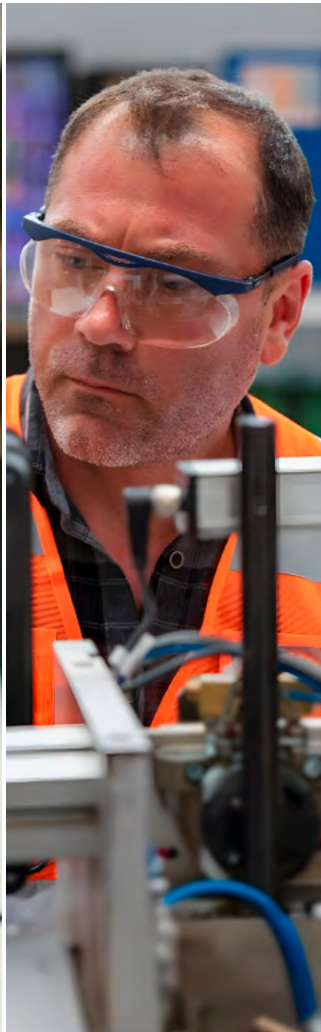
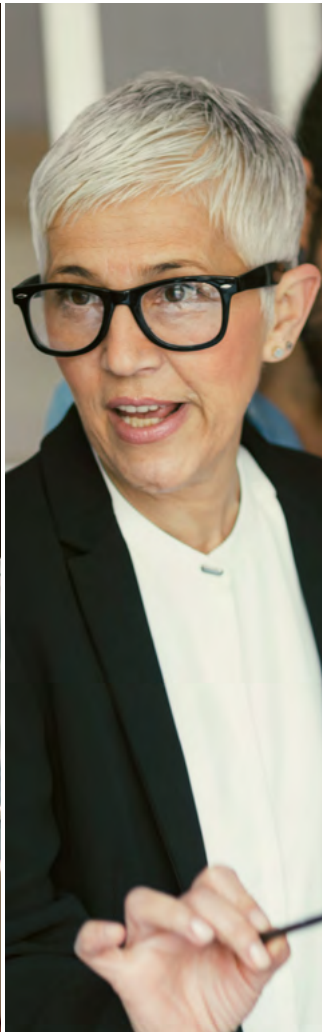


**PROTECTING PEOPLE  
AND PLACES**



Health and Safety Executive  
**Annual Report and  
Accounts 2023/24**  
HC 326





**Health and Safety Executive**  
**Annual Report and Accounts**  
**2023/24**

**For the period 1 April 2023  
to 31 March 2024**

Presented to Parliament pursuant to paragraph 10(2) and (4) of Schedule 2 to the Health and Safety at Work etc Act 1974.

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# Contents

## **3 Performance**

### **3 Overview**

3 Summary statement from HSE's Chair and Chief Executive

7 Performance overview

### **11 Performance: summary**

### **13 Performance: analysis**

14 Our performance in 2023/24

65 Sustainability

## **79 Accountability**

### **79 Corporate governance report**

79 The Directors' report

85 Statement of Chief Executive's responsibilities

87 Governance statement

### **131 Remuneration and staff report**

### **168 Parliamentary accountability report**

172 The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

### **185 Financial statements**

### **192 Notes to the Accounts**



# Performance

## Overview

This section provides a short summary about what the Health and Safety Executive (HSE) does, our purpose, the key risks to the achievement of our objectives and how we have performed during the year.

## Summary statement from HSE's Chair and Chief Executive

This year, we have continued to ensure that our organisational resources are deployed effectively, dynamically and in accordance with our strategic objectives and goals in our Business Plan 2023/24.

A recent independent review of HSE stated that we are a mature and well-run regulator, focused on improving our performance in specific areas. This was excellent feedback and a credit to hardworking colleagues across the organisation, but we are not complacent.

We are continuing to deliver significant programmes of work that will build upon that positive foundation. Over time, this will help us to evolve into a more flexible, resilient and impactful regulator, one that continues to effectively protect people and places in a changing world.

Transformation works best when there is commitment from all levels of an organisation. It has been particularly pleasing to see so many colleagues from across HSE

engaged in changing how we deliver our work. We are committed to making further improvements.

During 2023 and 2024 we have invested significant time and energy into the development of our new case management system. This will modernise the tools our people use to deliver critical work and ensure we can maximise our reach, impact and productivity in achieving our mission.

Our work has been supported by an internal restructure. This has increased our flexibility and ensures our people can deliver our strategic objectives more efficiently. The change would not be possible without the commitment and diligence of those involved, for which they have our thanks.

In addition to changes to our internal structure, we delivered the vast majority of our Business Plan objectives and deliverables. Our achievements include publishing our first 3-year strategic plan as Building Safety Regulator. This represents the most significant change to regulation of building safety for a generation and is expected to have significant benefits for residents and other building users.

In addition, we have continued to deliver robust regulation of chemicals within the UK. Looking to the future, our expert scientists are working with industry partners to explore the safety implications arising from new technologies and enabling the transition to net zero.



As well as addressing the future, we must also continue to address issues of the past – such as the historic use of asbestos in the built environment. We have delivered a range of work to support and regulate the effective and safe disposal of this carcinogenic material.

Our focus on reducing work-related ill health continues. In the coming year, our inspections will increasingly consider how dutyholders are preventing psychological as well as physical ill health.

Overall, we are a leading voice but it is important to recognise that we do not act alone. This year saw a renewed focus on collaboration with partners in industry, wider government and other stakeholders. It is important we build upon and leverage these relationships if we are to continue to deliver our objectives.

As we face the future, we are confident that whatever changes we face, we will draw on our values and our collective expertise. As one HSE, we will rise to the challenge.



**Sarah Newton**  
*Chair*



**Sarah Albon**  
*Chief Executive and Accounting Officer*

# Performance overview

## The scale of the challenge

Our health and safety statistics<sup>1</sup> remain a stark reminder of the challenges we face.



**12k**

Lung disease deaths each year estimated to be linked to past exposures at work



**1.8 million**

Working people suffering from work-related ill health



**0.9 million**

Workers suffering from work-related stress, depression or anxiety



**0.6 million**

Workers sustaining a workplace non-fatal injury



**135**

Workers killed at work



Acting as the Building Safety Regulator in England, we oversee **12,500** buildings registered so far and key building information submitted for over **10,000** to date



Regulation of over **300** offshore installations and onshore pipeline networks to ensure they are operating in compliance with their accepted safety cases



Over **20k** chemical substances on the GB market requiring regulatory oversight



Over **300** biocide and pesticide Active Substances notified for GB review



**60+** potential hydrogen projects across the UK involving electrolytic, storage and distribution and carbon capture, usage and storage (CCUS) enabled projects currently planned or in development



More than **1,600** onshore Major Hazard Installations with the potential to cause significant harm to workers, communities and the environment

1 Health and safety statistics - HSE ([www.hse.gov.uk/statistics](http://www.hse.gov.uk/statistics))

# Who we are

The Health and Safety Executive (HSE) is Britain's national regulator for workplace health and safety. We are dedicated to protecting people and places, and helping everyone lead safer and healthier lives.

# What we do

As a proportionate and enabling regulator, we apply a range of regulatory approaches to improve health and safety, bringing together different interventions to achieve impact. Our accessible guidance, communication and engagement gives employers the confidence to manage risk appropriately. This approach helps boost productivity, supports the economy, and contributes to a fairer society. We lead the way, but we do not act alone. Collaboration and partnerships significantly increase our reach, influence and impact. Advocacy is at the heart of how we protect people and places.

We concentrate on the most serious risks and target industries with the greatest hazards, and sectors with the worst risk management record. We are fair and just when using our legal powers. Inspection and compliance checks help us to ensure that serious risks are managed sensibly. When things go wrong, investigation helps us to get to the truth and learn lessons which we share with industry. We hold employers to account for their failures and secure justice for victims and their families, making people and places safer.

This was the second year of our ambitious strategy, *Protecting People and Places: HSE strategy for 2022-2032*. Our role goes beyond worker protection to include public assurance. We work to ensure people feel safe where they live, where they work, and in their environment.

The strategy has set 5 objectives that we will deliver over the 10-year period:

- Reduce work-related ill health, with a specific focus on mental health and stress.
- Increase and maintain trust to ensure people feel safe where they live, where they work, and in their environment.
- Enable industry to innovate safely to prevent major incidents, supporting the move towards net zero.
- Maintain Great Britain's record as one of the safest countries to work in.
- Ensure HSE is a great place to work, and we attract and retain exceptional people.

Sitting under these strategic objectives are 6 strategic themes which will guide our regulatory activities from 2022 to 2032. We will create an HSE that is:

- relevant;
- fair and just;
- people-focused;
- collaborative;

- financially viable;
- accessible.

# Performance: summary

Our Business Plan 2023/24<sup>2</sup> set out our key priorities and deliverables against these strategic objectives. An overview of how we have delivered against each of those objectives is below, with additional detail contained in the Performance analysis section (pages 13 to 78).

## HSE performance during 2023/24 at a glance

Enforcement action	
Completed <b>248</b> criminal prosecutions with a <b>92%</b> conviction rate	Issued over <b>7,000</b> notices including approximately: <b>5,200</b> notices for improvement <b>1,800</b> notices prohibiting work activity placing people at risk of death or serious injury
Completed <b>84%</b> of fatal investigations within 12 months of receiving primacy against our target of <b>80%</b>	
Business Plan delivery	
Over <b>14,700</b> inspections completed including:	
<b>Woodworking:</b> over <b>1,900</b> inspections	<b>Construction sector:</b> delivering over <b>3,100</b> inspections under a planned major health campaign <b>Asbestos:</b> over <b>390</b> inspections and <b>100%</b> of asbestos licence applications were delivered
<b>Respirable silica:</b> over <b>100</b> inspections	
<b>Alloy wheel stripping:</b> <b>50</b> inspections	
<b>Major hazard safety cases:</b> <b>78%</b> achieved within due date	

2 <https://data.parliament.uk/DepositedPapers/Files/DEP2023-0558/HSEBusinessPlan23-24.pdf>

## Business Plan delivery

Continued to enable the **safe and sustainable use of pesticides and biocides** by completing evaluations and authorisations within the required timescales for:

**140** of biocide products

**711** of plant protection products

Giving advice and guidance on health and safety throughout the year, our website was visited by

**2.6 million users** with **21.2 million page views** and a ‘usefulness’ rating of **76%**

### Dutyholder feedback:

**81%** of dutyholders said they had taken action as a result of a visit

**91%** stated the outcome of the visit was proportionate to the risks identified

Responded to **93%** of **4,736** FOI requests within deadlines against a target of **90%**

Handled over **30,990** concerns about workplaces and activities

**£313 million**

Total expenditure for year

**£105 million**

Income and cost recovery

**£216 million**

Government funding

**2,854** members of staff (FTE) across various locations in the UK, working both at home and the office throughout the year

Sick absence decreased to **6.2** days per full-time equivalent (FTE) against target of 6.0 days per FTE



# Performance: analysis

2023/24 shows our continuing strong performance, in both our core regulatory activity and across our key change and modernisation programme. As the Building Safety Regulator, we:

- delivered on all our commitments to ensure high-risk buildings are more effectively managed;
- became the Building Control Authority for higher-risk buildings in England;
- launched dedicated GOV.UK services to help ensure that a tragedy such as Grenfell does not happen again.

We have delivered a wide range of activity over the last 12 months, which includes:

- delivering new services, such as a Radiation Authorisation and Notification (RADAN) service to manage permission and approval of businesses working with ionising radiation;
- fundamental restructuring of our key inspection, investigation and specialist regulatory functions.

The significant internal restructure is just one step towards modernising and streamlining how we work. It was achieved alongside extensive work to replace our main case management system. This will drive efficient case handling for our people working in the new functions and help ensure they can maximise their time and expertise where it is most useful:

- carrying out frontline activity to inspect workplaces;
- taking proportionate enforcement action where standards need improvement.

Despite this significant level of internal change, we met or exceeded the vast majority of our performance ambitions for the year. That is a testament to the dedication and hard work of our people across the organisation.

The following sections will provide more detail on our performance and the impact it has in helping HSE protect people and places.

## **Our performance in 2023/24**

The following section provides a summary for each of our performance measures (or deliverables) within our Business Plan. They are grouped by our 5 strategic objectives and indicate whether we achieved them. They are a blend of more typical performance measures (with associated performance targets) or are milestone-based objectives (relating to delivery or significant progress towards a tangible outcome).

In the sections that follow, you will find more expansive detail on our performance, including a sample of 'case studies' that illustrate the real-world impact our work delivers.

# Reduce work-related ill health, with a specific focus on mental health and stress

We lead the way but we do not act alone. In 2023/24 we continued working with partners in business and government to deliver shared objectives in preventing ill health at work, and particularly in relation to work-related stress.

Our targeted interventions extended across a range of work-related risks to health and in multiple higher-risk sectors. They focused on enabling and educating employers to:

- design out risks;
- help build capability to ensure that risks are understood and acted on.

## Working Minds campaign

Our Working Minds campaign, now in its third year, has continued to grow its influence and reach to help businesses improve their approach to work-related stress and promote good mental health. The campaign now has more than 6,100 subscribers, with 55% of these being active Working Minds Champions.

We engaged with several large partner organisations to help identify 'what works' to prevent work-related stress.

Developing and enhancing these partnerships is an essential part of HSE's Protecting People and Places strategy to reduce work-related ill health. This work has helped to develop content and communication to showcase best practice, with a focus on prevention.

Partnerships are core to extending our reach into different industry sectors and we onboarded 6 new partners. This brings our total for 2023/24 to 30, meeting the target we had set. Collectively this has strengthened our presence in the construction industry in particular, and together the partnerships take Working Minds to 10 separate industry sectors.

We launched a new Working Minds online e-learning tool to communicate the stress management standards in clear language. By March 2024, more than 6,100 businesses had signed up to use the tool, with 25% being small businesses and 15% being typically hard to reach 'micro' businesses.

## **Supporting the government's health and work agenda**

Since 2022, our online guidance and supporting principles for disabled workers and workers with long-term health conditions have been viewed by over 26,000 users. A Welsh version of the principles was launched in December 2023 and an easy-read version will be published in 2024.

We have been actively raising awareness of the principle-based guidance through communications, such as e-bulletins, social media channels and videos. By making the information available in multiple formats, the greater impact our work has and the more likely it is that people will develop the skills to help implement the principles. We are also engaging with stakeholders to promote opportunities for businesses to become familiar with the principles and share them through their own networks.

Our user-centered website content and guidance has achieved a 91% user satisfaction rating. The increased downloads of our Talking Toolkit provides a good indication that people want to take action to implement the principles and create an inclusive, supportive and enabling culture in their workplaces.

## **Asbestos**

### **Guidance and communication**

We delivered new, effective guidance and communication solutions for workers and dutyholders to help reduce asbestos risk and protect workers and citizens from harm. This was a major part of HSE's response to the Work and Pensions Select Committee. Our improvements delivered this financial year were all developed and tested with workers and business before being published. They included:

- videos for workers to raise awareness of the risks;
- an updated asbestos image library;

- a revamped section on the ‘duty to manage asbestos’ which has clarified a suite of complex guidance;
- straightforward advice for workers on how to protect themselves.

We also reduced the number of pages users have to navigate by 70%, making the site much clearer without losing any key legal guidance. Since December 2023 when we launched the asbestos content, guidance and campaigns materials, the impact has been significant. There have been over 200,000 webpage views to date and 30,000 downloads of our new forms that help manage risk.

These improvements were supported by campaign activity, which generated over 80,000 downloads of a ‘Quick guide for trades’ and more than 11,000 views of videos bringing the messages to life.

## **Inspections**

We delivered a range of inspections to schools and hospitals, continuing our work to gain assurance on the management of asbestos at sites in the public sector. Of the premises we inspected, we found no contraventions relating to weaknesses in the management arrangements for asbestos in nearly all hospitals (18 of 19).

A small number of schools (8%) had failings in their systems leading to enforcement notices being served. However, immediate action to prevent potential risk from asbestos in a poor condition was taken in 2 of these.

## **Construction health campaigns**

We conducted more than 2,400 inspections in the higher-risk health areas, 'Respiratory Risks in Construction' and 'Moving and Handling Materials'. The enforcement rate for each campaign was 44% and 41% respectively, with the majority of those breaches occurring in small and medium-sized enterprises (SMEs).

In tandem, 2 communications campaigns were delivered to raise awareness of these health risks. Almost 3 million connections were made during the campaigns, with extensive stakeholder and press coverage. The collective findings from this work will inform health-lead inspections planned for 2024/25, and we will continue liaison with external stakeholder groups to encourage health improvements in the industry through education, alongside enforcement.

## **Asbestos contractor licence compliance**

This year, improvements to how we receive asbestos notification data allowed our newly formed inspection teams to deliver the planned number of inspections to licensed asbestos contractors, but also targeted the sites most at risk. We also conducted 155 assessments of licence applications on time and with a more efficient average assessment time. This demonstrates our commitment to modernising our ways of working, ensuring we have the greatest possible impact in reducing risk.

## **Woodworking dust campaign**

Safety issues at work remain a significant concern, particularly as many issues were again found in the control of wood dust (an asthmagen and carcinogen). We conducted over 1,400 inspections, which resulted in 784 enforcement notices for failure to adequately control exposure to wood dust. While this is an improvement in enforcement rates (61.5% of visits versus 70.6% for 2022/23), there clearly remains an unacceptable level of risk to workers. We continue to work with the Wood Safety Group and together with members we are focused on revitalising the group's role and aims.

## **Fabricated metals: metalworking fluids and welding fume**

Previous inspection campaigns found significant levels of uncontrolled risk in relation to the control of metalworking fluids, which can cause occupational asthma and dermatitis. Building on engagement with industry partners, our inspection campaign targeted users of computerised numerical control (CNC) metalworking machinery across Great Britain and focused on checking on health risk controls. We visited over 400 sites and served more than 325 enforcement notices.

## **Alloy wheel stripping**

Since the introduction of alloy wheels, an industry has grown up to maintain, repair and customise these wheels on road vehicles. Dichloromethane (DCM) is an



effective paint stripper, but there have been fatalities from workers being overcome by exposure to DCM. Previous inspections showed that the industry was not safely controlling exposure to DCM and other substances. Visits to alloy wheel refurbishers across Great Britain found widespread non-compliance, resulting in a range of enforcement action.

## **Respirable crystalline silica (RCS) foundry dusts and fumes**

In the second year of a campaign to ensure control of exposure to respirable silica and other foundry dusts and fumes, we inspected foundries using sand in their moulding processes, which can cause a range of lung diseases. We took enforcement action to ensure adequate control of dusts through improved provision of extraction systems.

We also inspected sites manufacturing and cutting bricks. Enforcement was focused on improvements to control of respirable silica dust at source.

