance, leading to inefficiencies and higher costs. Servicing the current structure comes at a premium in terms of management time and administrative costs. HSE has at least 3 layers of governance, regardless of whether there is more than one department involved in the decision making; their own internal governance, the DWP and then CO and His Majesty's Treasury (HMT) governance. This leads to layers of duplication and sometimes the different layers will take different views, leading to lack of clarity, delays to decision making and difficulty in obtaining approvals for relatively minor issues.

117. There is clearly a 'drag' on HSE resources from servicing the needs of different government departments - all with their own demands and layers of governance requirements. An example, mentioned above in the digital efficiencies section, was in the development of a digital delivery approach for the BSR, in which there were months of delays due to the inability to reach agreements with other associated government departments. The impact has been a trade-off on pace and scope of implementation and a potential delay to the planned commencement date. The reverse perspective is that there can be a drag on OGD delivery due to HSE's occasional reluctance to agree to shared decision making processes.
118. Additionally, in March 2022, extra governance relating to Professional Services was introduced across the civil service, intending to ensure better value for money when using consultants. The way the rules have been introduced has resulted in administrative costs without any apparent benefit in my view. For example, any service of greater than 9 months duration, irrespective of cost, requires CO approval. Prior to submission to the CO, all requests must be approved by the HSE's CEO.
119. Over 100 of HSE's scientific instruments need regular service, maintenance and calibration otherwise the data produced would be invalid. The calibration costs are around £1,000 per instrument. Requests for an exemption have been refused as has a request to submit multiple applications on one form. As a result, HSE must submit a separate approval request for each individual instrument on an annual basis. Similarly, relatively small contracts (£120k) have to get accounting officer approval and CO notification,
120. Controls have also been introduced for contingent labour where the day rate exceeds £750 per day, again all these must be signed off by the CEO and if the contract levels are exceeded, CO approval is needed. In circumstances where contractors are needed, time is often of the essence and getting all the necessary approvals delays the speed at which projects can progress. The implementation of the Contingent Labour Controls and the associated delays resulted in five high quality BSR managers resigning, having secured better contracts elsewhere.
121. Communication spending has to be approved by the Government Communication Service (GCS) Public Assurance Service and involves several stages. The number of people involved in assessing the business case seems excessive, GCS senior management and No 10 are involved at Stage one and again at Stage two along with CO. This can be a very lengthy and uncertain process.
122. Repeatedly writing business cases to request CO approval for routine work is also an inefficient use of management time. From April to November 2022 the HSE CEO had to personally approve 85 requests of which 59 were sent on for CO approval based on the term of the contract rather than the value - all of which were approved.
123. I do think that if the government is looking to make savings across the public sector, then there are some real savings to be made by reducing and simplifying the layers of control. As evidenced above, I heard plenty of evidence of overheads being

driven by existing government controls and requirements. It was my intent to query whether these control measures could be flexed, by say greater delegation. However, as this report was being finalised, new guidance from the Cabinet Office has been issued which appears to address some of these concerns. This new guidance is very welcome but would suggest that this is something the CEO needs to keep in view and escalate if the intended benefits are not realised.

Pay Reform and People Plan

124. One of the objectives in HSE's 10-year strategy 'Protecting People and Places' centres around attracting, developing and retaining people that represent the diverse communities in this country.
125. There is planned targeted recruitment in relation to skills shortages, including the development of an attraction strategy, focussing on how HSE can address skills shortages differently, as a bigger cultural shift is needed in the way people are recruited and retained. This includes upskilling the recruitment team and being more proactive.
126. Hybrid working is generating substantial savings to operating costs post Covid. Furthermore, continuing professional development (CPD) will become mandatory as part of a high-performance culture.
127. HSE's pay and rewards system is currently in the process of a significant overhaul, designed to make HSE more attractive as an employer, more aligned competitively with other organisations, with an improved system of retaining staff and to bring the current 59 levels of pay grade down to a more manageable and practical level.
128. The introduction of transformational pay reform through better aligning job roles and implementing Capability Based Pay should enable HSE to fairly reward staff develop their skills, whilst delivering significant savings through productivity gains and efficiency savings. HSE state that the proposals are designed to deliver capability development opportunities and transparent career pathways to HSE's future workforce that are not currently available. This should improve the ability to attract and retain staff, increasing efficiency and impact over time.
129. In conclusion, HSE has good efficiency measures in place and I have not identified any further efficiencies that can be made other than simplifying complex governance arrangements. I am aware, of course, of the on-going pressures on public finances and therefore if further efficiencies are sought, then I would propose that DWP and HSE work together to identify areas that could be stopped or deprioritised, rather than implement cutbacks across the board.
130. The speed of implementing the efficiency savings identified could also be improved, with agility being paramount rather than aiming for perfection in implementing these changes.