<b>Reduce work-related ill health, with a specific focus on mental health and stress</b>	<b>Status</b>
Deliver HSE's National Health and Work conference to educate and enable employers on preventive action to tackle work-related ill health	✓
Deliver and evaluate targeted interventions in priority areas to assess dutyholder compliance with the law, and build awareness of effective control measures to tackle work-related respiratory ill health, lung disease and work-related stress	✓
Build on our successful 'Working Minds' campaign by: <ul style="list-style-type: none"> <li>• increasing our campaign partners to 30</li> <li>• increasing by 10% the reach into 'hard to reach' groups in target sectors</li> </ul>	✓
Engage with 5 large organisations to build our approach for identifying best practice being taken to manage risk from work-related stress	✓
Develop HSE's guidance to support disabled workers and help workers with long-term health conditions remain in work, measuring its impact to maximise accessibility as part of our response to the HiEB consultation	✓

# Increase and maintain trust to ensure people feel safe where they live, where they work, and in their environment

HSE has continued to work to achieve the right regulatory balance between supporting safe business practices and protecting workers.

Some examples of our key achievements during 2023/24 are outlined below.

## **HSE as Building Safety Regulator (BSR)**

Our work is helping to raise industry standards, protect residents, and prevent a tragedy like Grenfell Tower from ever happening again.

During this financial year we successfully delivered the following BSR programme milestones that were in our HSE Business Plan 2023/2024. We have:

- launched new services, published guidance and BSR's first Strategic Plan setting out an ambitious narrative for the first 3 years of BSR's work to March 2026, and established our vision to create a built environment where buildings are of high quality and safe;

- finalised the move of technical policy to HSE from the Ministry of Housing, Communities and Local Government;
- opened a register for higher-risk buildings (HRBs) in England with just under 12,000 buildings now registered;
- launched our 'Manage a building control application for a HRB' service to enable users to apply for and manage building control applications;
- opened registers for building inspectors and building control approvers in both England and Wales, with 3,927 individual inspectors now registered and 78 applications approved for private sector organisations to become building control approvers;
- put in place a Mandatory Occurrence Reporting system so we are informed of incidents;
- launched several new media campaigns, including 'Be Ready Act Now' and 'Did You Know' to support industry in getting ready for the new regime. We also engaged residents via our campaign 'Your Home Your Safety' to help them understand their new increased rights and protections and provide reassurance that risks in their buildings are being properly managed;
- carried out research to understand residents needs and experiences, including award-winning research with disabled residents and those who do not speak English, to understand their particular experiences and needs;

- made good progress with recruitment for our operational functions to help secure the people needed to operate and manage the new services;
- established the Industry Competence Committee to facilitate the improvement in competence across industry and building inspectors;
- delivered 87% of Planning Gateway One submissions to a service level agreement of 90%. While this is less than we had aimed for, the volume of submissions HSE received was far in advance of our estimations, being more than double predicted annual volumes. In-month performance improved consistently through the year, and while it was below target for 2023/24, we are confident of improved performance in the year ahead.

## **Working with local authorities**

We have continued to assist local authority co-regulatory colleagues by providing relevant guidance to help in their effective targeting of interventions. The use of 'HSE Update' webinars and presentations on specific health and safety topics has been further developed using pre-recorded video content that is hosted online. These online resources are further supported with live events, such as Q&A sessions.

The way by which local authorities can access support from HSE specialists has been improved, it is now being centrally co-ordinated by the HSE local authority team. The Enforcement Liaison Officer network that

establishes local links between local authorities and HSE, as regulatory partners, is being strengthened. We are also working with other national regulators in an effort to minimise and co-ordinate demands on local authority resources.

## **Biocides and Pesticides Transformation Programme**

During the year, we changed the scope of our plans for the digital build of biocides and pesticides digital services. Our original intent was to complete the full build by 31 March 2024.

Due to the complexity of the project, we decided to focus on creating a service just for pesticides. This refocused approach included a new digital application process which will, over time, ensure our internal processing is much more efficient. Building the most complex approval processes first creates a foundation we can adopt for biocides services that will come later.

Feedback received from users who tested the new application approach helped us to iterate and improve the flow of applications. Our internal case management system has received positive feedback from colleagues as we continue to enhance the functionality.

Increase and maintain trust to ensure people feel safe where they live, where they work, and in their environment	Status
Deliver the BSR Programme and digital build to quality, time and cost to ensure all key functions are ready for deployment	✓
Finalise the move of DLUHC technical policy to HSE	✓
Publish BSR's Strategic Plan	✓
Deliver 90% of Planning Gateway One submissions to service level agreements	✗
Publish National Register of higher-risk buildings in England	✓
Deliver 95% of planned permissions for biocides and pesticides, authorisation opinions under UK REACH and CLP Opinions/Technical Reports to legislative timescales	✓
Finalise restriction opinions under UK REACH for: <ul style="list-style-type: none"> <li data-bbox="113 1010 1294 1077">• tattoo inks and permanent make-up</li> <li data-bbox="113 1077 1294 1133">• lead in ammunition</li> </ul>	<div style="display: flex; flex-direction: column; align-items: center;"> <span>✓</span> <span>✗</span> </div>
Deliver Biocides and Pesticides Transformation Programme, including digital build of the required operating services for biocides and pesticides	✗
Deliver a programme of 50,000 domestic gas safety engineer competence checks through our commercial partner	✓

# Enable industry to innovate safely to prevent major incidents, supporting the move towards net zero

Our scientists, engineers, physicians and analysts use their extensive expertise, knowledge and capability to make a positive impact on the working world. We produce *Annual Science Review* ([www.hse.gov.uk/research/review.htm](http://www.hse.gov.uk/research/review.htm)) of case studies to describe the contribution their work makes to all of HSE's strategic objectives.

## Deliver our net zero commitments

Throughout the year we have actively worked with other government departments, businesses and stakeholders on a wide variety of net zero programmes and projects. To do this effectively we recognised the need to use our resources to best effect and enable prioritisation where appropriate. We have also developed the New and Emerging Technology (NET) framework to support us.

The NET uses a number of leading indicators to assess appropriate engagement strategies and provide us with the ability to prioritise activity. These indicators include technology maturity, potential for harm and public interest.

Significant work has been carried out to gather intelligence to enable this assessment and make



decisions on regulatory intervention approach. This approach has also helped us identify key areas where knowledge is less well developed, leading to the development of science and research programmes and areas of policy. We have iterated the NET throughout the year, and it is now established as a key tool to enable support engagement and prioritisation.

## **The Clean Heat Programme**

As the safety regulator we have an important role in assurance around new technologies. The increased use of hydrogen is a government priority to achieve a lower carbon future. HSE has been engaging with teams across the Department for Energy Security and Net Zero (DESNZ) looking at potential future hydrogen uses. In particular, we are supporting the Clean Heat Programme through assessing safety evidence for the potential use of hydrogen for heating, to feed into HMG policy decisions in 2026.

This builds on the established relationship with DESNZ through the Hy4Heat programme, which considered the fundamental science around whether replacing natural gas with hydrogen is a plausible decarbonisation pathway. The potential for hydrogen to be utilised through the existing gas network presents new challenges. We have therefore brought together policy knowledge and scientific and regulatory expertise from across HSE. We will robustly review evidence for the safe distribution, storage and use of hydrogen gas in domestic, industrial

and commercial premises, including complex and multi-occupancy buildings.

We have been agile in ensuring that proposed hydrogen trials are appropriately regulated. We have confirmed with trial operators that they will use the existing gas safety legislation as a framework for the demonstration of compliance with health and safety requirements. HSE will continue to support the Clean Heat Programme by assessing ongoing evidence before providing a Comprehensive Formal Assessment in 2025. This will inform government policy decisions on the future use of hydrogen.

Additionally, our frontline teams have been working with the UK industrial decarbonisation clusters. This has included:

- planning of giga factories;
- developing policies to enable our role in advising the planning system about new hydrogen technologies.

## **Hydrogen production and carbon capture**

New technologies have the potential to change the risk profile so we have carried out a review of the regulatory regime to:

- consider how existing health and safety regulations apply to new technology areas;

- ensure the established framework remains fit for purpose.

Due to the nature of new substances, we have identified a need to clarify the application of the regulatory framework, for the transport and sequestration of carbon dioxide relating to carbon capture, utilisation and storage (CCUS) operations. We have worked with key stakeholders to understand the management of risks in CCUS operations and carried out a thorough analysis of the existing frameworks. This has resulted in work to progress amendments to the Pipeline Safety Regulations and the offshore safety regime, ensuring this new sector will be appropriately regulated.

Similarly, we conducted a review of the future regulatory options on the potential use of hydrogen as an alternative to natural gas. Our high-level quantitative analysis indicates that the adaptable nature of health and safety legislation means limited amendments may be required to enable any hydrogen roll out.

We have also conducted regulatory mapping across a range of net zero technologies to:

- ensure the regulatory framework remains fit for purpose;
- provide certainty to dutyholders on the health and safety requirements.

In September 2023, HSE scientific experts presented research findings at the tenth International Conference on Hydrogen Safety (ICHHS), in Québec, Canada.

Organised by the International Association for Hydrogen Safety (IAHySafe), the ICHS takes place every 2 years and brings together the international hydrogen safety community as the leading platform for presenting and discussing new findings, information and data on hydrogen safety. HSE is a founding member of IAHySafe, holding the presidency between 2018 and 2022, and has been part of the ICHS organising committee since its inception in 2005.

At the 2023 conference, a wide range of hydrogen safety topics were discussed, including:

- physical properties and behaviours;
- risk management;
- applications;
- best practices;
- regulations;
- codes and standards;
- communication strategies for wider public awareness and acceptance of hydrogen.

The conference programme featured over 135 refereed papers (14 were presented by HSE). These covered a range of hydrogen safety topics from the most eminent international hydrogen safety experts within government, research organisations, industry and academia.

# Reducing our own carbon footprint

Our work to reduce our own carbon footprint is covered in the Sustainability section on pages 65 to 77.

## Anaerobic digestion facilities

This was the third year of targeted inspections to anaerobic digestion facilities across the farming, waste, and food sectors. The purpose of the inspection programme was to target the management arrangements for the control of:

- fire and explosion risks;
- risks related to maintenance operations;
- contractors.

This multi-year inspection initiative will now be paused and evaluated. The evaluation will inform our stakeholder engagement in this rapidly expanding energy from waste area.

## Construction building adaptation

We continued our work in providing assurance that remedial cladding works are being carried out safely. This included the first prosecution by HSE for failure to adequately assess the risk of fire and combustible material left exposed during replacement, putting operatives and occupants at risk. This includes supporting development of the Uniclass risk taxonomy.

<b>Enable industry to innovate safely to prevent major incidents, supporting the move towards net zero</b>	<b>Status</b>
Develop a framework approach for how HSE should deal with new, emerging and growing technologies	✓
Provide expertise and support for the DESNZ Clean Heat Programme, including on the trial's strategy and evaluation	✓
Undertake a review of our regulatory regime to consider how existing health and safety regulations apply to new technology areas, including aspects of hydrogen production and carbon capture	✓
Deliver a programme of inspections to support the development of new, emerging and growing net zero technologies, including anaerobic digestion facilities	✗
Present safety research findings at the International Conference on Hydrogen Safety	✓
5% reduction against our Greening Government Commitments baseline	✓
Develop a sustainable procurement plan	✓

# Maintain Great Britain's record as one of the safest countries to work in

The changing world of work, together with the introduction of new technologies in the workplace and the growth of the gig economy and hybrid working, means we must adapt and respond to this changing landscape. Below are a summary of the major activities carried out across 2023/24.

## Embed our revised regulatory processes

We developed and tested a new risk-based decision model (RBDM) to replace our current Incident Selection Criteria (ISC). This will enable us to focus our investigations on risk, not solely on incident outcome, and help us direct our investigation effort to where we can have the most regulatory impact.

The RBDM was tested on live, non-fatal safety RIDDOR reports over a 14-week period, equating to approximately 15% of non-fatal safety reports received nationally. Non-fatal safety incidents make up the vast majority of incident reports received by HSE. Along with fatalities, they generate the greatest work for our investigation teams. The results from the testing were positive and the model, along with a new centralised triaging process,

proved effective at differentiating between low, medium and high-risk incidents, consistently selecting high-risk incidents for investigation.

We are creating a new centralised triage team, following a phased roll-out, it will be responsible for:

- triaging all non-fatal safety RIDDORs;
- identifying those incidents for investigation requiring the greatest regulatory input.

Iterative feedback from the investigation teams, along with assurance checks, will ensure the model continues to work optimally and consistently.

Future work will look at applying the RBDM to the other types of RIDDOR reports, such as dangerous occurrences, ill-health and gas incidents, to ensure we are being consistent and objective in our decision-making process.

## **Improve our proactive regulatory intervention outcomes**

As in previous years, we set out to deliver at least 14,000 inspections with clear expectations on risk-based performance. These included a programme of high-risk interventions (with ill-health focus where appropriate) to leverage behavioural change in the sectors and further improve our safety record.

We exceeded the minimum volume of inspections through 2023/24 and a breakdown of activity and



findings related to the higher-risk sectors targeted is provided below.

## **Agricultural compliance**

The agriculture sector remained a focus of our activity, given the continuing high rate of workplace injuries and ill health. This year we inspected a range of farms, including some which had undertaken our online agricultural compliance training and some which had not received it, to determine whether messages had been understood. Our resulting enforcement levels were broadly as expected.

However, on-site inspections are only part of the way in which we engage with this industry. We also launched year 2 of our campaign 'Your Farm, Your Future' which focused on the management of livestock. Campaign materials will be used by key stakeholders who are committed to amplifying our messages through their media and social networks. Driving behavioural change is vital to reducing the rate of injuries, ill health and death within this sector. Our ongoing engagement and working through others is key to affecting this change.

## **Fairgrounds**

The fairgrounds inspection programme continues to promote the improvement of safety standards in the industry. In 2023/24, we built upon the work done in previous years to target specific amusement devices and to address emerging safety issues. We carried out 87 inspections of fairgrounds targeting those issues giving

rise to the greatest risks. We took enforcement action at 37% of visits and issued 10 notices.

We continue to work very closely with industry stakeholders through the Fairground Joint Advisory Committee. The inspection campaign was designed to measure compliance in relation to known issues.

## **Waste and recycling**

HSE has inspected the waste and recycling sector across a number of years, but we are still seeing poor standards in key areas. The purpose of this inspection programme was to target machinery guarding and workplace transport. Together, these two issues account for the most serious and fatal injuries in the sector. We carried out 630 inspection interventions and enforcement action was taken at 38%.

## **COVID Public Inquiry**

There has been continued delivery of cross-HSE activity to ensure:

- information that could possibly be used in the UK COVID-19 Inquiry is captured, retained, and reviewed;
- we fully respond to their formal requests for evidence in a way that minimises the impact on HSE's regulatory activity.

## **Contact by the public**

We aim to respond promptly to all enquiries or concerns raised by members of the public.

Over the year we have received 81,020 contacts. These include incoming calls, advice, concerns, BSR, and working safely enquiries about workplaces and activities.

Inevitably, some of these are considered low risk and do not justify further follow-up or investigation. Some are outside of our remit and redirected as appropriate, for example to the relevant local authority.

Of those considered to be within our remit, we:

- completed 94% of investigations into reported health and safety concerns within the agreed timescales;
- carried out follow-up activity on more than 3,600 concerns raised by potential whistleblowers, ie employees, ex-employees, self-employed people, or union/work safety representatives that presented a significant risk.

Similarly, when information is requested from us, for example under the Freedom of Information (Fol) Act, we aim to respond promptly. We responded within deadlines to 93% of 4,192 Fol requests received against a target of 90%.

## **Investigate to swiftly tackle and reduce risk**

Investigation work, whether measured by its impact on health and safety or by the speed, ease and effectiveness of our processes, continues to be one of our priorities. We continue to investigate incidents and health and

safety concerns in line with our published selection criteria and seek timely completion of both fatal and non-fatal investigations. When appropriate, we prosecute those who commit serious breaches of the law.

## **Fatal investigations**

Timely completion of fatal incident investigations continues to be one of our highest priorities. In 2023/24 we completed 84% of fatal investigations within 12 months of primacy of the incident, exceeding our target of 80%.

## **Non-fatal investigations**

We completed 94% of non-fatal investigations within 12 months, also exceeding our target of 90%.

## **Enforcement examples**

The following are examples of the prosecutions under the Health and Safety at Work Act 1974 (HSWA), unless otherwise stated, which concluded during 2023/24.

### **Repsol Sinopec Resources UK Limited**

The company was prosecuted following an incident where a contractor sustained life-changing injuries while working on the Fulmer Alpha North Sea oil platform on 11 September 2017. The contractor suffered a fractured jaw and lacerations to his chest when he was struck by flying parts following the uncontrolled collapse of a crane. His colleague was also struck by flying parts and both men

are suffering psychological damage as a consequence of the incident. The company was fined £535,000.

## **Serco Limited**

This prosecution followed the death of a custody officer at Blackfriars Crown Court in 2015. She was kicked twice by a prisoner during a restraint, resulting in fatal brain injuries. The investigation found that the company had failed to:

- properly analyse risk intelligence on prisoners and communicate risks and safety precautions to employees;
- have adequate procedures in place and to follow them;
- provide readily accessible protective equipment;
- ensure that further training was provided where identified, as necessary.

It was also found that, over a period of 3 years, there was a continuous failure to:

- adequately staff court activities;
- manage working hours;
- assess risks of violence and aggression;
- communicate safety-critical information and have suitable procedures in place.

The company pleaded guilty and was fined £2.25 million and ordered to pay £433,596 in prosecution costs.

## **Network Rail**

The company was prosecuted following an incident on 30 November 2020 at the company's Eastleigh depot. A worker was cleaning the inside of a butt-welding machine when the conveyor activated and a section of rail track entered the machine. The worker was crushed, sustaining fatal injuries.

The investigation found Network Rail failed to ensure there was a safe system of work while carrying out maintenance on its rail production line. Network Rail also failed to provide an adequate risk assessment for this type of maintenance. The company was fined £1.2 million and ordered to pay £11,410 in costs.

## **The Cavendish Winchester Limited, Steven Rufus Davies and Neil Bolton**

During late 2019 and early 2020, an estimated 10 tonnes of asbestos insulating board (AIB) was removed by workers who were unqualified and unaware of the risks posed to their health by the dangerous material. The directors were aware of the extent and quantity of material containing asbestos having sought quotes to have it removed by licensed contractors. However, they decided to save a considerable amount of money, exposing workers on the site to risks during the removal. HSE was unable to determine where a large quantity of the AIB ended up, so others in the waste removal chain were likely to have been put at risk too.

Steven Davies received an immediate 8-month custodial sentence. His co-director Neil Bolton received a 4-month custodial sentence, suspended for 12 months and ordered to complete 250 hours unpaid work. Mr Bolton was also ordered to pay costs of £5,123. The company was fined £30,000.

## **Daniel Mountain**

Mr Mountain received a 12-month custodial sentence for carrying out illegal and unsafe gas work during 2020 and 2021. He had previously been issued with a Prohibition Notice in November 2016, preventing him from carrying out further gas work until he was competent to do so and was on the Gas Safe Register.

## **Priory Healthcare Limited**

The company was prosecuted following an investigation into the death of a patient who was found unconscious in a patient lounge at the Priory Hospital in Roehampton, on 25 September 2013. The investigation found Priory Healthcare Limited had failed to ensure the provision of in-patient psychiatric treatment was carried out so that patients were not exposed to risks to their health and safety. The company was fined £140,000 and ordered to pay costs of £120,000.

# Deliver our major hazard interventions

Great Britain has highly specialised, strategically important industries which are essential to the country's economic and social infrastructure. However, their processes and hazard potential can cause great harm to their workers, the environment and the public.

Our regulatory approach aims to provide assurance that industry is identifying and managing the major hazard risk it creates. This work safeguards vital national infrastructure and communities living near to major hazard sites. We delivered 78% of safety case assessments and reports within timescales against a target of 75%.

## North Sea operations

### *Maintenance backlogs*

North Sea operators managed infection risk during the pandemic by reducing numbers of workers offshore. From early in the pandemic, HSE understood that this would impact on the ability of the industry to maintain safety-critical and other equipment, resulting in increased backlogs. There is a direct link between ineffective maintenance management and major accident precursor events, such as hydrocarbon releases. HSE analysis of data obtained from industry indicates that some 60% of hydrocarbon releases are maintenance/asset integrity related.



HSE developed a systematic approach, in collaboration with industry representatives, to assess how effectively companies manage backlog risks. This included using a common question set requiring companies to provide consistent maintenance management data. HSE analysed the data to determine the relative performance of companies, which improved regulatory targeting.

Since the end of the pandemic, HSE has maintained its focus on maintenance management and in 2023/24 achieved its target of scoring 95% of offshore production installations against its Maintenance Management inspection guide. HSE has stimulated the industry to develop a common set of maintenance backlog key performance indicators, so that it can benchmark its own performance. This data helps HSE target poor performers and facilitates sharing of good practice.

Offshore Energies UK (OEUK) developed its own maintenance backlog strategy in response. Other outcomes from HSE's maintenance management interventions in 2023/24 included 10 Improvement Notices and 1 Prohibition Notice served on offshore production companies. Our focus on maintenance management is continuing, with a particular scrutiny on the effectiveness of the safety leadership of individual companies.


### ***Process Safety Leadership Principles***


We continue to work to strengthen engagement with industry on Process Safety Leadership Principles, including hydrocarbon release reduction, asset integrity,


operational integrity, and maintenance management. This has been achieved through conducting a series of targeted onshore HQ inspections of senior leadership and the management chain. It will culminate in a published outcomes report scoring industry, anonymously, on each of the principles evaluated.


The initiative will end in the 2024/25 financial year, although the approach will continue as part of the regulatory toolbox. Follow-up inspections indicate that the production dutyholders that have been inspected exhibit more effective engagement with Process Safety Leadership Principles and Process Safety Management in general.


# Principles of Process Safety Leadership


- 


Clear and positive process safety leadership is vital
- 


Process safety leadership requires involvement, understanding and competence
- 

Constant active engagement and vigilance
- 

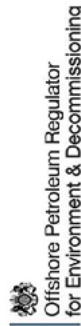
Senior leadership team visibility and promotion
- 

Engagement of the workforce
- 

Robust and regular auditing of the safety management system and barriers
- 

Publication of process safety performance information
- 

Sharing good practise and implementing lessons



*Sarah Newton*

Sarah Newton  
 Chair of the  
 Board  
 Health and  
 Safety Executive

*Tom Child*

Tom Child  
 Chief Executive  
 Offshore  
 Petroleum  
 Regulator for  
 Environment and  
 Decommissioning

*David Whitehouse*

David  
 Whitehouse  
 Chief Executive  
 Offshore  
 Energies UK

*Steve Rae*

Steve Rae  
 Chief Director  
 Step Change in  
 Safety

*Darren Sutherland*

Darren Sutherland  
 Chair North Sea  
 Chapter  
 International  
 Association of  
 Drilling Contractors

*Peter Aylott*

Peter Aylott  
 Director of  
 Policy  
 British Rog  
 Owners'  
 Association

## Dutyholder feedback

Using surveys, we have received a good level of feedback relating to how we conduct our inspections from a sample of dutyholders who have received a visit:

- 81% of respondents said they had acted as a result of a visit (79% in 2022/23);
- 91% of respondents considered the outcome of the visit proportionate to the risks identified (89% in 2022/23);
- 92% considered the activities inspected were appropriate to the risk (94% in 2022/23);
- 93% considered the inspection was conducted in an efficient and effective manner (94% in 2022/23).

## Complaints reported to Parliamentary and Health Service Ombudsman

From the data provided by the Parliamentary and Health Service Ombudsman (PHSO), which is responsible for investigating formal complaints made by the public against government departments, for 2023/24 there were 24 complaints assessed (compared to 22 complaints assessed in 2022/23), none of which were upheld.

## Table 1 Complaints received by the PHSO about HSE in 2023/24

Complaints received by PHSO	Cleared at triage	Currently being assessed	At early consideration	Cases partially upheld	Cases fully upheld
29	24	5	0	0	0

Maintain Great Britain's record as one of the safest countries to work in	Status
Take necessary actions required to implement a new risk-based decision model for non-fatal safety RIDDORs	✓
Implement revised concerns handling process using a risk-based decision model	✓
Deliver 14,000 proactive inspections	✓
Deliver enforcement outcomes associated with inspection within expected ranges	✓
Complete 80% of fatal investigations within 12 months of primacy	✓
Complete 90% of non-fatal investigations within 12 months of incident date	✓
Achieve an average increasing rate of enforcement action as investigations progress through the formal review points	✓
Deliver 90% of major hazard interventions within agreed timescales	✓
Achieve 85% investigation of standard concerns within agreed timescales	✗
Deliver Statutory Instruments to preserve, assimilate or reform key parts of the health and safety at work regulatory framework following REUL review	✓

# Ensure HSE is a great place to work, and we attract and retain exceptional people

Our people are at the heart of what we do. Therefore, keeping our colleagues informed, listening to their views while involving them in our purpose, priorities and plans is central to our engagement strategy. We continue to make HSE an excellent place to work – building a more diverse and inclusive workplace, where everyone feels valued and is treated with dignity and respect. Our people are at their best when they can be themselves. We are fully engaged with the wider Civil Service aim of being a Brilliant Civil Service and the UK's most inclusive employer.

## A new People Strategy

During the year we published and began to implement elements from our new People Strategy. Some highlights from this are given below, and more detail is available in the Accountability: remuneration and staff report on pages 131 to 167.

## Health, safety and wellbeing

After a series of external validations and interactive roadshows to key stakeholders through 2023/24, we closed our Achieving Cultural Excellence at Health Safety and Wellbeing Improvement Programme (ACE@HSW)

and embedded the outcome into our routine ways of working.

ACE@HSW has enabled us to make great progress in improving the way we approach and manage our health, safety and wellbeing (HSW) internally. The changes and developments to both how we lead HSW through our people, and how we underpin that leadership through our systems, now forms a key part of our People Plan. This aims to 'ensure HSE is a great place to work, and we attract and retain exceptional people'.

We understand our HSW Culture Maturity Level and recognise that, by completing the final parts of our HSW Management System review in 2024/25, we will continue to move steadily towards our aim to reach Cultural Excellence.

An important step in 2023/24 was the publication of key senior leader and line manager HSW competencies. As we embed these in 2024/25 our senior leaders and line managers will continue to fulfil the vital part they need to play in keeping our people healthy, safe and well at work.

At operational level, we have strengthened key controls that ensure we manage risks when our colleagues work alone or in geographically remote areas. This includes the use of technology (a lone working app) and the provision of training in personal safety.

# Diversity and inclusion

HSE is committed to foster equity and diversity in everything we do. We aim to build a workforce which reflects the society we serve and to create an inclusive culture which values and respects all our people.

In June 2023 HSE committed to five equality and diversity objectives ([www.hse.gov.uk/aboutus/equality-and-diversity.htm](http://www.hse.gov.uk/aboutus/equality-and-diversity.htm)). This year, in support of these objectives, HSE has achieved several goals:

- We brought back our Aspire programme which aims to improve representation (at all levels), engagement and retention of colleagues from minority ethnic backgrounds.
- We refreshed our internal Equality, Diversity and Inclusion (EDI) pages to ensure they reflect our current initiatives, resources and policies. This fosters a more inclusive culture and provides relevant information for our employees that is easy to access.
- We supported colleagues in assessing equality impact in key change projects. We have delivered Equality Impact Assessment training and facilitated engagement with our staff networks to ensure initiatives and projects were accessible. This was achieved by incorporating accessibility requirements and testing into our scoping approach.
- We continued celebrating key diversity and inclusion dates to reinforce a culture of respect, belonging and



equity, creating awareness around inclusion barriers and fostering collaboration and allyship.

- By embedding EDI content in key training products, we ensured our line managers understand their role in fostering inclusion in the workplace. This equipped them with the skills to effectively support professional development, ultimately driving innovation and organisational success.
- We continued to participate in the cross-Civil Service Catapult Mentoring scheme. This supported colleagues from less privileged backgrounds to realise their full potential, to build confidence, aspiration and to help people progress their careers.

We will continue to measure our success and progress internally against a range of metrics, such as our annual People Survey and external benchmarking (against Civil Service and wider industries). We remain committed to driving further improvements as we continue to make HSE a great place to work.

## **Recruitment**

We conduct recruitment in line with the Civil Service Commission's Recruitment Principles on the basis of fair and open competition and selection on merit.

This year we have rolled out a series of workshops to:

- upskill our vacancy holders;

- implement best practice approaches to recruitment campaigns;
- further strengthen our commitment to adherence to the Civil Service Commission recruitment principles.

Performance data shows that our recruitment campaigns achieved a success rate of 92%, with 28% of the posts being filled internally.

We have started to implement our Talent Attraction strategy, a process that will continue into 2024/25.

Workstreams to deliver the plan include:

- taking action to promote equity, diversity and inclusion;
- enhancing our use of social media campaigns;
- defining our brand offering and why HSE is a great place to work;
- offering hybrid/flexible working options and competitive employee benefits.

Our implementation plan will see the recruitment team complete its transition to an expert recruitment consultancy service. We will achieve this through delivery of:

- improved systems and processes;
- research-led recruitment;
- reliable management information.

A key focus in 2023/24 has been the significant recruitment into the new Building Safety Division, which will see its final tranche conclude in 2024/25. Learning from the success of these campaigns will be shared and factored into the Talent Attraction approach across all recruitment as we move to a business as usual position.

## **Pay reform**

During 2023/24, we submitted a comprehensive pay reform proposal to central government. Some elements of this proposal were not agreed (primarily the capability-based pay structure). However, we were able to secure significant reform of our existing pay framework. This allowed us to:

- streamline our overly-complex pay structures (a result of historic inconsistencies);
- ensure we benchmarked well against other government departments and external markets.

## **Average working days lost**

Across 2023/24 our average working days lost (AWDL) per FTE was 6.16 days, against a target of 6.5 days or less. It has been reduced by 0.63, going from 6.79 in 2022/23 to 6.16 in 2023/24.

AWDL is comprised of short and long-term absences. Long-term absences reduced in 2023/24 from 3.93 to 3.62 and short-term absences reduced from 2.85 to 2.54. Our year-end performance of 6.16 days compared very

favorably with the wider cross-Civil Service benchmark (8.1 days for the year).

<b>Ensure HSE is a great place to work, and we attract and retain exceptional people</b>	<b>Status</b>
Implement pay reform and capability-based pay framework	✓
Publish and implement People Strategy	✓
Embed diversity and inclusion and ensure that the percentage of staff who have personally experienced bullying or harassment does not exceed 8%	✗
Ensure average working days lost does not exceed 6.5 days per FTE	✓
Achieve engagement index of 60% (56% in 2022)	✗
Align and implement revised approach to regulatory training	✓
Deliver 90% of HR performance metrics	✓
Conclude final ACE programme actions and embed in leadership training and competencies	✓

# Enabling activities

Underpinning our strategic objectives are a series of critical activities that form the foundations for HSE's transformation over the next decade. An outline of the progress made in 2023/24 on key elements is given below.

## Ionising radiation: new digital service

Our work to deliver significant changes to the authorisation processes under the Ionising Radiations Regulations 2017 (IRR17) has been delivered, with the new processes and service going live on 2 October 2023. These will lead to significant improvements in radiation safety through greater scrutiny of applications for registrations and consent.

This activity is included in our Business Plan for 2023/24:

'Ionising Radiation – we will finalise a digital solution for consents which involves extensive process redesign to deliver improvements to radiation protection and dutyholder compliance. This will ensure that Great Britain delivers its international commitments under the International Atomic Energy Agency (IAEA) safety standards on handling ionising radiation consents.'

After their Integrated Regulatory Review Service mission to the UK in 2019, the IAEA made a number of recommendations. These included reviewing the process

by which employers apply for consents and registrations required under the IRR17 to work with ionising radiations.

In line with government policy, we have addressed these recommendations by:

- introducing a new digital service;
- requiring those seeking consent to submit a safety assessment for review and inspection by radiation specialist inspectors before granting consent.

All work associated with consents is now chargeable by the hour, following extension of the Fees Regulations (as opposed to the previous one-off cost of £25). We have also asked those who already have a registration, or wish to apply for a new one, to supply additional information. This will ensure we have sufficient information to create and maintain a central register and be able to share relevant information with other regulators.

The new digital service is called the Radiation Authorisation and Notification (RADAN) system and replaces the previous service known as BSSD. It has been set up and developed to be accessed by all HSE Northern Ireland dutyholders. The Office for Nuclear Regulation (ONR) have followed the same process, ensuring a consistent approach.

A number of consent applications have already been successfully processed through the new system. All existing registrations have been resubmitted to gather the additional intelligence to form the Single Register. The new system allows new applications to be managed and

monitored through the various stages, and performance to be reported against KPIs/SLAs.

The IAEA carried out a follow-up mission in January 2024 to check on progress against recommendations. HSE was commended for all of the work it had done in setting up RADAN and, specifically, for development of Safety Assessments as part of the new process for consents, for which it was given an 'Achievement'. The Society for Radiological Protection (SRP) also acknowledged that this new approach would lead to significant improvement in radiological protection.

## Public Bodies Review

The Public Bodies Review of the Health and Safety Executive ([www.gov.uk/government/publications/health-and-safety-executive-public-bodies-review](http://www.gov.uk/government/publications/health-and-safety-executive-public-bodies-review)), carried out by Gill Weeks, was formally published on 25 May 2023.

The review contained 13 recommendations.

Responsibility for the implementation of 8 of these falls to HSE, with DWP having the lead for two others and HSE and DWP jointly responsible for the remaining three.

A formal action plan to address the recommendations was agreed between HSE and DWP in August 2023.

Our progress towards addressing them was monitored monthly at our Executive Committee Performance Hub. At the end of March, we had completed action on all recommendations, though further engagement across wider government remains ongoing in relation to maximising effective use of our Buxton Site.

Enabling activities	Status
Agree integrated plan across our operating model and revised regulatory processes	✓
Agree common components programme to include payments and time recording for all digital change projects	✓
Implement service solution to improve radiation protection and compliance	✓
Implement a programme of work to update and improve our portfolio of web content and guidance	✓
Engage 15,000 delegates through training and events	✓
Agree estates strategy to support future ways of working	✓
Further develop medium-term financial plan, including detailed plans to address 5% (£7 million) reduction in core funding <sup>3</sup>	✓
Embed agreed performance framework	✓
Achieve 90% of enabling corporate service performance measures	✓
Agree plan to address Public Bodies Review recommendations	✓

- 
- 3 This reduction in HSE core funding was an efficiency challenge set in Spending Review 2021 and is effective from financial year 2024/25.



# Financial performance

## 2023/24 Financial outturn

Total operating expenditure for HSE was £313 million and is disclosed in Table 2 with comparators against the previous four financial years. This expenditure was partly funded through income of £105million, with the balance of funding provided by government.

We have delivered HSE's objectives for the year, as measured by the milestones in our Business Plan, utilising fully (within 0.1% against an HMT target of 1%) the budget we agreed with DWP.

## Table 2 Our costs across the past 5 years by main categories of spend

	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2023/24</i>
Staff Costs	143	157	170	170	192
Estates and accommodation	36	36	35	33	35
IS/IT	11	14	12	15	25
Other Costs	26	30	46	34	52
Depreciation	7	8	7	9	9
<b>Total Operating Expenditure (per SoCNE)</b>	<b>223</b>	<b>245</b>	<b>270</b>	<b>261</b>	<b>313</b>
<b>of which is cash funding provided by Government</b>	<b>121</b>	<b>161</b>	<b>165</b>	<b>166</b>	<b>216</b>

\*The figures in the above table for estates and accommodation have been restated and are £6 million higher than figures disclosed in the same table in 2022-23. This follows a change to the way we disclose income received from sub-leases of HSE property to tenants. This income was netted against expenditure until 2022-23

Our expenditure has increased across the period as we have taken on new functions of the Building Safety Regulator, and chemical regulation previously undertaken in the EU. Staff costs have increased by £22 million primarily as a result of the people we have taken on to deliver this (our FTEs have increased by 160 across the year).

We are creating new digital systems to support the new functions, resulting in an additional £7 million of capital and £10 million of IT expenditure. Our cost recovery has increased by £9 million as these new functions have become operational with significant costs awarded following several successful high-profile prosecutions. We have effectively managed other significant inflationary pressures within our cost base, mainly impacting our estate where we have two PFI contracts both linked to inflation with other cost savings and efficiencies.

## **Statement of financial position**

Our balance sheet position has moved from a net asset position at 31 March 2023 to a £16 million net liability at 31 March 2024. This is due to a remeasurement of the PFI liabilities, which is an accounting adjustment and has no impact on cashflows. This is a requirement of the Government Financial Reporting Manual (FReM) and is explained fully in Note 2 on page 211.

The level of debt at 31 March 2024 has increased by £4 million to £32 million since 31 March 2023, of which £6 million was less than a month old. The value of debt greater than 6 months old was £16 million, an increase of £2 million from 2022/23. We have reassessed the collectability of debt balances using both past collection rates and our expectations about future recoverability. The level of impairment has again not changed significantly in the past year (an increase of £0.4 million to £10.7 million) despite the increase in debt due to new cost recovery.

We continue to apply our debt strategy, which is aligned with the Government Functional Standard. We also actively contribute to the Cross Government Debt Group to ensure consistency in approach and offer payment flexibility for individuals and businesses experiencing financial hardship.

## Financial outlook

Over the past decade we have reduced our reliance on central government funding, with over £100 million of savings since 2010/11. We recognise the current context of financial challenges such as inflation and public sector financial constraints, so we have set a Business Plan and budget that reflects our constrained finances. We have a strong record in driving efficiencies and ensuring that the burden of costs falls on those who create risk.

2024/25 is the final year of a 3-year Spending Review (SR21) period and in addition to our baseline includes funds for:

- post-EU transition funding for biocides, pesticides, product safety and civil explosives;
- establishing the Building Safety Regulator;
- net zero support on hydrogen heating;
- and realises efficiencies of our digital investment.

The net government funding within our budget for 2024/25 and across the SR21 period is within Table 3 below.