Recommendation 11: HSE and DWP to prioritise the proposed changes re pay reform work to be introduced, dependent on clearances, within the next 12 months.

The Science Division in Buxton

Background

131. HSE has been researching safety in high hazard industries for almost half a century at its extensive Science and Research Centre (SRC) in Buxton, Derbyshire. As I observed when conducting a visit there during the Summer, there are a number of internationally recognised scientists working on this site conducting large scale research experimentation.
132. My strong impression, however, is of a national asset that is not being sufficiently utilised. The experience of HSE as a regulator, and its work over recent years at its SRC, has positioned it as a nationally, and in some fields, internationally recognised centre of expertise in several areas including the developing Net Zero technologies.
133. Given the location of the site, at the centre of a triangle of Manchester, Sheffield and Leeds, there is a clear tie-in with the 'levelling up' agenda to enable further development of a northern UK location for applied research, development and experimentation. There is capacity and capability to do more enabling the UK to benefit from the facilities and expertise on site.
134. The site itself is huge, covering over 500 acres. It has an impressive and currently under-utilised complex of modern offices and laboratories, where government scientists and regulators could work more closely together with local industry and academia to enable development of new technologies and innovations. The skills and expertise already on site could I think readily be deployed to assist deliver the national agenda.
135. HSE believe, and I concur, that the focus of such a centre could be the safety and health considerations of technological advances in the field of Net Zero activity including hydrogen and advanced battery technologies. They are also currently engaged in supporting the science behind building safety where science and research are currently somewhat fragmented.
136. I was made aware of previous attempts to make increased use of the facilities which have not delivered against the original intent, as ministerial priorities changed. I hope that the potential can finally be realised given the opportunity I have tried to identify in this review.

137. I believe there is a window of opportunity at present, specifically to exploit the position at HSE's SRC in Buxton by investing in, and expanding, its capabilities in Net Zero technologies as a National Centre of Excellence, which will confirm and accelerate the leading position that the UK has in this field for the benefit of UK Government and industry.

138. Having the Buxton SRC as this National Centre of Excellence would enable HSE to, in both their view and mine;

- lead and direct targeted research and development programmes on behalf of government;
- work with business to bring new Net Zero technology to market;
- deliver development research, testing and evaluation focussed on the performance of complex systems under real-world conditions;
- provide knowledge to industry whilst generating income;
- work with industry to help set benchmarks and identify best practice.

139. HSE's Chief Scientific Adviser (CSA), Professor Andrew Curran, as a member of the government Chief Scientific Adviser's network of CSAs, participated in the 2019 review of Government Science. Recommendation 4²³ of this review was that the government should make greater use of Public Laboratories as leaders in directed research and development programmes, and in supporting innovation through intermediate technology readiness levels. The recommendation also stated that this should include;

- departments ensuring that they have adequate long-term funding for the pursuit of their core missions for government;
- the creation of a specific fund geared to the work of Public Laboratories, for which they can compete for funds for innovation activities to be conducted in partnership with business.

140. The Government CSA, Sir Patrick Vallance, who I interviewed as part of this review, has been coordinating efforts across government to maximise the opportunity from the government's vision to be a "global superpower in science". In particular, he has been keen to address the underinvestment in public sector research establishments (PSREs) as a way of strengthening national capability, supporting innovation and strengthening the applied /translational research base:

"I support and am excited by the ambitions presented in this report which propose to develop HSE's Buxton site into a national centre of excellence for applied science and engineering which is available to both government and private industry to

²³ Government Office for Science, [Raising our ambition through science \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/414842/raising_our_ambition_through_science.pdf), p.39, 2019

support the healthy and safe deployment of new technologies including green energy solutions.”

141. HSE will need to regulate these new technologies, so must develop the knowledge and competency to define the policy that will underpin regulatory standards, linking innovation and regulation. For HSE to do this in isolation from technical developments is detrimental to both HSE and industry; the former struggling to keep pace with new technology being developed by industry and the latter likely to develop operational infrastructure and processes that HSE later deems unsafe and requiring costly retrospective redesign.

Challenges and Risks

142. Maximising the use of Buxton is not without risks and challenges, the first of which is an attitudinal one. I found that the risk appetite around taking on new work was somewhat limited. The science division appears comfortable engaging in work directly with/for HSE, but less so working with other government departments and even more reluctant to take on work with industry. I think this a limitation that could inhibit the potential for the site, especially in relation to such issues as Net Zero research.

143. Work would need to be done to clearly understand the priorities for broader Net Zero research and what the timeline for delivery of effective solutions should be; the resources required from HSE to deliver the work, the exact nature of the facilities required and most crucially, how current funding mechanisms could be repurposed to enable large scale research programmes. Further HSE analysis on options for developing Buxton is at Annex C for further context.

144. HMT currently requires that the externally funded work recovers its full economic cost. Whilst this is a prudent approach, it restricts HSE's ability to access certain funding streams, such as from UK Research and Innovation (UKRI). Alternative approaches, consistent with the requirements of Managing Public Money, should be considered, which enable HSE to be more competitive in these situations. For example, excluding the full PFI costs on the basis that the facility must be paid for, even if external funding is not available.

145. It must be acknowledged that there will be challenges realising a National Centre of Excellence within the existing government organisational and funding structures. Such funding would have to be for both new capital experimental facilities and the delivery of work programmes, along with the ability for industry and academia to undertake their own activities, making use of the Centre's facilities, whilst engaging HSE's experts (with associated full cost recovery). Work will also be required to determine how such a National Centre could be established within HSE's organisational structure and how to overcome the constraints stemming from the PFI funding that paid for the main complex of buildings some 15 years ago.

Recommendation 12: HSE to create plans for further developing the use of the Buxton site, with a particular focus on the feasibility of establishing a National Centre of Excellence at HSE Buxton for research and development into the safe implementation of Net Zero fuels and energy storage, within 12 months.

Recommendation 13: HSE, in conjunction with wider government, to ensure that there are no unnecessary barriers to the effective use of the Buxton site. This to include, but not be limited to, an exploration with HMT on the approach to costing externally funded work and the need to recover full economic cost on all projects; acknowledging the requirements of Managing Public Money and the Private Finance Initiative (PFI) constraints. This work to commence within 6 months.

Annexes

Annex A: Review Terms of Reference

Background

1. The Health and Safety Executive (HSE) was formed on 1 January 1975, following the introduction of the Health and Safety at Work etc Act 1974. HSE is the independent regulator for work-related health and safety in Great Britain (GB). Its mission is to prevent work-related death, injury and ill-health through research, information and regulation. Health and safety regulation in Northern Ireland is the responsibility of the Health and Safety Executive Northern Ireland (HSE NI) and HSE liaises with HSE NI as necessary.
2. Following the Grenfell Tower tragedy and government's commitment to reforms in building safety, HSE now also have a new regulatory role as Building Safety Regulator (BSR). Its oversight of the chemicals industry enables the safe and sustainable use of thousands of pesticides and biocides. Through its work, it reduces the potential harm to people or the environment and maximises the benefits to ensure essential products remain on the market and can be used safely.
3. HSE is an executive non-departmental public body, sponsored by the Department for Work and Pensions (DWP) and reporting to the Minister for Disabled People, Health and Work on behalf of the Secretary of State for Work and Pensions. HSE has around 2,700 permanent staff. For the 2022/23 financial year, HSE's total budget is £301 million, of which approximately;
 - £201 million is grant-in-aid funding from central government (£189 million from DWP) and
 - the remainder (one-third) comprises a range of sources, including fees charged, costs recovered, and work undertaken for others on a commercial basis.
4. HSE was last reviewed in November 2018 under the Cabinet Office's guidance for Tailored Reviews of arm's-length bodies.