## Table 3 Net government funding

<b>Government funding (£m)</b>	<b>SR21</b>		
	<b>2022/23 Actual</b>	<b>2023/24 Actual</b>	<b>2024/25 Budget</b>
Government funding for core functions	134	156	148
SR21 initiatives	16	16	4
Building Safety Regulator	22	44	35
<b>Total expenditure budget</b>	<b>172</b>	<b>216</b>	<b>187</b>

## Sustainability

We seek to comply with all applicable legal and other relevant requirements that relate to our environmental aspects. This includes official codes of practice and, as far as practicable, accepted best practice in environmental management. Our aim is to minimise HSE's environmental impact, and we are committed to the continuous improvement in how we can reduce our environmental and carbon impact in line with the government objectives for net zero.

We do not yet collect all of the information necessary to populate the minimum reporting requirements; where this is the case and a robust estimate cannot be calculated, it is stated in the sections below. We are putting plans in place to improve data collection to enable disclosure from 2024/25 onwards.

The HSE Strategy *Protecting people and places, HSE strategy 2022 to 2032* includes the significant part we have to play in the safe delivery in achieving net zero

greenhouse gas targets. This includes our contribution which is reflected in the activities included below.

## **Greening Government Commitments**

The government's latest Greening Government Commitments (GGCs) and targets cover the period 2021 to 2025 and the baseline has been set as they were at 2017/18. Emission reduction targets were negotiated and agreed with all government departments and are published within the GGCs 2021 to 2025 publication. These were not assigned to arm's length bodies, but HSE has adopted the same numerical targets as the overall government ones. The information below shows our progress in delivering against these targets (where applicable).

HSE is on track to deliver against the relevant commitments by 2025. In 2023/24, total greenhouse gas emissions have reduced by 29% compared to the 2017/18 baseline.

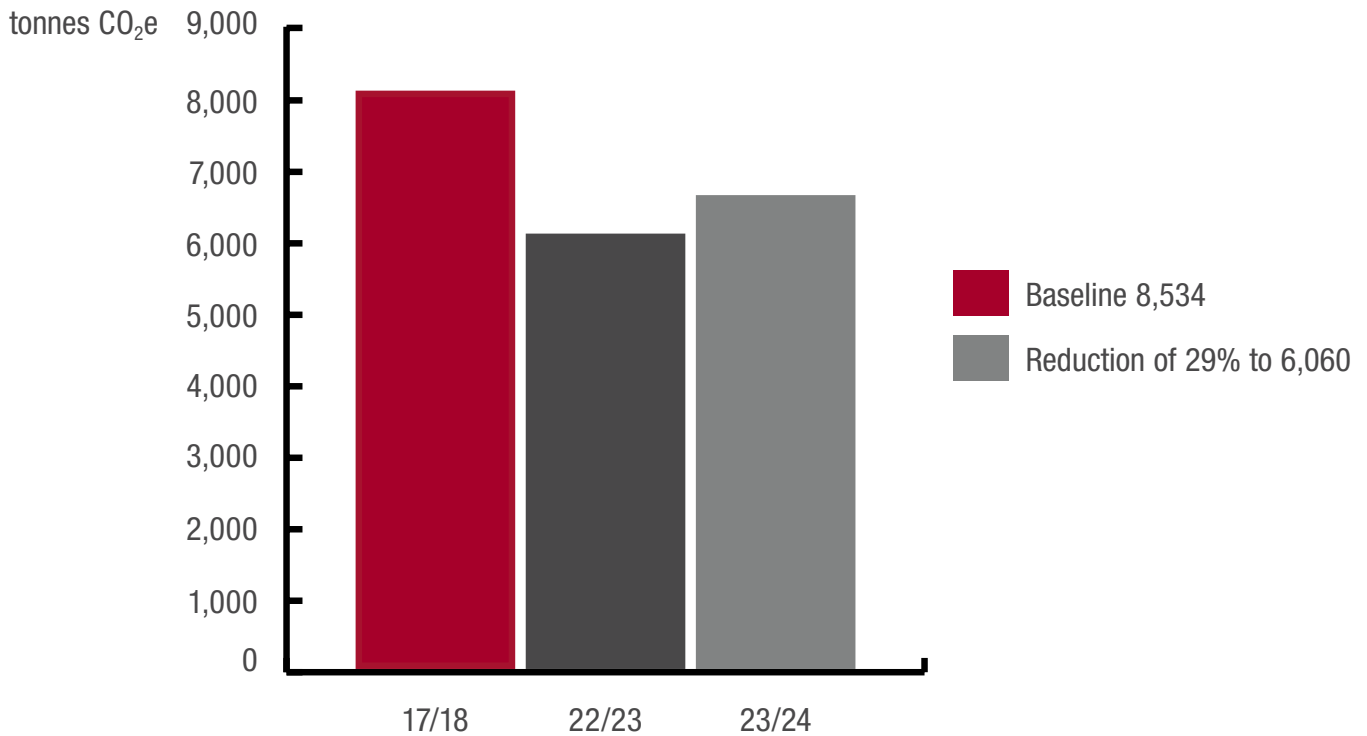
The figures are based on actual information from a variety of sources to comply with the reporting requirement.

## HSE Total greenhouse gas emissions

	17/18	21/22	22/23	23/24	% Reduction
Reduce the distance travelled on domestic business travel flights by 30% (miles)	2,125,914	249,433	725,766	652,305	69%
Report distance travelled on international flights (miles)	2,991,642	69,458	715,853	824,722	72%
Continue to reduce the amount of waste generated by 15% from baseline (tonnes)	440	113	304	278	37%
Reduce waste sent to landfill to less than 5% of overall waste (tonnes)	2%	0%	0%	0%	0%
Increase recycling to at least 70% (tonnes)	94%	90%	85%	97%	N/A
Continue to reduce water consumption by at least 8% from baseline figure (m3)	27,692	20,939	27,177	20,198	27%
Reduce the amount of paper used by 50% (reams)	10,870	3,006	3,750	3,698	66%

Note: the retained estate at Buxton is excluded from the GCS targets for waste due to the nature of the experiments undertaken on site.

Prior year gas and electricity readings have been corrected to include all meters on the estate.



The gross expenditure on the purchase of energy in 2023/24 was £3,586k (this includes £2,779k in electricity and £807k in gas) and we didn't have any accredited offset purchases, but we expect our nature recovery work at Buxton to provide future offsets. It should be noted that some energy usage costs in sub-lets is included in the overall charge and therefore not separately identifiable.

Total expenditure on business travel in 2023/24 was £5,798k which represents a significant real term reduction compared to £7,115k incurred in the baseline year of 2017/18.

The following describes our activities and progress in developing policies.



## ***Mitigating climate change: working towards net zero by 2050***

We have significantly reduced the number of official vehicles, and any replacement vehicles purchased are zero emission by tailpipe. We expect to meet the requirement by 2027, except for a couple of specialist vehicles at our laboratory in Buxton where use of electronic vehicles is not appropriate on safety grounds, for example carrying explosives.

We are adopting strategies to minimise the environmental impacts of business travel.

We have converted 75% of our headquarters building at Redgrave Court to LED lighting, with the remainder to be completed in 2024/25. All external lighting on the Buxton Estate has been converted to LED lighting with the incident store halogen system being upgraded to LED spotlights. This work will continue into 2024/25 with LED lighting installed in the laboratory and other buildings. It is projected to produce an estimated annual energy saving of 1.12 million kWh.

We have increased the use of collaboration software (Microsoft Teams) and Cloud-based services (Microsoft 365) which has permitted hybrid working within the organisation. This has reduced energy consumption and commuting to HSE offices.

Carbon reduction feasibility/options are being progressed with the facilities management company at Redgrave

Court. We have installed additional EV vehicle charging points at our Buxton site.

Following the Buxton net-zero report and associated project plan, we are progressing the following recommendations in 2024/25:

- upgrade the Business Management System with modern controls including artificial intelligence;
- install CO2 sensors to ventilation plant;
- conduct a review of IT equipment in server room with a view to increasing AC setpoint;
- produce a business case for converting heating systems on the retained estate that run off bulk-delivered LPG to air source heating.

For solar PV and battery storage, HSE is planning a detailed feasibility study to understand electrical consumption on the Buxton site. This is to inform a business case for a solar PV array complemented with battery storage.

HSE's estate strategy includes moving to Civil Service hubs, where available. These buildings have been designed in line with the Better Buildings Programme. They include clear sustainability policies that seek to minimise the impact on the environment.

### ***Minimising waste and promoting resource efficiency***

We are managing waste and minimising volumes going to landfill, by re-use and recycling wherever possible.

Total generated waste has reduced by 37% to total waste arising of 278 tonnes, of which:

- total waste recycled was 158 tonnes;
- total waste composted or sent to anaerobic digestion was 4 tonnes;
- total waste incinerated with energy recovery was 107 tonnes; and
- total waste to landfill was 9 tonnes (exclusively related to experimental work on the Buxton site and currently excluded from the GGC target). No hazardous waste has been sent to landfill in the year.

We are developing processes for 2024/25 to extract the financial elements of existing contractual arrangements across the estate to be able to report the financial cost of each of these categories of waste.

We have eliminated most of the single-use items at our Bootle and Buxton sites and continue to investigate further options.

We procure our food and catering services through the PFI providers at Redgrave Court and Buxton, we have initial food waste reports and are working with the facilities management providers to identify how to improve reporting and further reduce food waste. We have almost eliminated other working lunches/catering through policy change other than for a small number of exceptional circumstances.

We have initial food waste reports for the PFI buildings at Redgrave Court and Buxton and we are working with the FM providers to identify how to further reduce this waste.

The amount of paper used through printing has already reduced by 66%. We are challenging staff to only print essential jobs and use electronic media wherever possible, for example court bundles. We are moving to using the Crown Commercial Service framework (Print Marketplace) for essential print which supports the local supply chain and ensures the lowest associated CO2 equivalent.

All IT hardware is disposed of responsibly, meeting the Waste Electrical and Electronic Equipment (WEEE) Regulations.

### ***Reducing our water use***

We ensure water usage is measured and monitored at all the relevant sites. It has reduced by 27%. We are working with the PFI providers to identify opportunities to deliver the water consumption targets outside of the statutory requirements.

HSE's functions are mainly staffing related regulation and don't include indirect water usage to produce, grow or manufacture the items we use.

There is no other use of finite resources that HSE considers material enough to require separate reporting.

## ***Procuring sustainable products and services***

We are using contractors/suppliers who perform their services in accordance with government policies. Where procurement of replacement goods is unavoidable, we are seeking to buy goods that comply with Government Buying Standards for the relevant goods. HSE seeks to dispose of retired goods in accordance with the associated environmental regulations.

We source materials and assets that comply with Government Buying Standards. We continue to assess our key suppliers' corporate environmental, social and economic responsibilities to manage supply chain risk, including sustainability.

Wherever possible, HSE procures its goods and services against centrally-let Crown Commercial Services frameworks. These have been set up to take account of sustainability and social and ethical procurement issues.

We apply appropriate social value considerations to award criteria for contracts in scope of procurement policy note 06/20. It is HSE policy to only buy vehicles that comply with Government Ultra Low Emission Vehicle (ULEV) commitments, unless there are specific operational reasons for not doing so.

## ***Reducing environmental impacts from information communication technology and digital***

We procure all IT hardware items with energy efficiency (going into sleep mode or turning off after a period of no use) as a requirement.

We are moving more services to the cloud (software as a service, platform as a service and infrastructure as a service). This significantly reduces the direct energy costs from HSE offices.

We are moving 50% of our legacy IT hardware to the Crown Hosting Data Centre in Farnborough. This has strong sustainability credentials and is the government-preferred location for hosting on-premises hardware.

## ***Nature recovery: making space for plants and wildlife***

Following the UK Habitat Survey (UKHS) carried out by Derbyshire Wildlife Trust, we are producing a biodiversity masterplan for HSE's Buxton site. This will encompass the proposed actions from the UKHS and ongoing management objectives. We will:

- understand the current volume of CO<sub>2</sub>-equivalent offset from the 550-acre Buxton site, and the potential achievable offset as a direct result of intervention activities to improve site biodiversity;
- produce an emissions compensation policy for the HSE Buxton site;

- seek approval for a species-rich area of the HSE Buxton site to be classed as a local wildlife site;
- through collaboration with on-site volunteers, sow summer-flowering butterfly and bee mix alongside standard cornfield annuals to about 1,000m<sup>2</sup> of the estate.

### ***Adapting to climate change***

We haven't yet completed a climate change risk assessment or developed a climate change adaptation action plan. These are planned for 2024/25.

### ***Use of ultra-low and zero emission vehicles***

The government has committed that 25% of central government cars should be ultra-low emission (<50g CO<sub>2</sub>/km) by December 2022 followed by 100% of cars and vans to be zero emission at the tailpipe by December 2027. HSE's is currently rationalising its fleet and the intention is to ensure that all road going vehicles meet the net zero emission target by December 2027.

### ***Climate-related financial information***

The government recognised the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). This is one of the most effective frameworks for organisations to analyse, understand, and ultimately disclose climate-related financial information against.

The TCFD's recommendations set out how organisations across sectors and geographies can assess and disclose

their governance, strategy, risk management and metrics and targets related to climate change. The TCFD's aim is for these disclosures to promote the management of climate-related financial risks and opportunities across the economy and financial system.

The TCFD recommendations were designed for the private sector, with the aim of providing markets with clear, comprehensive, high-quality climate-related information for financial decision making. The public sector similarly requires climate-related information for decision making and accountability to annual report users.

## ***Compliance***

We are adopting the TCFD-aligned disclosure in a phased approach consistent with the TCFD-aligned disclosure application guidance: Phase 1 and Phase 2. This interprets and adapts the framework for the UK public sector.

We have complied with the TCFD recommendations and disclosures around:

- governance;
- metrics and targets.

This is in line with the central government's TCFD-aligned disclosure implementation timetable. We are committed to making disclosures for strategy, risk management and metrics and targets in future reporting periods.



## **Governance**

As an arm's length body of DWP with over 500 full-time equivalents, the TCFD recommendations apply to HSE. We recognise the importance of incorporating environmental, social and governance factors into our decision-making processes.

HSE has appointed the Director of Finance and Corporate Services as Senior Responsible Owner for sustainability. They have ultimate accountability and responsibility for compliance and achievement of targets. The day-to-day management role in assessing and managing climate-related risks and opportunities is delegated to the Deputy Director of Finance.

Sustainability is to be included as a standing agenda item on the Executive Committee Performance Hub to encourage challenge and innovation. Reporting will also include periodic reports to the Executive Committee and the HSE Board.

## ***Metrics and targets***

The data and associated reductions against the Greening Government Commitments (GGC) 2025 are shown above. The Sustainability Strategy will include the roadmap for delivering against the GGC and future targets as well as mapping out our ambitions for future net-zero activities.

A handwritten signature in black ink, reading "Sarah Albon". The signature is written in a cursive, flowing style.

**Sarah Albon**

Chief Executive and Accounting Officer

Health and Safety Executive

22 November 2024

# Accountability: corporate governance report

## Corporate governance report

This report explains HSE's governance structures and how these structures support the achievement of our objectives. It consists of the Statement of Chief Executive's responsibilities, Directors' report and Governance statement.

## The Directors' report

### HSE structure

HSE is led by a non-executive Board, chaired by Sarah Newton. The Board sets the organisation's long-term direction, strategy and objectives. The delivery of these, along with the day-to-day management of HSE, is the responsibility of the Chief Executive and the Executive Management Committee (ExCo).

Further details on HSE's organisational structure can be found on our website.

# HSE Board

## Non-executives at 31 March 2024



Sarah  
Newton  
*Chair of the  
Board*



Chyrel  
Brown



David  
Coats



Martin  
Esom



Debbie  
Gillatt



Susan  
Johnson



John  
McDermid



Ged  
Nichols



Gina  
Radford



Ken Rivers



Claire  
Sullivan

## Our executives



**Sarah Albon**  
*Chief Executive*



**James Anderson**  
*Information Technology*



**Jane Lassey**  
*Regulation*



**Rick Brunt**  
*Engagement and Policy*



**Andrew Curran**  
*Science*



**Michael Jennings**  
*Legal*



**Clare Millington-Hume**  
*Human Resources*



**David Murray**  
*Planning, Finance and Corporate Services*



**Angela Storey**  
*Transformation*

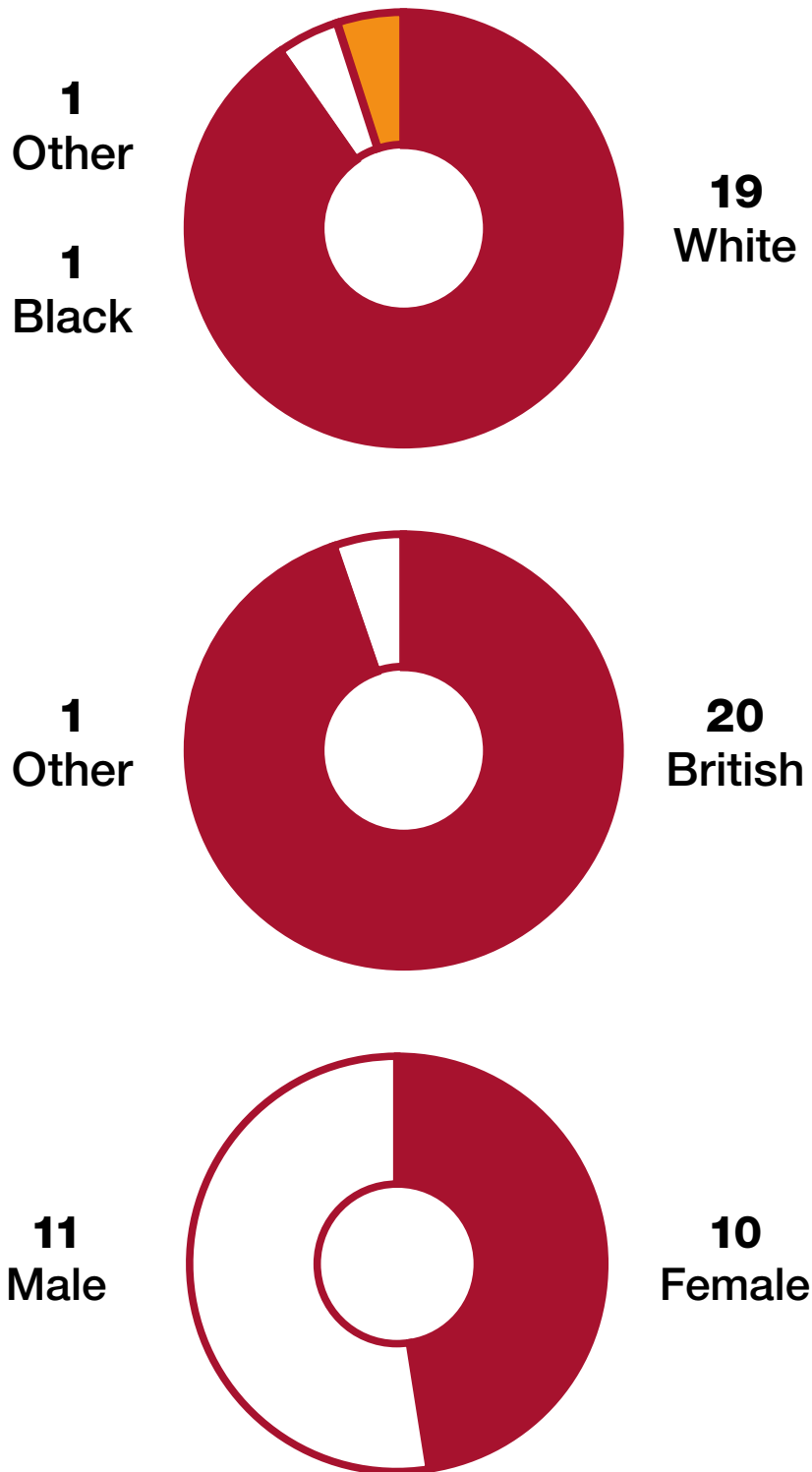


**Phillip White**  
*Building Safety and Construction*

## Diversity of the Board and Executive Committee

Figure 1 below shows the ethnic origin, national identity, and gender of the most senior officials (SCS2 and SCS3) and Board members. We have combined the reporting of these 21 individuals for the purpose of this summary.