Scope and Purpose of the Review

5. This review of HSE is on behalf of the Secretary of State for Work and Pensions.
6. The Review is to provide a robust challenge to, and assurance of HSE. It is underpinned by the requirements set out in the Cabinet Office's guidance on undertaking reviews for the Public Bodies Reviews Programme and structured into the following quadrants:
 - Efficacy
 - Governance
 - Accountability
 - Efficiency

7. In agreeing the areas of focus, consideration has been taken account of;
 - Information provided by HSE in the self-assessment
 - Input from DWP ministers and senior leaders
 - Input from other government departments that work closely with HSE
 - The Cabinet Office guidance
8. Taking the above into account, the review will consider (but not be limited to):
 - How HSE is currently performing and its ability to adapt and respond to future challenges and opportunities whilst meeting its obligations.
 - How HSE is managing relationships with its key stakeholders including central and local government and interacting with devolved administrations.
 - How HSE performs its dual roles as an instigator of policy and a regulator.

The lead reviewer is required to identify where savings to Resource Departmental Expenditure Limits (RDEL) of at least 5% can be made and that actions to meet the efficiency target must be reflected in the review recommendations and recorded and quantified in the published review report. Savings of 5% of baseline costs have already been agreed with HSE as part of the 2021 Spending Review and this review will consider the actions in place to achieve that target.

The Civil Service 2025 Headcount Commission will be running in parallel to this review. The lead reviewer will need to be aware of developments in this commission and assess the extent to which those developments may impact upon any recommendations.

Efficacy

9. This will consider how HSE delivers its functions, including:
 - HSE delivery of its current statutory duties and responsibilities and how effectively it responds to any changes and engages with DWP and other government departments.
 - Where HSE's function and remit have changed significantly since the last review in 2018. How well it copes with this, including its role and efficacy in:
 - a. Delivering the Department's agenda on work and health
 - b. Establishing and acting as the Building Safety Regulator
 - c. Further developing its scientific infrastructure and having a wider strategic input into cross-cutting issues such as Net Zero and energy supply
 - d. Post-EU exit chemicals regulations in GB
 - e. Supporting the response to the Covid-19 pandemic
 - f. Proactively engaging with ministers in relation to legislative gaps and creativity in post-EU exit regulatory opportunities.

- How HSE performs its dual roles as an instigator of policy and a regulator – the effectiveness and consistency of policy/regulation and how it translates into delivery and monitoring.
- Whether HSE could/should deliver its function and service through an alternative delivery model, including the rationale for remaining in the current delivery model.

Governance

10. With reference to the guidelines set out in the Cabinet Office's 'Partnerships with Arm's-Length Bodies: Code of Good Practice' this will consider governance within HSE and between HSE and DWP, including:

- How effectively HSE senior management are maintaining their focus on business-as-usual activities alongside the additional activities now being added to their remit (e.g. the BSR)
- The composition, dynamics and effectiveness of the Board.
- Effectiveness of corporate governance including staff management and an assessment of its approach to risk management.
- Staff attraction, retention and succession planning - in particular, the impact of pay scales on staff morale and associated risk.
- HSE's transparency and accountability, specifically regarding data handling and performance. In particular, HSE's effectiveness on inclusion and diversity policy - both in terms of its Board membership and staff.

Accountability

11. The review will consider the position and status of HSE as an executive non-departmental public body, focusing on:

- Current partnership/sponsorship arrangements with DWP and other departments it works with - in particular, DLUHC, Defra and BEIS.
- How HSE's strategy and plans are meeting DWP ministerial priorities while considering cross-government functional strategies and plans, including ministerial priorities for other departments where HSE is a significant delivery partner.
- HSE's role and accountability to Parliament and members of the public.
- Relevance of the current suite of performance metrics.

Efficiency

12. This will consider how HSE manages its resources, including:

- How effective HSE is in managing public money in line with HMT Guidance.
- How effective and efficient HSE has been in achieving its purposes and carrying out its functions. This includes;

- How it manages its budget and the potential of income from other sources
- How hybrid working is impacting the efficiency of HSE's operations
- Whether there are any opportunities and challenges in expanding into other commercial activity and what the impact of such a move might be.
- Whether the changes to the Target Operating Model is aligned to the new strategy, including its digital infrastructure.
- How effective HSE is in dealing with fraud, bribery and corruption.
- How effective HSE is in delivering value for money and how it plans to become more efficient, including the use, where appropriate, of Shared Services and planned invest to save measures.