# Figure 1 Board and Executive Committee composition at 31 March 2024



One of the three strategic objectives that underpin the HSE People Strategy is ‘We will attract great talent, representative of the diversity of communities we serve’. We recognise the importance of attracting top talent across all levels of our organisation. As we continue to face new challenges and opportunities, it is critical our organisation is full of people who are skilled, diverse and committed to our mission and objectives, and importantly at senior level. The objective is underpinned by a range of ongoing activities, for example:

- embedding an Attraction Strategy, to expand and diversify our applicant pool;
- creating a workplace environment that is inclusive, respectful and values diverse perspectives, offering opportunities for personal and professional growth that align with people’s unique talents, making everyone feel valued in HSE;
- delivering EDI training programmes to raise awareness and foster inclusion and diversity across teams, encouraging open communication and support for underrepresented groups;
- embedding inclusive policies and practices, taking into consideration workplace arrangements for diverse needs;
- actively seeking out individuals from underrepresented groups and championing a culture of inclusivity that supports all colleagues;

- working with our colleague networks to ensure our marketing images, videos, testimonials, and materials clearly show visible difference and diversity.

## **Managing conflicts of interest**

Members of the HSE Board and ExCo are asked to declare any potential conflicts of interest at each meeting, this is recorded in the minutes, along with any action taken.

## **Managing outside interests**

The HSE policy on Taking up business appointments aligns with the Civil Service Management code. It confirms what action individuals should take before agreeing to take any additional employment or activity, including non-executive director or comparable roles.

Line managers are required to highlight the Business Appointments Rules and guidance with the individual as part of the leaving process. They advise them that, before accepting any new appointment or employment outside the Civil Service (whether in the UK or overseas), they must consider whether an application under the rules is required. If it is required, they should not accept or announce a new appointment or offer of employment before it has been approved.

Applications for approval must be made by all members of staff regardless of grade but there are specific caveats that apply to those at SCS1 level and above. Applications are made via completion of the Business Appointments



Application Form, which is countersigned by a Senior Civil Servant (SCS) before submission to the HR Director.

Applications may be approved either unconditionally or subject to conditions, which may apply for up to two years after the last day in Crown employment. Applications at SCS3 level are referred by HSE to the Advisory Committee on Business Appointments (the Advisory Committee). The Advisory Committee provides advice to the Prime Minister, who makes the final decision.

## **Personal data-related incidents**

Information on personal data-related incidents can be found in the report of HSE's Data Protection Officer on pages 123 to 124.

## **Statement of Chief Executive's responsibilities**

Under paragraphs 10(1) of Schedule 2 of the Health and Safety at Work etc Act 1974, the Health and Safety Executive is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State, with the consent of HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of HSE and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing its accounts, HSE is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and to:

- observe the Accounts Directions issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the FReM, have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going-concern basis, unless it is inappropriate to presume that the Executive will continue in operation.

The Accounting Officer for the Department for Work and Pensions has designated the Chief Executive of HSE as Accounting Officer for HSE. Her relevant responsibilities as Accounting Officer, including her responsibilities for the propriety and regularity of the public finances for which she is answerable, for keeping proper records and for safeguarding assets, are set out in *Managing public money* published by HM Treasury.

## **Accounting Officer's statement**

So far as I am aware, there is no relevant audit information of which HSE's auditors are unaware. I have taken all steps that I ought to have taken to make myself

aware of any relevant audit information and to establish that HSE's auditors are aware of that information.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

## **Governance statement**

### **Introduction**

This Governance statement sets out HSE's governance, risk management and internal control arrangements which have operated in 2023/24.

As the Accounting Officer, I have maintained effective governance arrangements during 2023/24 which comply with relevant guidelines, including *Managing public money* and the *Corporate governance in central government departments: Code of good practice*.

While the Code of Practice is primarily for ministerial departments, arm's-length bodies such as HSE should adopt and adhere to the Code to the extent that it is practical, appropriate and not incompatible with any statutory or other authoritative requirements.

### **Ministerial and departmental oversight**

The Secretary of State has principal responsibility for HSE. The DWP Minister with responsibility for health and safety will account for HSE's business in Parliament,

including its use of resources and the policy framework within which HSE operates.

The HSE Board is responsible to the relevant ministers for the administration of the 1974 Act. Meetings also take place between the Minister with responsibility for oversight of HSE, the Chair and the Chief Executive. The arrangements between DWP and HSE within which corporate governance operates are set out in a framework document, which is available on HSE's website.

DWP formally exercises its sponsorship of HSE through quarterly meetings of a Partnership Board at which senior officials from both bodies review HSE's operational and financial performance, key risks and emerging issues. Additionally, HSE submits monthly data to DWP on its forecast for, and use of, resources.

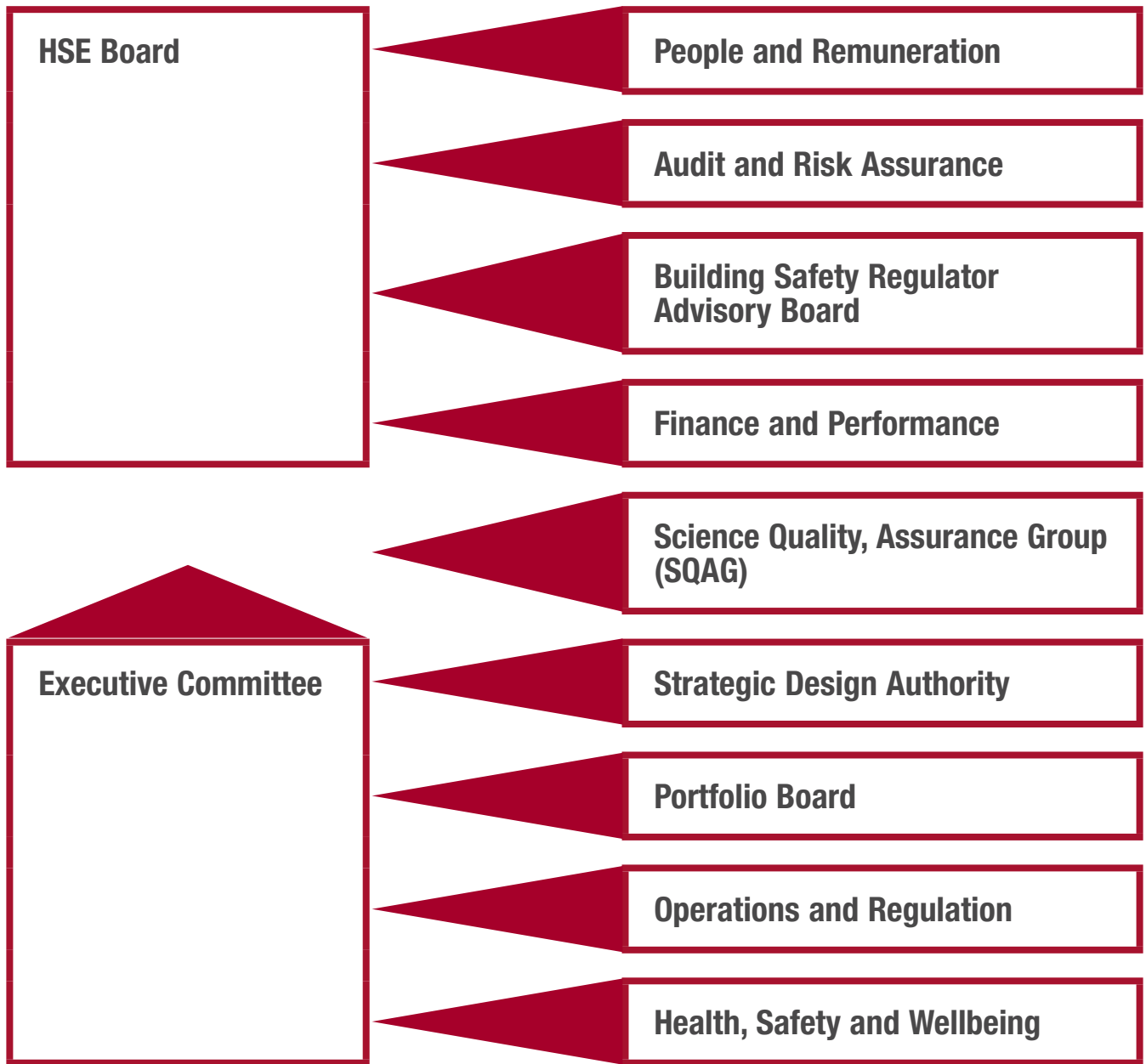
## **Ministerial directions**

Ministerial directions are formal, technical instructions from the Secretary of State which allow the department to proceed with a spending proposal in a situation where the Accounting Officer has raised an objection. No ministerial directions were given in 2023/24.

## **Governance within HSE**

The chart at Figure 2 sets out the structure of our senior committees as at 31 March 2024. This structure and board/sub-committee terms of reference and membership is kept under regular review.

## Figure 2 Governance structure of senior committees



### HSE Board

The Board is comprised of non-executive members who are appointed by the Secretary of State following consultation with representative groups including employers, employees, local authorities and others. As such, the Board provides a balance of stakeholder views.

The Chief Executive and other Executive Committee members attend Board meetings.

In exercising effective governance in HSE during 2023/24, the Board focused on overseeing progress and assurance on the delivery of strategic objectives set out in the Business Plan 2023/2024, including:

- intervention activity aimed at reducing workplace ill health as well as progress in building the research evidence base;
- key milestones in the implementation of the Building Safety Regulator including recruitment of appropriate capability and building digital assets such as the High Rise Building Register;
- HSE activity in the major hazards sector, including support of safe transition to net zero. This included developing the evidence base in hydrogen, battery storage and carbon capture as well as working across government departments and industry;
- chemicals regulation in respect of building capability for a UK chemical regime as well as amendments to biocides data requirements to reflect technical and scientific progress;
- the strategy for recruitment and retention of a high-calibre, diverse workforce;
- holding a number of planning sessions to develop the 2024/25 Business Plan.

At every Board meeting, a detailed Business Performance Report is presented which reports against the performance measures and milestones set out in the 2023/24 Business Plan. The report has been reviewed by the Finance and Performance Committee to ensure it summarises key performance indicators as well as providing sufficient information on overall performance against the Annex of the Business Plan. This regular standing item includes:

- challenging performance against Business Plan objectives and milestones;
- reviewing people and capability matters;
- overseeing financial performance linked to operational delivery as well as assurance in respect of financial forecasts, risk and opportunities and considering medium-term financial planning;
- ensuring HSE's cost recovery arrangements are robust.

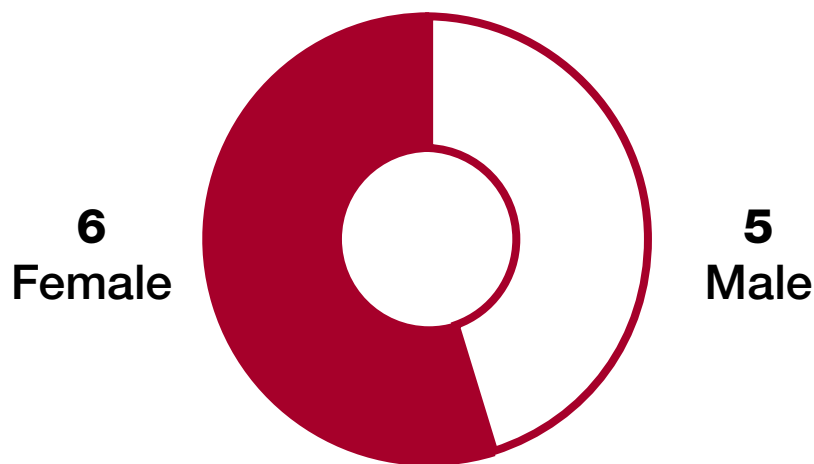
The strategic risk register is presented to the Board quarterly and during 2023/24 the Board were involved in:

- overseeing a complete refresh of risks which are the most pressing facing HSE in delivering its strategic objectives as set out in *Protecting people and places, HSE strategy 2022 to 2032*;
- regular review of strategic risks and ensuring appropriate mitigations are in place, together with

planned assurance activities in respect of mitigating actions;

- obtaining assurances, including via its committees, on HSE's risk control environment.

### **Figure 3 Board composition by gender as at 31 March 2024**

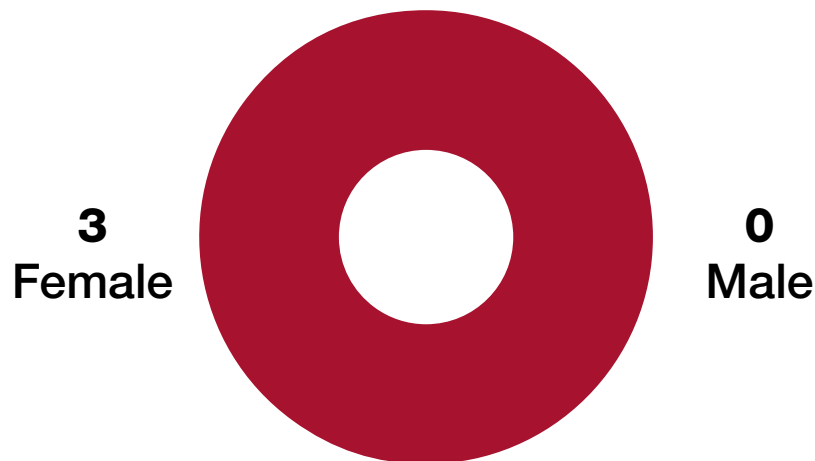


The Board has 5 sub-committees, all of which are chaired by members of the Board or an independent appointee.

The **Remuneration and People Committee (RPC)** is chaired by Claire Sullivan and provides assurance to the Board on people and capability issues, including pay policy. This involves setting the framework for performance and remuneration of the Chief Executive, assessing and approving SCS pay awards, and providing assurance on the implementation of HSE pay policies for all other roles. It provides challenge and support to executive directors on HSE's people and capability strategy, including arrangements for succession planning, capability development, the People Survey and reward strategies.



## Figure 4 Remuneration and People Committee composition by gender as at 31 March 2024



The **Audit and Risk Assurance Committee (ARAC)** is chaired by Martin Esom and aims to provide assurance to the HSE Board and Accounting Officer on the appropriateness, adequacy, propriety and value for money of HSE's audit, risk management and control arrangements. It reviews, monitors and challenges an Integrated Assurance Plan and ensures necessary actions are taken in response to recommendations arising from Internal Audit and other reviews. It also oversees arrangement for the external audit of HSE accounts, including recommending the signing of the accounts by HSE's Accounting Officer.

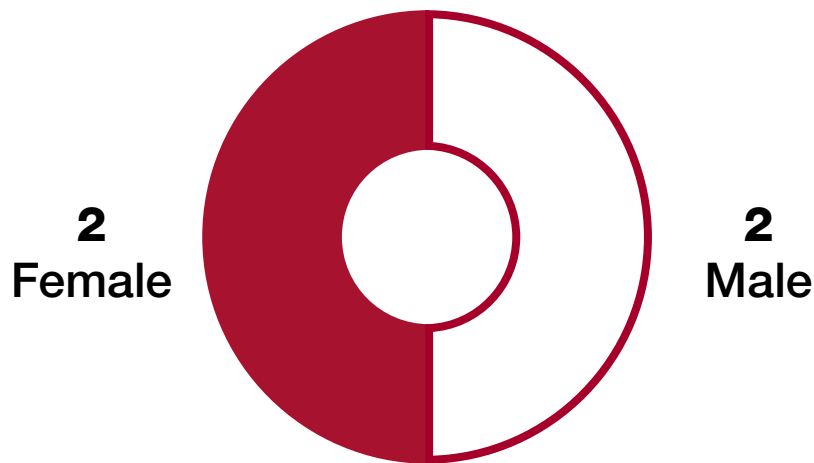
Key areas of focus in 2023/24 included:

- further development of the integrated approach to assurance planning and reporting including a 3-year plan which brings together key sources of assurance form across HSE;
- reviewing performance of the Government Internal Audit Agency (GIAA) against their annual audit plan

to ensure that the service provided was in line with expectations;

- seeking assurances of improvement where control gaps have been identified through audit and assurance activity;
- ongoing scrutiny of the risk management framework, including supporting the development of a refreshed risk register focusing on key risks to the delivery of HSE's strategic objectives;
- a risk mitigation deep dive into the concerns handling review to improve consistency and efficiency of HSE's approach to escalated concerns;
- a risk mitigation deep dive into the legacy case management system replacement programme to improve resilience and efficiency through a modern and stable digital platform;
- carrying out full scrutiny and review of HSE's Annual Report and Accounts and Governance Statement for 2022/23 and recommending approval to the Accounting Officer following assurances from the National Audit Office;
- regular reviews of reports on counter fraud, bribery and corruption including forward strategy.

## Figure 5 Audit Risk and Assurance Committee composition by gender as at 31 March 2024

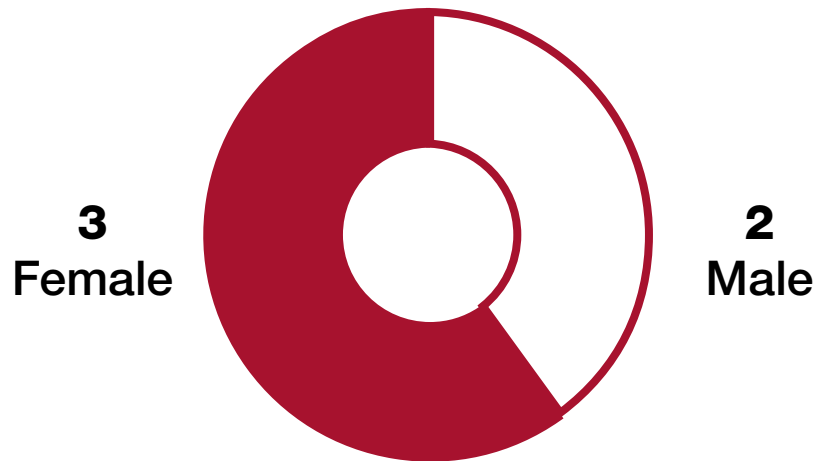


The **Finance and Performance Committee** is chaired by Susan Johnson and is responsible for providing assurance to the HSE Board in respect of overall delivery of business performance, people matters and finances as set out in the HSE Business Plan. In addition, it has committee oversight for risks in relation to finance, people and capability. In exercising this function, it has focused on:

- a quarterly detailed review of business performance and finance compared to the Business Plan;
- the HSE approach to forecasting;
- a review of the 2023 People Survey and subsequent action plan;
- a review of developments in equality, diversity and inclusion;
- the approach to talent management;

- a detailed review of HSE Fees and Charges and future opportunities.