13. HSE's strategic alignment with wider government on accommodation, capital spend and recruitment.

Lead Reviewer

14. Gill Weeks OBE has been appointed as the independent lead for this review. As Lead Reviewer, she will conduct the review with independence and objectivity and is accountable for the recommendations made.

Review Team

15. The Lead Reviewer will be supported by a small review team which will consist of civil servants from the Department for Work and Pensions.

16. The review team will assist with arrangements, invitations, note-taking at interview, managing relationships with HSE, briefing the Minister; ensuring the review runs to a planned timeline and gathering evidence to contribute to conclusions.

Evidence Gathering and Stakeholder Engagement

17. The review will gather evidence by working with HSE, looking at corporate documentation, observing Board meetings and conducting a series of interviews with the body and other stakeholders, including DWP's partnership team and other government departments who work in partnership with HSE.

Output and timescales

18. The Review will begin in June 2022 and a report and recommendations completed before the end of December 2022. The Reviewer will be supported by a secretariat team within the Private Pensions and Arm's-Length Bodies Directorate.

Annex B: List of Stakeholder Organisations

(interviewed or providing written evidence)

1. ACAS
2. British Aggregates Association
3. British Chambers of Commerce
4. British Fireworks Association
5. British Safety Council
6. Build UK
7. Business, Energy and Strategy
8. Chartered Institute of Waste Management
9. Chemical Industries Association
10. Civil Engineering Contractors Association
11. CLEAPSS
12. COMAH Strategic Forum
13. Confederation of British Industry
14. Confederation of British Industry's Explosive Industry Group
15. Construction Industry Council
16. Construction Leadership Council
17. Defra Reach Team
18. Department for Levelling Up Housing and Communities
19. DHSC (H&W)
20. DWP finance team
21. DWP partnership team
22. DWP Public Appointments Team
23. Engineering Construction Industry Association
24. Environment Agency
25. Environmental Services Association
26. Federation of Master Builders
27. Federation of Small businesses
28. Global Wind Organisation
29. GMB Union
30. HSE Board members, Chair and Executive Committee
31. Institute of Directors

32. Institute of Occupational Safety and Health
33. International Institute for Risk and Safety Management
34. LGA (Local Government Association)
35. Local Authority Building Control
36. Make UK
37. Mind
38. Mining Association of the UK
39. National Farmers Union
40. National Fire Chiefs Council
41. National Housing Federation
42. NEBOSH
43. NSTA
44. OEUK
45. Office for Nuclear Regulation
46. Office for Product Safety & Standards
47. Office of Rail Regulation
48. Road Haulage Association
49. ROSPA
50. Salford City Council
51. Scottish Government
52. Sir Cary Cooper CBE, Manchester University
53. Sir Patrick Vallance, Government Chief Science Advisor
54. Society of Occupational Medicine
55. The Coal Authority
56. Trade Union Congress
57. UK Petroleum Industries Association

Annex C: Options for the Development of Buxton

(as provided by Karen Russ, director of science and commercial at HSE)

Introduction

HSE has been researching safety in high hazard industries for almost half a century through its Science and Research Centre (SRC) in Buxton, Derbyshire. HSE have scientists with internationally recognised expertise in large scale research experiments for technologies, equipment and processes, that have the potential to create explosions and/or fires. In recent years, one of HSE's areas of research interest has been large scale experimental research into hydrogen as a fuel and the failure modes of advanced battery technologies.

Vision

Greater acknowledgement of the existing expertise, infrastructure, reputation and sector relationships of this PSRE to enable it to be recognised as a National Centre of Excellence for Net Zero technologies. The vision would move HSE's SRC from delivering individual projects, with and for industry, to multiple parallel programmes leveraging investment from government, industry and research grants to enable the best UK experts to work together to achieve the UK's target of Zero Carbon emissions by 2050.