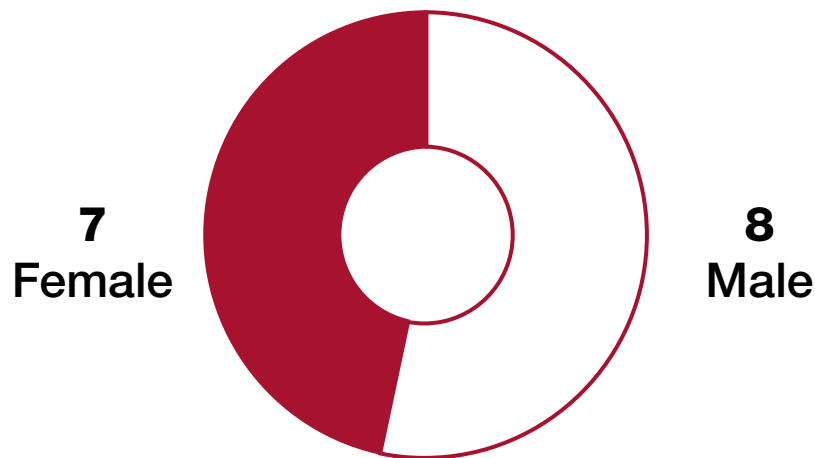
## Figure 6 Finance and Performance Committee composition by gender as at 31 March 2024



The **Science Quality and Assurance Group (SQAG)** provides HSE with an independent assurance on the relevance and quality of our scientific research and undertakes deep dives of our work. It is chaired by Professor Catherine Noakes, an appointed academic independent of HSE. In exercising its assurance function during 2023/24 SQAG reviewed the following topics:

- health (asbestos and silica);
- chemicals regulation per- and polyfluoroalkyl substances, lead and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH);
- net zero (hydrogen).

## Figure 7 Science Quality and Assurance Group composition by gender as at 31 March 2024



The **Building Safety Regulator Advisory Committee** is chaired by Sarah Newton and is responsible for providing specific BSR expert advice to the HSE Board in respect of the overall performance and delivery of the building safety regulatory regime. It supports the Chief Executive and Chair of the HSE Board to provide assurance to the Ministry of Housing, Communities and Local Government (MHCLG), Home Office (HO) and DWP ministers that BSR is meeting its strategic ambitions.

The BSR Advisory Committee has three main functions:

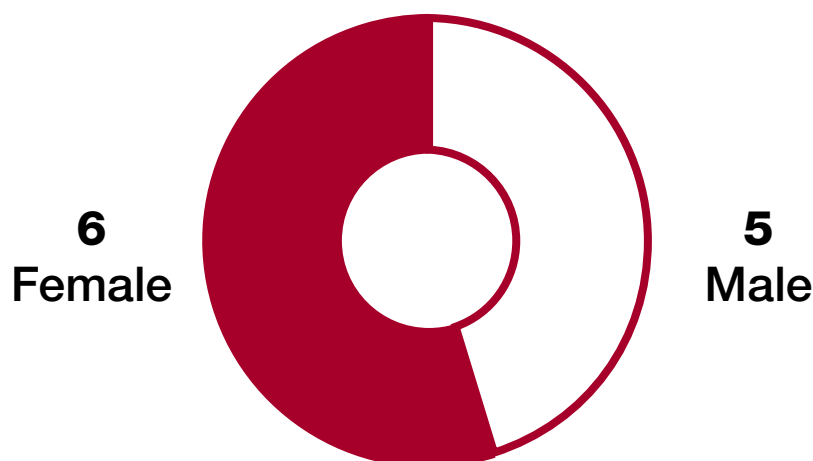
- advising on the formulation of BSR-related strategic and Business Plan objectives and how these are measured;
- providing advice to members and the HSE Board on the progress and performance of BSR in delivering its strategic and Business Plan objectives;
- advising on wider risks to, and opportunities for, delivery.

The Committee has four standing agenda items:

- a BSR status update;
- performance against public objectives;
- any risks or alerts raised by members;
- an update on the work of other committees as relevant.

In exercising its function during 2023/24, its primary focus otherwise has been on Business Planning, Evaluation and Communication proposals. The Committee's membership has been developing during this time. It now has full membership (as of April 2024), including representatives from HSE, DLUHC, the Home Office and independent/external stakeholders.

### **Figure 8 Building Safety Regulator Advisory Committee composition by gender as at 31 March 2024**



In addition to the formally constituted sub-committees, the HSE Board establishes working groups of the Board

to enable it to provide greater oversight and challenge in key areas.

The Board and its sub-committees use a range of management information to monitor performance and support its discussions. This information includes financial, people and operational data. The suite of measures, and underlying data, used to monitor performance are subject to a rolling programme of improvements, with new measures regularly developed, tested and adopted if they are meaningful.

The ageing nature of some of HSE's databases and systems make some elements of performance reporting more challenging. A key component of our change programme is ensuring better capture, maintenance and applied use of data to drive performance and insight across the whole organisation. In 2024/25, we will be creating a dedicated function under a senior leadership role to oversee further improvements and take them forward.

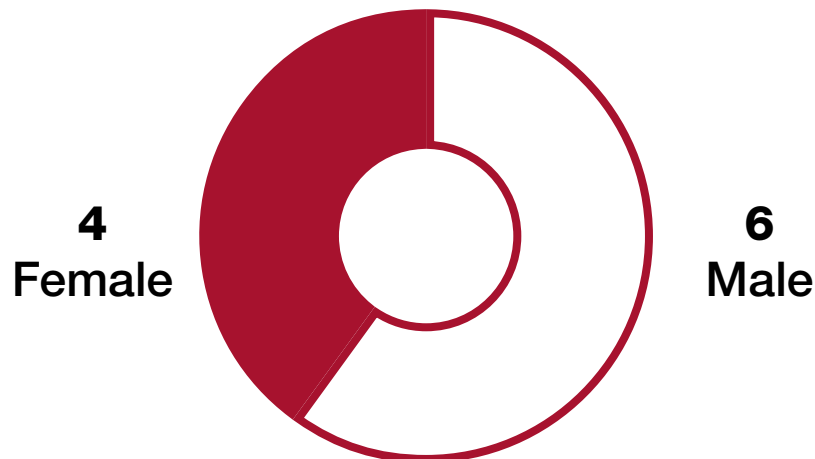
## **Executive Committee (ExCo)**

ExCo is the strategic decision-making body, supporting the HSE Board and Accounting Officer to carry out the legislative, policy, operational and administrative functions and requirements. It meets monthly and its key responsibilities are:

- formulating and implementing strategy, operational plans, procedures and budgets;
- monitoring of operational and financial performance;

- assessing and controlling risk;
- prioritising and allocating resources.

## **Figure 9 Executive Committee (ExCo) composition by gender as at 31 March 2024**



ExCo is accountable to the HSE Board for delivery of its strategy and objectives, and to Parliament for effective day-to-day management of HSE. Governance arrangements aim to improve effective decision making, with each committee having a distinct function and clear requirement of its membership:

- Strategic Design Authority ensures HSE has the right business and operating model in place and that any proposed change initiatives align with strategic priorities and are compliant with statutory requirements and good practice, as well as providing steer and direction for initiatives within the change programme.
- Portfolio Board is responsible for governance of all significant change projects and maintaining the overall HSE Change Governance Framework.



- Operations and Regulation Committee is responsible for reviewing and driving the performance of the operational divisions, evaluation of regulatory interventions, and the effectiveness of our regulatory processes.
- Health, Safety and Wellbeing Committee is the main forum for joint consultation between management and unions on health and safety matters affecting HSE's people.

The remuneration of members of the Executive Committee is reported in our Remuneration Report.

# Board and committee attendance 2023/24

## Table 4 Board and committee attendance by member and eligibility to attend

Name of Board/committee member	HSE Board 10 meetings	Audit & Risk Assurance Committee 4 meetings	People & Remuneration Committee 2 meetings	Science, Quality, Assurance Group 2 meetings	Finance and Performance Committee 4 meetings	Executive Building Safety Regulator Advisory Committee 12 meetings	Safety 3 meetings
<b>Non-executive members</b>							
Sarah Newton (1 Aug 2020 to 31 Jul 2025)	10 of 10	2 of 2	1 of 2	-	-	-	3 of 3
Susan Johnson OBE (1 Jun 2016 to 31 Jul 2024)	9 of 10	-	-	-	4 of 4	-	3 of 3
Ken Robertson (1 Oct 2016 to 31 Jul 2023)	2 of 4	1 of 2	-	1 of 1	-	-	-
Martin Esom (1 Jul 2017 to 30 Jun 2025)	10 of 10	3 of 4	-	-	-	-	2 of 3
Claire Sullivan (1 Aug 2019 to 31 Jul 2024)	8 of 10	-	2 of 2	-	-	-	-
Ged Nichols (1 Sep 2019 to 31 Aug 2024)	9 of 10	-	-	-	3 of 4	-	-
John McDermid (1 Oct 2019 to 30 Sep 2024)	9 of 10	-	-	-	4 of 4	-	-
Debbie Gillatt (27 Sep 2021 to 26 Sep 2026)	9 of 10	2 of 2	2 of 2	-	1 of 1	-	-

Name of Board/committee member	HSE Board 10 meetings	Audit & Risk Assurance Committee 4 meetings	People & Remuneration Committee 2 meetings	Science, Quality, Assurance Group 2 meetings	Finance and Performance 4 meetings	Executive Building Safety Committee 12 meetings	Safety Regulator Advisory Committee 3 meetings
<b>Non-executive members</b>							
Gina Radford (27 Sep 2021 to 26 Sep 2026)	8 of 10	-	-	-	4 of 4	-	-
Chyrel Brown (1 Sep 2022 to 31 Aug 2027)	9 of 10	-	-	-	-	-	3 of 3
David Coats (1 Sep 2022 to 31 Aug 2027)	8 of 10	1 of 1	-	-	1 of 1	-	-
Ken Rivers (1 Aug 2023 to 31 July 2028)	6 of 6	2 of 2	-	2 of 2	-	-	-

## Table 5 Committee attendance in 2023/24

Name of Board/committee member	HSE Board 10 meetings	Audit & Risk Assurance Committee 4 meetings	People & Remuneration Committee 2 meetings	Science, Quality, Assurance Group 2 meetings	Finance and Performance 4 meetings	Executive Building Safety Committee 10 meetings	Regulator Advisory Committee 3 meetings
<b>Independent member of a sub-committee and representatives of other government departments (OGD)</b>							
Charmion Pears	-	4 of 4	-	-	-	-	-
Cath Noakes (Leeds University)	-	-	-	2 of 2	-	-	-
Peter Buckle (Imperial College)	-	-	-	2 of 2	-	-	-
Shareen Doak (Swansea University)	-	-	-	2 of 2	-	-	-
Camilla Alexander-White (Royal Society of Chemistry)	-	-	-	2 of 2	-	-	-
Neil Bourne (Manchester University and Thomas Ashton Institute)	-	-	-	2 of 2	-	-	-
Elaine Cloutman-Green (Consultant Clinical Scientist)	-	-	-	2 of 2	-	-	-
Gary Macfarlane (Interdisciplinary Research and Research Impact)	-	-	-	2 of 2	-	-	-
Abigail Hathway (Sheffield University)	-	-	-	2 of 2	-	-	-
Philipp Thies (Exeter University)	-	-	-	2 of 2	-	-	-
Anthony Graham (OCEA Shipbuilding UK)	-	-	-	1 of 2	-	-	-

Name of Board/committee member	HSE Board 10 meetings	Audit & Risk Assurance Committee 4 meetings	People & Remuneration Committee 2 meetings	Science, Quality, Assurance Group 2 meetings	Finance and Performance 4 meetings	Executive Building Safety Committee 10 meetings	Safety Regulator Advisory Committee 3 meetings
Mark Berry (Food and Life Sciences Consulting Ltd)	-	-	-	2 of 2	-	-	-
Richard Plumbly-Clegg (scientist engineer)	-	-	-	2 of 2	-	-	-
Catherine Adam (Director of Buildings Systems and Net Zero, DLUHC)	-	-	-	-	-	-	3 of 3
Neil O'Connor (DLUHC independent advisor)	-	-	-	-	-	-	3 of 3
Richard Goodman (Greener Buildings, DLUHC)	-	-	-	-	-	-	0 of 3
Sarah Grawley (Director, Fire Events and Central Management, Home Office)	-	-	-	-	-	-	0 of 3
<b>Executives</b>							
Sarah Albon	10 of 10	4 of 4	2 of 2	-	3 of 4	9 of 10	2 of 3
James Anderson	9 of 10	-	-	-	-	9 of 10	-
Clare Millington-Hume	9 of 10	-	2 of 2	-	3 of 4	8 of 10	-
David Murray	10 of 10	4 of 4	-	-	4 of 4	10 of 10	-
Jane Lasey	8 of 8	-	-	-	-	7 of 8	-
Angela Storey	9 of 10	-	-	-	-	10 of 10	-
Philip White	10 of 10	-	-	-	3 of 4	9 of 10	3 of 3
Andrew Curran	9 of 10	-	-	2 of 2	-	9 of 10	-

Name of Board/committee member	HSE Board	Audit & Risk Assurance Committee	People & Remuneration Committee	Science, Quality, Assurance Group	Finance and Performance	Executive Building Safety Committee	Safety Regulator Advisory Committee
	10 meetings	4 meetings	2 meetings	2 meetings	4 meetings	10 meetings	3 meetings
Michael Jennings	9 of 10	-	-	-	-	9 of 10	
Rick Brunt	10 of 10	-	-	-	-	10 of 10	

## Risk management framework

Risk management is a key aspect of HSE's internal control framework and is aligned to the cross-government risk management framework. ExCo regularly considers strategic, operational and external risks that are reported through relevant risk registers that detail the controls or actions required to mitigate these risks to a manageable level.

During 2023/24, ExCo carried out a detailed review of HSE's risk landscape to develop a refreshed understanding of the risks we now face. With keen involvement from the HSE Board, ExCo brought forward elements of the prior strategic risks that remained relevant and combined them to produce this new, comprehensive set (as detailed below). These were considered the most pressing risks facing HSE in delivering its strategic objectives, as set out in *Protecting people and places, HSE strategy 2022 to 2032* ([www.hse.gov.uk/aboutus/the-hse-strategy.htm](http://www.hse.gov.uk/aboutus/the-hse-strategy.htm)). The HSE Board also agreed appropriate committee oversight.

The risks were assessed for likelihood and impact. Each one is owned by an ExCo director and is reviewed by ExCo at monthly meetings, where they challenge mitigating actions put forward and collectively agree the approach to manage the risk.

When considering proposed mitigating actions, ExCo considers the cost and benefit of the action. Divisions are responsible for ensuring they routinely consider risks

to the delivery of their objectives through the effective application of HSE's risk management procedures.

A further enhancement made in the year was mapping the planned assurance activity to specific actions within each of the risks in the register. This is based on the three-year assurance plan and the 2024/25 assurance plan. The benefits of this are:

- a clear line of sight from risk register to assurance plan (and vice versa);
- it enables assurance gaps to be readily identified for deep dives for Board Committees with specific risk oversight.

During 2024/25 we will complete a review and refresh of our risk appetite statement. This will set out the level of risk we are willing to accept in pursuit of our strategic objectives. It will represent a balance between the potential benefits of innovation and the threats that change inevitably brings. It will be designed to guide decision making by:

- helping our governance fora determine the extent of risks we are willing to take;
- ensuring a thoughtful approach to balancing risks and opportunities, allowing informed choices.

The most severe risks are reported quarterly to the HSE Board, which provides oversight and challenge on these. Additionally, the Audit and Risk Assurance Committee (ARAC) scrutinises the effectiveness of the



risk management framework through quarterly meetings. Finally, the risks HSE routinely considers are used to inform the annual Integrated Audit Plan.

## **HSE's risk profile**

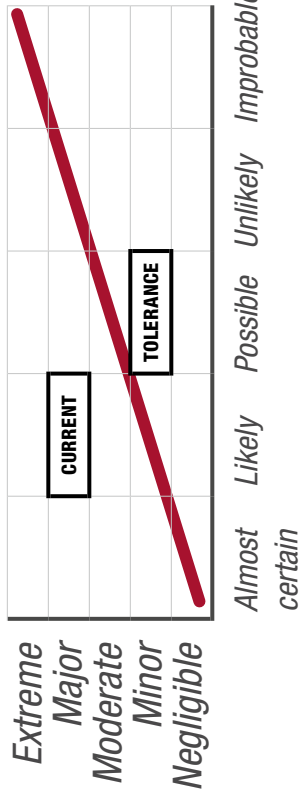
Below you will find a summary of HSE's current risks. This includes an assessment of risk as at March 2024.

*Risk description*

*Key controls and activities to manage risks*

**Failure to match available resources to priority areas**

Risk assessment at the end of March 2024



Target Tolerance Achievement: **March 2025**

To deliver the strategy, HSE needs to ensure resources are consciously matched to strategic priorities, recognising that resource requirements will increase/decrease over the period of the strategy. The intention is that the identified mitigating actions provide consistent performance expectations that will enable resource to be matched to activity demands as part of a coherent organisational strategic workforce plan.

Key mitigating actions include:

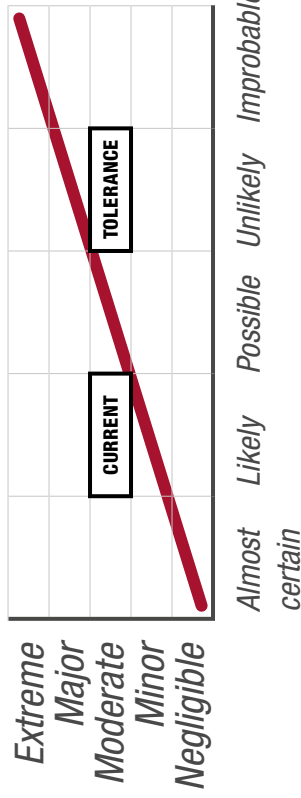
- setting performance expectations for all operational staff;
- refreshing the framework for the deployment of resources aligned to activity using a data-driven and evidenced approach.

Specific assurance activity is planned regarding strategic workforce plans and performance expectations.

*Risk description*

**Failure to optimise benefits from the change portfolio**

Risk assessment at the end of March 2024



**Key controls and activities to manage risks**

To fully address this risk and for HSE to realise the full benefit of the investments secured as part of SR21 and establishing BSR, an agreed strategic roadmap needs to be supported by the right capacity and capability to deliver. This will be supplemented by a rigorous and integrated approach to benefits management and reporting to Portfolio Board.

Key mitigating actions include:

- implementation of a three-year planning cycle for the portfolio;
- enhancement of existing change frameworks with focus on impact assessment and business readiness.