Opportunity

The experience of HSE as a regulator, and its work over recent years at its SRC, has positioned it as a nationally, and in some fields, internationally recognised centre of expertise in a number of developing net zero technologies. There is an opportunity to develop this by recognising HSE SRC as a National Centre of Excellence. This will enable a Northern UK environment for applied research, development and experimentation, where government scientists and regulators can work together with industry and academia as appropriate, to enable new technologies and innovations to rapidly and safely progress to full implementation.

The focus of the Centre will continue to be the safety and health considerations of technological advances, particularly in the field of Net Zero such as hydrogen and advanced battery technologies. The Centre will further exploit the SRC's existing experience and infrastructure to assess the performance and behaviour of these new technologies in real world conditions for the benefit of the UK, utilising government funding and leveraging private sector investment.

Identifying the Buxton SRC as a National Centre of Excellence will enable HSE to better:

- lead and direct targeted research and development (R&D) programmes on behalf of government
- work with business to bring new Net Zero technology and innovation to market
- deliver development research, testing and evaluation focussed on the performance of complex systems under real-world conditions.

HSE's scientists have significant, world recognised expertise in bespoke experimental research for hydrogen and advanced battery technologies and have been working with industry and academia to evidence the safe progression from fossil fuels to zero carbon alternatives. A number of SRC staff are also exceptionally well connected within highly influential bodies within these domains and hold positions of influence within them. HSE's SRC brings together a set of circumstances that make it unique within the UK, and arguably Europe, as a location for a recognised Centre of Excellence in Safety of Advanced Net Zero technologies such as hydrogen fuel (gaseous and liquid) and batteries:

- the 550-acre site with a number of large, open air test areas ideally suited to the specific requirements of Net Zero experimentation
- World-leading scientific experts in the field, with supporting teams, on the same site
- 20 years of experience of practical research in the field
- Networks of influence within all relevant national and international bodies
- Alignment with local and national government priorities.

There is therefore a window of opportunity to exploit the position at HSE's SRC in Buxton by investing in, and expanding, its capabilities in Net Zero technologies as a National Centre of Excellence which will confirm and accelerate the leading position that the UK has in this field for the benefit of UK government and industry.

Alignment with government strategy

HSE's Chief Scientific Adviser (CSA), Professor Andrew Curran, as a member of the Government Chief Scientific Adviser's network of CSAs, participated in the 2019 review of Government Science. Recommendation 4 of this review was that:

- *The government should make greater use of Public Laboratories as leaders in directed R&D programmes, and in supporting innovation through intermediate technology readiness levels.*

The recommendation also stated that this should include:

- *departments ensuring that they have adequate long-term funding for the pursuit of their core missions for government;*
- *the creation of a specific fund geared to the work of Public Laboratories, for which they can compete for funds for innovation activities to be conducted in partnership with business*

The Government CSA, Sir Patrick Vallance, has been coordinating efforts across government to maximise the opportunity from the government's vision to be a "global superpower in science". In particular, he has been keen to address the underinvestment in PSREs as a way of strengthening national capability, supporting innovation and strengthening the applied /translational research base.

Alignment to HSE and Benefits to HSE, Industry and the UK

The recognition of a National centre of Excellence for the safe development and deployment of new net zero technologies aligns with HSE's strategic objective to "Enable industry to innovate safely to prevent major incidents, supporting the move towards net zero" as stated in HSE's Strategy 2022 - 2032 and HSE's stated strategic theme to be "a collaborative HSE".

HSE will need to regulate these new technologies so must develop the knowledge and competency to define the policy that will underpin regulatory standards. For HSE to do this in isolation from technical developments is detrimental to both HSE and industry; the former struggling to keep pace with new technology being developed by industry and the latter likely to develop operational infrastructure and processes that HSE later deems unsafe requiring costly retrospective redesign.

The proposed approach will strengthen HSE as an enabling regulator delivering its strategic objective, will deliver collaborative working with other government scientists, industry and academia, and will enable the UK to progress new technologies and ways of working at pace in a healthy and safe way.