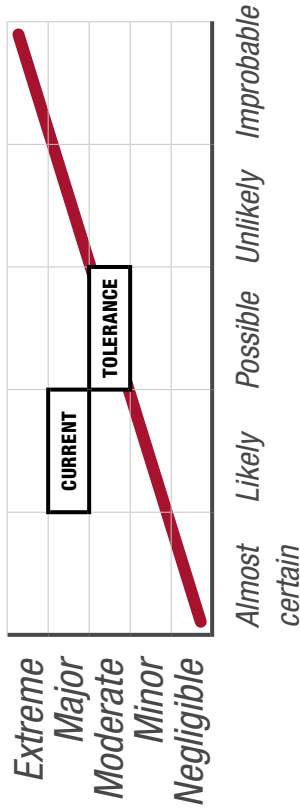
Specific assurance activity is planned regarding the change framework and portfolio management.

**Target Tolerance Achievement: March 2025**

*Risk description*

**Failure to identify and implement effective measures to reduce work-related ill health**

Risk assessment at the end of March 2024



Target Tolerance Achievement: **March 2026**

*Key controls and activities to manage risks*

To fully address this risk there is a need to develop the evidence base through research and by working with industry, determine the areas to address and ensure it is supported by the right capacity and capability to deliver. A measuring strategy needs to be developed to measure the impact of HSE activity.

Key mitigating actions include:

- building an evidence base for understanding risk to workers through research and evidence capture;
- developing and integrate micro-level evaluations into activities as they are developed.

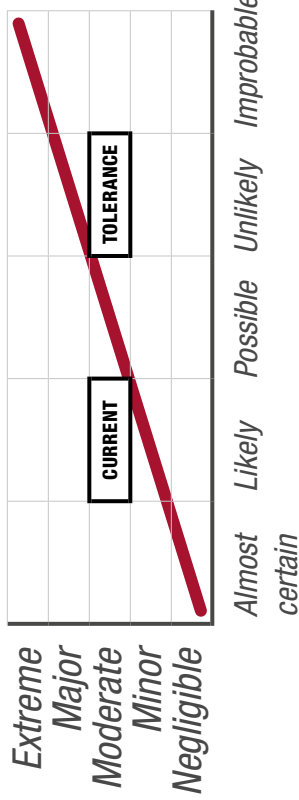
Specific assurance activity is planned on approach to ill-health evaluation and a deep dive through the Science Quality and Assurance Group Committee.

*Risk description*

*Key controls and activities to manage risks*

**Lack of people capability to deliver current and future regulatory activity**

Risk assessment at the end of March 2024



Target Tolerance Achievement: **March 2025**

To fully address this risk, HSE needs to carry out a full skills matrix mapping and gap analysis exercise. The evidence will then help to shape a talent and attraction strategy. There will be difficult specialist areas to recruit into so we are likely to need closer partnerships and networks across industry and the Civil Service. Using a revised regulatory training programme will help with building our own capacity and capability supplemented by specialist secondments.

Key mitigating actions include:

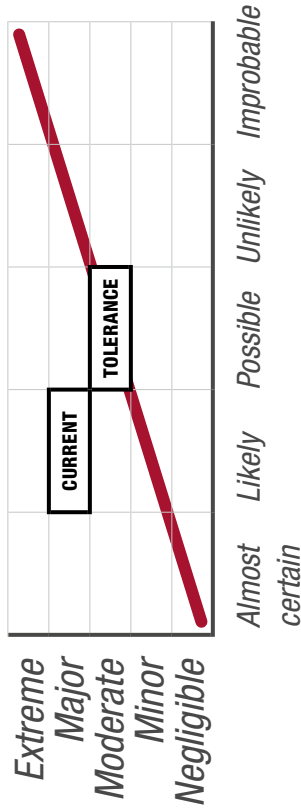
- developing a strategic workforce planning approach for long-term operational demand;
- review of regulatory training programme and entry routes for inspectors.

Specific assurance activity is planned regarding workforce planning and regulatory training programme.

*Risk description*

**Insufficient financial resource available to deliver full ambition of the strategy**

Risk assessment at the end of March 2024



Target Tolerance Achievement: **March 2025**

*Key controls and activities to manage risks*

To fully address this risk, HSE needs to further develop its medium-term financial planning. This needs to be underpinned by further work on clear expectations across all operational functions. The aim will be to clarify cost recovery and external income, likely spending review settlements, future workforce planning requirements, programme funding requirements, realised change benefits and an estates strategy. This will enable clear performance expectations across HSE divisions and help ensure adequate financial resources are available to deliver the strategic ambition.

Key mitigating actions include:

- developing a benefits realisation plan for all change activities;
- developing and implementing an estates strategy.

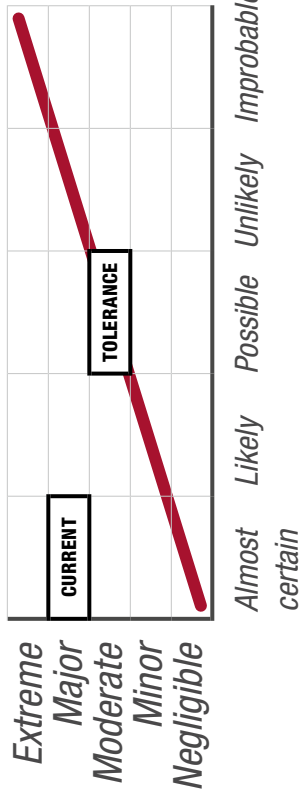
Specific assurance activity is planned in respect of benefits management and estates strategy.



*Risk description*

**Failure to optimise relationships with stakeholders**

Risk assessment at the end of March 2024



Target Tolerance Achievement: **March 2025**

*Key controls and activities to manage risks*

To fully address this risk, it is recognised that HSE has multiple stakeholders with differing requirements. For some of these it is to manage expectations of HSE and with others to use their channels, influence and advocacy to deliver the strategy. Critical to this will be an extensive stakeholder mapping exercise to baseline against the strategic objectives.

Key mitigating actions include:

- developing an overarching communication strategy;
- developing an engagement plan and a clear relationship management approach for each area of the stakeholder portfolio.

Specific assurance activity is planned in respect of stakeholder engagement and relationship management.



# Accounting Officer's annual review of effectiveness

As Accounting Officer, I have carried out a review of the effectiveness of HSE's governance structures, risk management and internal control, informed by the sources of assurance available to me.

Figure 10 outlines how the sources of assurance fit together, and how their outcomes have been reported to me as Accounting Officer, and relevant governance fora within HSE.

**Figure 10 Framework for considering effectiveness**

<p><i>Annual assessment</i></p>	<p><b>Accounting Officer</b> Assessment of effectiveness</p>	
<p><i>Reporting</i></p>	<p><b>Quarterly Integrated Assurance Report</b> to Executive Committee and Audit and Risk Assurance Committee</p>	
<p><i>Assurance components used to determine effectiveness</i></p> <p><b>1st line</b></p> <ul style="list-style-type: none"> <li><b>Directors' Letters of Assurance</b> <ul style="list-style-type: none"> <li>– Subject to independent review</li> </ul> </li> <li><b>Government Functional Standards</b> <ul style="list-style-type: none"> <li>– In-year self-assessments against full standards</li> </ul> </li> <li><b>Concern mechanisms</b></li> </ul>	<p><b>2nd line</b></p> <ul style="list-style-type: none"> <li><b>Business Assurance Teams</b> <ul style="list-style-type: none"> <li>– In-year reviews</li> <li>– Annual assessment</li> </ul> </li> <li><b>Data Protection Officer</b> <ul style="list-style-type: none"> <li>– In-year reviews</li> <li>– Annual assessment</li> </ul> </li> <li><b>Programme Management Office</b> <ul style="list-style-type: none"> <li>– In-year health checks</li> </ul> </li> <li><b>Health, Safety and Wellbeing Team</b> <ul style="list-style-type: none"> <li>– In-year reviews</li> </ul> </li> <li><b>Audit and Risk Assurance Committee</b> <ul style="list-style-type: none"> <li>– Annual report and assessment</li> </ul> </li> </ul>	<p><b>3rd line</b></p> <ul style="list-style-type: none"> <li><b>Internal Audit</b> <ul style="list-style-type: none"> <li>– Individual reviews</li> <li>– Annual opinion</li> </ul> </li> <li><b>Other external assurances including:</b> <ul style="list-style-type: none"> <li>– DWP Annual Assurance Assessment</li> <li>– Government People Group in relation to SSCL</li> <li>– Government Security Group</li> <li>– Investigatory Powers Commissioner's Office</li> <li>– Infrastructure and Projects Authority</li> <li>– Independent Board effectiveness review</li> </ul> </li> </ul>
<p><i>Underlying foundations</i></p>	<p><b>HSE Governance, Risk and Control Framework</b></p>	

# Overall governance and control framework

Our risk framework is described on page 107. In addition to the risk register as indicated on pages 109 to 116, ongoing 'business as usual' risks, where HSE needs to assure itself that controls continue to be effective (rather than take new or different actions), are captured within the HSE Assurance Map which is updated regularly. This provides one of a number of mechanisms to identify potential assurance gaps, which are used to drive assurance activity within HSE's annual Integrated Assurance Plan (see below).

Our governance and control framework are supported by appropriate policies, procedures and guidance for staff. All colleagues are expected to comply with those policies and procedures. These policies and procedures are subject to proportionate checks, supported by second- and third-line assurance activity as appropriate. During 2023/24 we have developed a suite of indicators which will demonstrate levels of compliance against key expectations, both external and internal. The outcomes will be reported twice per annum to ExCo and used to not only enhance visibility of compliance, but also drive improvement where necessary. This will be implemented from early 2024/25, with the first reports to ExCo in Quarter 1.

Our continued focus on timely implementation of audit recommendations', with no overdue high-

priority recommendations at year end, demonstrates my and ExCo's commitment to improving our control environment.

Our integrated approach to second- and third-line assurance planning, which brings all significant planned assurance activity together (irrespective of who the provider is), continues to ensure that HSE seeks to use its assurance resource in the most effective way, minimising gaps and avoiding duplication. The delivery of the plan continues to be routinely monitored by means of the quarterly Integrated Assurance Report, which brings together the outcomes from assurance outputs to enable a holistic view to be taken. This is firmly embedded in HSE's governance framework, being scrutinised by both ExCo and ARAC.

## **First-line assurance**

### **Directors' Letters of Assurance**

All members of Executive Committee provided me with a Letter of Assurance (LoA) that outlined their assessment of the effectiveness of the governance, risk management and control arrangements within their areas of responsibility.

I reviewed each of these, and I also asked the Head of Business Assurance to undertake a detailed review from a quality perspective and consider whether any issues raised by Directors should be incorporated into this governance statement.

Both my review and the review undertaken by the Head of Business Assurance did not highlight any issues of which I was not previously aware, nor which require separate reporting within this statement.

## **Functional standards**

Further to the work undertaken and reported within last year's governance statement, during this year I requested each Functional Lead to provide an update of their assessment against their functional standard (or continuous improvement framework where this was available) and associated action plans to HSE's Operations and Regulation Committee (ORCo). All relevant standards have been tabled and discussed at ORCo. The discussions at ORCo indicated the significant majority of mandatory elements were being met and good progress has been made in relation to the implementation of both advisory elements, with clear actions to further progress continuous improvement where appropriate.

Aspects of the functional standards have been subject to second- and/or third-line assurance activity and this will continue in 2024/25, where validation of functional standard compliance has been incorporated into the Integrated Assurance Plan.

## **Effectiveness of mechanisms for raising concerns**

In reaching my conclusions, I have considered any issues identified through our mechanisms for raising concerns (whistleblowing and fraud).

## **Whistleblowing arrangements**

HSE has a well-established policy to support whistleblowers and our procedures offer a number of routes for employees to raise concerns, including nominated officers of Executive Committee (David Murray and Clare Millington-Hume) and the Board (Susan Johnson OBE). We have a very low number of whistleblowing concerns raised each year and there have been no cases raised during 2023/24. In order to ensure the process is both sufficiently visible and understood by our people, we will be adding whistleblowing to the ARAC terms of reference for 2024/25 and it will be reviewed for effectiveness during the year.

## **Counter fraud, bribery and anti-corruption**

HSE has established policies in relation to fraud, bribery and corruption, which are consistent with those of other government departments. These policies apply to all HSE employees, suppliers and contractors, and cover relevant legislation and individual responsibilities. During 2023/24 we have updated our organisational level risk assessment and planned a more detailed review of the fraud, bribery and corruption risks faced by the Building Safety Regulator. We have also refreshed our strategy and agreed a programme of work for 2024/25 which will enable us to comply with most elements of the government's counter fraud, bribery and corruption functional standard.

# **Second-line assurance**

## **HSE Business Assurance Team activity**

During the year, the Business Assurance team has delivered a number of reviews across a variety of functions which continue to help build a more extensive, robust evidence base to support decision making. While the reviews have identified where controls could be improved, they have not identified any fundamental control gaps. Actions to enhance controls are being taken forward.

I have also noted that within her Quarter 4 integrated assurance report, the Head of Business Assurance indicates she considers HSE to have continued to enhance its approach to compliance and assurance.

## **Data Protection Officer activity and assessment**

As part of their role, HSE's Data Protection Officer (DPO) is tasked with monitoring compliance with the General Data Protection Regulations (GDPR) and other data protection laws, our data protection policies, awareness-raising, training, and audits. I have therefore taken assurance from the work of the DPO and their team.

Throughout the year the DPO has undertaken spot checks on areas where the impact of non-compliance with GDPR is the most significant. This has included quality checks of HSE's public registers of convictions and enforcement notices to ensure all entries are

appropriately validated and anonymised. No significant examples of non-compliance were identified.

To drive improvements in the quality and consistency of Data Privacy Impact Assessments (DPIAs), the DPO has reviewed and improved the DPIA procedure, guidance and templates to form a staged approach which better aligns with HSE's change management process.

The DPO team continues to review and update HSE's policies and procedures, supporting this with training and awareness for colleagues across the organisation. In addition, I note the team has assessed HSE against the Information Commissioner's Office (ICO) accountability tracker and is using this to drive compliance with the controls in a systematic way, reporting progress monthly to the Senior Information Risk Owner (SIRO). During 24/25 the ICO will undertake a consensual audit of HSE's compliance, which will provide a valuable and independent source of assurance to me.

During the year, 86 breaches of personal data [prior year: 61] were notified to the DPO, of which 1 [prior year: 1] was deemed serious enough to meet the threshold for self-reporting to the Information Commissioner's Office. The ICO confirmed a 'No further action' outcome.

## **Programme Management Office activity**

During the year, the HSE Programme Management Office has continued to undertake health checks on key programmes and projects within HSE's change portfolio. The outcomes of the health checks are reported



to Portfolio Board quarterly and also incorporated into the integrated assurance reporting provided by the Business Assurance Team. Actions identified to improve the likelihood of each project achieving a successful outcome have been agreed and are being implemented. In addition, monthly checks are undertaken to assure projects' compliance with HSE's change framework. Where issues are identified, actions are taken to drive improvement.

## **Health Safety and Wellbeing team activity**

During 2023/24, the Health, Safety and Wellbeing (HSW) team commenced audits of compliance with HSE's health and safety management system. Their outcomes are incorporated into the integrated assurance reporting discussed at ExCo and ARAC each quarter. No significant control issues from their activities have been identified.

## **Audit and Risk Assurance Committee Annual Report and Assessment**

Given the remit of the Audit and Risk Assurance Committee (ARAC) as described on pages 93-94, I have considered its views as part of my assessment. Having received and challenged reports from HSE management, National Audit Office (NAO) and Government Internal Audit Agency (GIAA) and taken into account the range of assurance outcomes reported via the integrated assurance report, the Committee's conclusion is 'HSE's risk, governance and internal control framework is

satisfactory and fit for purpose'. The ARAC noted where reviews have highlighted areas for improvement. The Committee has noted actions are agreed to address the control weaknesses, and the implementation of these is monitored and reported to ExCo and ARAC.

## **Third-line assurance**

### **Government Internal Audit Agency annual opinion**

The Government Internal Audit Agency (GIAA) provide internal audit services to HSE. They have carried out a portfolio of work to provide assurance on the strength of risk, control, and governance arrangements. The Head of Internal Audit (HIA) has provided an overall moderate opinion for 2023/24 (2022/23: moderate) which means 'some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control'.

The HIA has indicated 'Overall I have observed that governance, risk and control arrangements are effective across HSE.'

Both I and ARAC will closely monitor the implementation of those actions agreed during internal audits, using existing governance arrangements to ensure the control gaps are rectified.

## Other external assurances

I have also considered other external assurances I have received during the year. These have included:

**DWP Annual Assurance Assessment:** This annual exercise is undertaken by DWP, our parent body, to enable it to assess the risk posed to the department by its public bodies and to manage that risk in a proportionate way. The rating is also arrived at based on a comparison to other bodies within the DWP family. I have taken assurance from the DWP assessment which indicates that overall HSE is considered to be medium risk which represents no change from last year. Medium risk means there are 'No serious issues with performance and delivery of objectives, or issues are being managed effectively. External changes have minimal impact or are being mitigated effectively. No serious issues identified with the relationship with DWP.'

**Shared Services Connected Limited (SSCL)** continues to operate employee-related HR, payroll and expenses administration, financial accounting, procurement, and relevant IT processes for HSE as part of a wider service to government. **Government People Group (GPG)**, which manages the shared services contract with SSCL, has provided me with a Letter of Assurance outlining the findings from assurance activity conducted in-year by both GIAA and Price Waterhouse Coopers LLP (PwC) as the Independent Service Auditor. I have noted the assurance opinions provided by PwC (Reasonable/Moderate Assurance) and GIAA (Limited Assurance). The

PwC opinion is an improvement on the prior year, while that provided by GIAA remains the same. I have taken assurance from PwC's audits in respect of government clients all providing a satisfactory audit rating, with no findings rated as critical or high risk. For those GIAA audits of relevance to HSE and which received an opinion below moderate, I have been sufficiently assured there is no material impact on HSE's financial statements as a result of any control weaknesses identified.

**Government Security Group (GSG):** The departmental security health check measures compliance with the Technical Security Standards (Personnel, Physical and Incident Management) and the Government Functional Security Standard (GovS 007). The self-assessment has been independently reviewed and scored by the GSG and I have taken assurance from their report.

In relation to GovS 007, GSG indicated HSE was above the government average and compliance had improved since the prior year. Although HSE was not fully meeting all the technical standards, GSG noted that plans are in place to address areas of non-compliance. Actions are being progressed and a specific assurance review of Incident Management has been scheduled within the 2024/25 assurance plan.

**Investigatory Powers Commissioner's Office (IPCO):** During the year, HSE was subject to an inspection by IPCO to review compliance with legislation and Code of Practice (CoP) governing the acquisition of communications data (CD) under Part 3 of the

Investigatory Powers Act (IPA) 2016. The information provided by HSE demonstrated a good level of compliance, with CD being acquired lawfully and for the correct statutory purpose of preventing or detecting crime. IPCO noted a number of improvements since its last audit and no recommendations were raised.

**Infrastructure and Projects Authority (IPA):** I have taken assurance from the assessment undertaken in April 2024 by IPA in respect of the BSR programme. This has indicated successful delivery of the programme appears feasible, recognising there are some significant issues which continue to require management attention, but which appear resolvable. As such, the assessment has included a series of recommendations, which will be monitored via appropriate governance fora.