Proposed Delivery Model

The Centre of Excellence will deliver the vision by:

- Acting as a single source of information, expertise and support to UK government where the real-world context is of importance, aligned to the implementation of new net zero technology (in particular hydrogen and advanced battery technologies).
- Channelling government, Industry and, where applicable, Research Grant funding into facilities and activities that support the Industrial Strategy and the needs of the UK now and in the future.
- Leading programmes of research under a dedicated funding stream, for both capital investment and activity. Appropriate Governance arrangements would be put in place to provide assurance that the best value for money is generated for each and that funds are deployed in alignment with agreed objectives. Core government funding would be used to leverage private sector investment and engagement / buy-in to the outcomes to ensure that any funding results directly in real world benefits when implemented by the stakeholders.
- A cross-cutting theme of Data, building on HSE's extensive experience of data mining and analysis, will ensure that the outputs, findings, experience and knowledge emerging from the programme activities are captured, curated and analysed to derive practical intelligence and applied in real world situations to improve the safety and health of UK society.

The Centre will create the 'hub' of a hub & spoke model that will reach out to other government organisations and industry. Industry involvement will be crucial as the focus will be on the safe development of new technologies from early Technology Readiness Levels to operational deployment. Collaborative public sector and

industrial research would be encouraged to take place at the SRC with scientists from all organisations using the main building office, meeting rooms and welfare facilities creating a vibrant semi-social environment for interaction across organisations leading to greater knowledge sharing and pace of innovation.

Challenges and Risks

There are challenges to establishing a recognised National Centre of Excellence. While it is clear **what** such a centre would focus on (as described under opportunity), work needs to be done to:

- Understand the need for Net Zero research in the mid TRL arena. What are the big questions that need answering and what is HSE's role in answering the questions? What is the likely time period over which this research will be needed? Who will need the outcomes of the research, and will they collaborate as needed?
- Understand the resources that would be required to deliver the work identified, in particular;
- The scientific capability and capacity needed by HSE to deliver the likely work attributable to HSE (i.e., scientific expertise that will be required and the number of people with those skills)
- The experimental facilities, be they specialist buildings (permanent structures) or research rigs (temporary structures)
- Understand the available funding mechanisms, in particular multi-year funding arrangements that are needed for the likely large scale research programmes.

While there are risks associated with the construction and operation of complex test and experimentation facilities, these risks would be mitigated by adopting the approach successfully implemented for the Buxton based H21 Facility. Stakeholder partners designed and constructed the facility at the SRC site, and HSE scientific staff provided expert advice during design, and supported operation of the facility focusing on their areas of specialist expertise e.g., working with gaseous or liquid hydrogen.

A similar model but on a larger scale has been adopted by the National Centre for Combustion and Aerothermal Technology (NCCAT) at Loughborough University which supports UK government, industry and academia to develop traditional combustion technologies. HSE already has excellent connections with the NCCAT and other similar establishments and these could be researched and consulted in order to determine the most appropriate delivery model for any similar Centre of Excellence at the SRC.

It must also be recognised that there will be challenges realising a National Centre of Excellence within the existing government organisational and funding structures. Such funding would have to be for both new capital experimental facilities and the delivery of work programmes along with the ability for industry and academia to undertake their own activities making use of the Centre's facilities and / or engaging HSE's experts (with associated full cost recovery). Work will also be required to determine how such a National Centre could be established within HSE.

Annex D: HSE's interactions with Government Departments

PROTECTING PEOPLE AND PLACES



Dept	Interaction	Authority/ approval	Policy	Advisory/ collaborate
CO	CDDO approvals	X		
	Biological security strategy			X
BEIS	Net Zero		X	X
	Gov office for Science			X
	OPSS – BSR construction products regulation		X	
	Energy security			X
	Critical National Infrastructure security			X
	Networks & Info systems (DCMS hold main policy)			X
	Market Surveillance auth for fireworks	X		
DFT	Carriage of dangerous goods	X		
	Net zero applications in transport			X
	Stat consultee on spaceports (CAA)			X
DLUHC	Land Use Planning	X		
	Hazardous substances consent	X		
	Building Safety Regulator	X	X	
DEFRA	Chemicals regime	X	X	
	Competent authority for chemicals use regs	X		
	Exempting authority for high nitrogen fertilisers	X		
	Specified Animal Pathogens Order / trade agreements.			X