**Board effectiveness review:** I have taken assurance from an external and independent Board effectiveness review undertaken in-year. The review concluded 'The Board is generally performing well and clearly has the confidence of the sponsor department. Much valuable work has been done by the current Chair in terms of board culture and the establishment of new committees. It was noted that the Chief Executive Officer had been instrumental in significantly improving the performance management regime.'

## **Overall conclusion**

Having reflected upon the extensive evidence available to me, I consider HSE to continue to have satisfactory

governance and risk management arrangements in place with effective plans to ensure continuous improvement.

# Accountability: remuneration and staff report

## Remuneration and staff report overview

This report sets out HSE's policy for remuneration of senior civil servants, how that policy has been implemented and the amounts rewarded to our Chief Executive and Board members. Further details are provided on remuneration and staff that Parliament and other users of this report see as key to accountability.

## Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk).

# Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body is to consider the following:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- government policies for improving public services;
- the funds available to departments as set out in the Government's Departmental Expenditure Limits;
- the government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

## Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Chief Executive, Executive Committee and Board members of HSE.



**Table 6 Single total figure of remuneration (subject to audit)**

	Salary (£'000)		Bonus payments (£'000)		Taxable expenses and other benefits-in-kind to nearest £100		Pension benefits (to nearest £1,000) <sup>4</sup>		Total (£'000)
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Sarah Albon Chief Executive	150-155	140-145	15-20	5-10	20 800 <sup>5</sup>	19 600	89	(47)	275-280
James Anderson <sup>6</sup>	110-115	105-110	-	-	-	-	45	42	155-160
									120-125

- 4 The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum less individual contributions. This is a notional figure that accounts for changes in post-retirement pension payments over a standard 20-year period. The figure can therefore be dominated in the first year following an uplift to salary on promotion. The real increases exclude increases due to inflation or any increase or decrease due to a transfer in pension rights.
- 5 HSE’s Bootle headquarters is treated as a second permanent workplace for Sarah Albon which means that the cost of Sarah’s travel to Bootle is treated as taxable. During the year the total value of expenses, tax and national insurance was £20.8k.
- 6 James Anderson left HSE on 18 June 2024.

	Salary (£'000)		Bonus payments (£'000)		Taxable expenses and other benefits-in-kind to nearest £100		Pension benefits (to nearest £1,000) <sup>4</sup>		Total (£'000)	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Peter Baker <sup>7</sup>	5-10	100-105	-	5-10	-	-	(3) <sup>8</sup>	(64)	5-10	45-50
	(105-110 FYE)									
Rick Brunt	100-105	95-100	5-10	5-10	-	-	68	126	180-185	225-230
Andrew Curran CBE <sup>9</sup>	100-105	20-25 (95-100 FYE)	5-10	-	-	-	109	16	215-220	40-45
Michael Jennings <sup>10</sup>	100-105	20-25 (95-100 FYE)	-	-	-	-	104	(1)	205-210	20-25

7 Peter Baker retired on 2 May 2023.

8 Taking account of inflation, the CETV funded by the employer has decreased in real terms

9 Andrew Curran joined ExCo on 1 January 2023, replacing Karen Russ as Director of Science Division.

10 Michael Jennings joined ExCo on 9 January 2023 as Director of Legal Services Division.

	Salary (£'000)		Bonus payments (£'000)		Taxable expenses and other benefits-in-kind to nearest £100		Pension benefits (to nearest £1,000) <sup>4</sup>		Total (£'000)	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Jane Lassey <sup>11</sup>	95-100	-	5-10	-	-	-	105	-	205-210	-
	(105-110 FYE)									
Clare Millington-Hume	100-105	95-100	10-15	5-10	-	-	41	38	155-160	140-145
David Murray	125-130	115-120	10-15	5-10	-	-	78	(47)	210-215	80-85
Karen Russ <sup>12</sup>	-	90-95 (120-125 FYE)	-	-	-	-	-	34	-	120-125
Katy Shrimplin <sup>13</sup>	-	60-65 (95-100 FYE)	-	-	-	-	-	(23)	-	35-40
Angela Storey	105-110	100-105	5-10	5-10	-	-	42	39	155-160	145-150
Philip White <sup>14</sup>	110-115	100-105	10-15	-	-	-	29	(66)	150-155	30-35

<sup>11</sup> Jane Lassey joined ExCo on 8 May 2023 as Acting Director of Regulation, replacing Philip White (now Director of Building Safety).

<sup>12</sup> Karen Russ left ExCo on 31 December 2022.

<sup>13</sup> Katy Shrimplin left HSE on 22 November 2022.

<sup>14</sup> Philip White's salary increased from 23 November 2023 upon his permanent appointment to Director of Building Safety.

## Table 7 Board (non-executive directors) single total figure of remuneration (subject to audit)

	Salary (£'000)		Bonus payments (£'000) (to nearest £1,000)		Taxable expenses and other benefits-in-kind to nearest £100		Pension benefits		Total (£'000)	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Sarah Newton	80-85	80-85	-	-	100	-	-	-	80-85	80-85
Elaine Bailey (term ended 12 July 22)	-	0-5 (15-20 FYE)	-	-	-	-	-	-	-	0-5
Chyrel Brown	15-20	5-10 (15-20 FYE)	-	-	-	-	-	-	15-20	5-10
David Coats	15-20	5-10 (15-20 FYE)	-	-	-	-	-	-	15-20	5-10
Martin Esom	10-15	15-20	-	-	-	-	-	-	10-15	15-20
Debbie Gillatt CBE	15-20	15-20	-	-	-	-	-	-	15-20	15-20
Susan Johnson	15-20	15-20	-	-	-	-	-	-	15-20	15-20
John McDermid	15-20	15-20	-	-	-	-	-	-	15-20	15-20
Gerard Nichols	15-20	15-20	-	-	-	-	-	-	15-20	15-20
Gina Radford	15-20	15-20	-	-	-	-	-	-	15-20	15-20
Ken Rivers (term started 1 August 23)	10-15 (15-20 FYE)	-	-	-	-	-	-	-	10-15	-

	Salary (£'000)		Bonus payments (£'000) (to nearest other benefits-in-kind to nearest £1,000)		Taxable expenses and nearest £100		Pension benefits		Total (£'000)	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Ken Robertson (term ended 31 July 23)	5-10	15-20	-	-	-	-	-	-	5-10	15-20
	(15-10 FYE)									
Claire Sullivan	15-20	15-20	-	-	-	-	-	-	15-20	15-20

## Salary

‘Salary’ includes gross salary; performance pay; overtime; reserved rights to London Weighting or London allowances; recruitment and retention allowances. A performance-related bonus is paid to qualifying members of the Senior Civil Service. The value of the bonus is dependent on a number of factors and is subject to the total amount of available funds. For the reporting period the total value of the funds available for SCS bonuses was 3.3% of the total SCS pay bill. This presentation is based on payments made in-year by HSE to those in Tables 6 and 7.

## **Allowances, taxable expenses and benefits-in-kind (this information is subject to audit)**

The monetary value of benefits-in-kind covers any benefits provided by HSE and treated by HM Revenue and Customs as a taxable emolument. These benefits for Board members include travel and subsistence payments associated with home to office travel, as appropriate. Any ensuing tax liability is met by HSE.

## **Bonuses**

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2023/24 are based on 2022/23 performance and comparative bonuses for 2022/23 are based on 2021/22 performance.

## **Pay multiples (this information is subject to audit)**

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the lower quartile, median and upper quartile of the organisation's workforce. The banded remuneration of the highest paid director in HSE in the financial year 2023/24 was £185k to £190k (2022/23 £165k to £170k). The remuneration of the

highest paid director in 2022/23 has been restated in this calculation to include benefits in kind.

The small increase in each of the pay ratios is attributable to an increase in the remuneration of the highest paid director in 2023/24. This is HSE's Chief Executive, whose salary is appropriately benchmarked against Chief Executives in comparable government organisations.

We have reformed our pay structure in 2023/24 in line with up-to date, independent pay benchmarking data. The pay of HSE delegated grades and SCS has also been adjusted in accordance with the pay remit guidance for 2023. We therefore believe that for the entity's employees taken as a whole, the median pay ratio for the 2023/24 financial year is consistent with HSE's pay, reward and progression policies.

## Table 8 Pay ratios of organisation (total pay and benefits)

<i>Year</i>	<i>25th Percentile ratio/total remuneration (salary element)</i>	<i>Median ratio/ total remuneration (salary element)</i>	<i>75th Percentile ratio/total remuneration (salary element)</i>
<b>2023/24</b>	<b>5.51 / £34 020 (33 258)</b>	<b>4.07 / £46 027 (45 265)</b>	<b>3.12 / £60 128 (59 366)</b>
2022/23 <i>Restated</i>	5.39 / £31 074 (£30 344)	4.03 / £41 572 (£40 842)	2.99 / £56 000 (£55 321)

In 2023/24, 1 employee (2022/23 restated - 4 employees) was paid in excess of the highest paid director. They were engaged on a temporary contract through

recruitment agencies, providing leadership and/or specialist support to major HSE Programme activity.

Remuneration ranged from £19,324 to £231,000 (2022/23 £21,539 to £233,420).

Total remuneration includes salary, non-consolidated performance-related pay (for the SCS) and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

## Table 9 Fair pay disclosure

	2023/24	2022/23	% change	Explanation
Highest paid director's salary and allowances	<b>£152 500</b>	£142 500	7.02	CEO's salary increase of 9% was set by Remuneration Committee in accordance with Cabinet Office SCS pay guidance. The difference to the calculated percentage relates to the use of the range mid-point on which this is based.
Highest paid director's performance pay/bonuses (mid-point of range)	<b>£17 500</b>	£7 500	133.33	
FTE staff numbers	<b>2 921</b>	2 784	4.92	



	2023/24	2022/23	% change	Explanation
All employee's salary, allowances and bonuses	<b>£148 368 000</b>	£136 097 000	9.02	The increase in salary is due to additional staff numbers in 2023/24
Average salary, allowances and bonuses	<b>£50 790</b>	£48 887	3.89	The increase in average salary is due to the 2023 pay award.
Total salary and allowances excluding bonuses	<b>£146 422 000</b>	£134 403 500	8.94	The increase in salary is due to additional staff numbers in 2023/24
Average salary and allowances excluding bonuses	<b>£50 124</b>	£48 279	3.82	The increase in average salary is due to the 2023 pay award.
Total performance pay/bonuses	<b>£1 945 960</b>	£1 693 350	14.92	The increase in total performance bonuses paid is due to additional staff numbers in 2023/24
Average performance pay/bonuses	<b>£666</b>	£608	9.54	The increase in total performance bonuses paid is due to additional staff numbers in 2023/24

**Table 10 Pension benefits<sup>15</sup>**

<i>Officials</i>	<i>Accrued pension at pension age as at 31/3/2024 and related lump sum</i>	<i>Real increase in pension and related lump sum at pension age</i>	<i>CETV at 31/03/2024</i>	<i>CETV at 31/03/2023</i>	<i>Real increase in CETV</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Sarah Albon	65 - 70	2.5 - 5	1 656	1 443	76
Chief Executive	plus a lump sum of 185 - 190	plus a lump sum of 2.5 - 5			
James Anderson	20 - 25	2.5 - 5	383	309	31
Peter Baker	50 - 55	0	1 317	1 304	(4)*
	plus a lump sum of 135 - 140	plus a lump sum of 0			
Rick Brunt	55 - 60	2.5 - 5	1 221	1 062	60
	plus a lump sum of 50 - 55	plus a lump sum of 0 - 2.5			

<sup>15</sup> Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022/23, but are reported in the legacy scheme for the same period in 2023/24.

<i>Officials</i>	<i>Accrued pension at pension age as at 31/3/2024 and related lump sum</i>	<i>Real increase in pension and related lump sum at pension age</i>	<i>CETV at 31/03/2024</i>	<i>CETV at 31/03/2023</i>	<i>Real increase in CETV</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Andrew Curran	40 - 45 plus a lump sum of 115 - 120	5 - 7.5 plus a lump sum of 7.5 - 10	1 054	868	103
Michael Jennings	40 - 45 plus a lump sum of 110 - 115	5 - 7.5 plus a lump sum of 7.5 - 10	975	806	92
Jane Lassey	45 - 50 plus a lump sum of 120 - 125	5 - 7.5 plus a lump sum of 7.5 - 10	1 058	886	99
Clare Millington-Hume	5 - 10	0 - 2.5	98	57	28
David Murray	65 - 70	2.5 - 5	1 425	1 245	65
Angela Storey	15 - 20	0 - 2.5	287	224	30
Philip White	50 - 55 plus a lump sum of 145 - 150	0 - 2.5 plus a lump sum of 0	1 305	1 225	19

\* Taking account of inflation, the CETV funded by the employer has decreased in real terms.

# Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which was divided into a few different sections:

- classic;
- premium;
- classic plus (provides benefits on a final salary basis);
- nuvos (provides benefits on a career average basis).

From 1 April 2015 a new pension scheme for civil servants was introduced, the Civil Servants and Others Pension Scheme or alpha. This scheme provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new alpha scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year.

Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year. The total amount

accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum, up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus. The pension age is 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha, as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the 2 schemes, but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension

schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as 'rollback'.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position, ie PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make

contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued throughout their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements.

They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## **Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



# Non-executives (this information is subject to audit)

## Table 11 Honoraria and expenses paid to independent members of the Audit and Risk Assurance Committee

	<i>2023/24</i>	<i>2022/23</i>
	<i>Total honoraria and expenses</i>	<i>Total honoraria and expenses</i>
	<i>£'000</i>	<i>£'000</i>
Charmion Pears (1 Oct 2021 to 30 Sept 2025)	3	3

## Staff report

Analysis of staff numbers and costs is provided in Tables 12 to 14 and Figures 11 and 13.

## Table 12 Staff costs (this information is audited)

	<i>Permanently employed staff</i>	<i>2023/24 Others*</i>	<i>2023/24 Total</i>	<i>2022/23 Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Wages and salaries	133 247	10 009	143 256	124 625
Employers' National Insurance <sup>16</sup>	14 808	-	14 808	13 796
Pension costs	33 795	-	33 795	31 271
Lump sum exit costs	626	-	626	250

16 Includes Apprenticeship Levy payments of £634k during 2023/24 (2022/23 £559k).

	<b>Permanently employed staff</b>	<b>2023/24 Others*</b>	<b>2022/23 Total</b>	<b>2022/23 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Total (as reported in the SoCNE)</b>	<b>182 476</b>	<b>10 009</b>	<b>192 485</b>	<b>169 942</b>
Less recoveries in respect of outward secondments	<b>(173)</b>	<b>-</b>	<b>(173)</b>	<b>-</b>
<b>Total net costs</b>	<b>182 303</b>	<b>10 009</b>	<b>192 312</b>	<b>169 942</b>

\* Temporary staff not on HSE's payroll, which may include agency workers, specialist contractors, interim managers, secondees etc.

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as 'alpha' are unfunded multi-employer defined benefit scheme but employer (HSE) is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)). For 2023/24, employers' contributions of £33.8 million were payable to the PCSPS (2022/23: £30.5 million) at 1 of 4 rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every 4 years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023/2024 to be paid when the member retires and not the benefits paid during this period to existing pensioners. Employees can opt out to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £177,684 were paid to 1 or more of the panel of 3 appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75%.

*Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £5,835, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death-in-service or ill-health retirement of these employees. Contributions due to the partnership pension providers at 31 March 2024 were £34,424. Contributions prepaid at that date were £nil. Three people (2022/23: 1 person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £32,719 (2022/23: £2,236).*

### **Table 13 Staff numbers (this information is audited) – the average number of full-time equivalent (FTE)**

<i>Permanent Staff</i>	<i>Other</i>	<i>2023/24 Total</i>	<i>2022/23 Total</i>
2 776	78	2 854	2 763

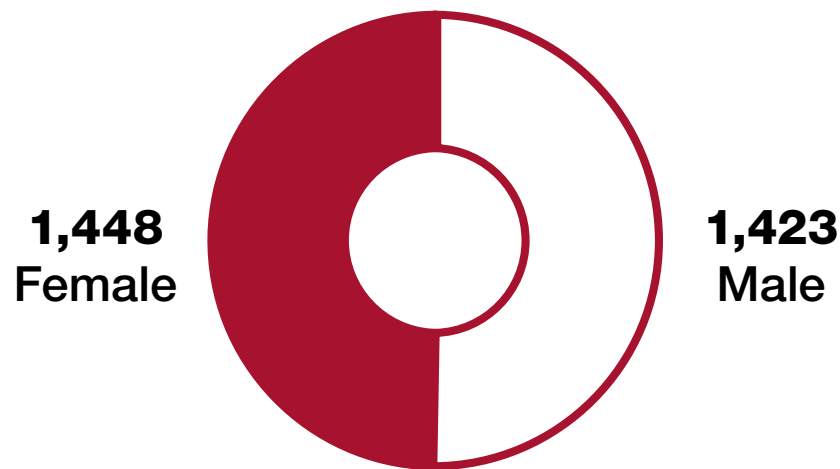
### **Table 14 The total HSE staff in post by FTE and occupational group as at 31 March 2024**

<i>Occupational group</i>	<i>31 March 2024</i>	<i>31 March 2023</i>	<i>31 March 2022</i>
Inspectors and visiting health and safety staff <sup>17</sup>	976	1 004	1 018
Other professional or specialist staff	1 607	1 396	1 282
Other staff (of whom apprentices)	289 (29)	280 (21)	257 (9)

17 Comprises inspectors and visiting officers and regulatory compliance officers.

<i>Occupational group</i>	<i>31 March 2024</i>	<i>31 March 2023</i>	<i>31 March 2022</i>
Contingent labour <sup>18</sup>	50	105	185
Total staff <sup>19</sup>	2 922	2 785	2 742

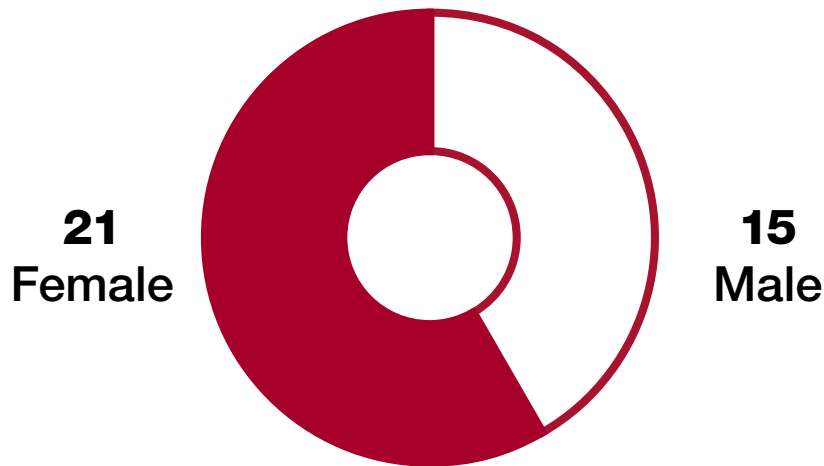
## Figure 11 Total HSE staff in post by FTE and gender (excluding Chair and contingent labour) as at 31 March 2024



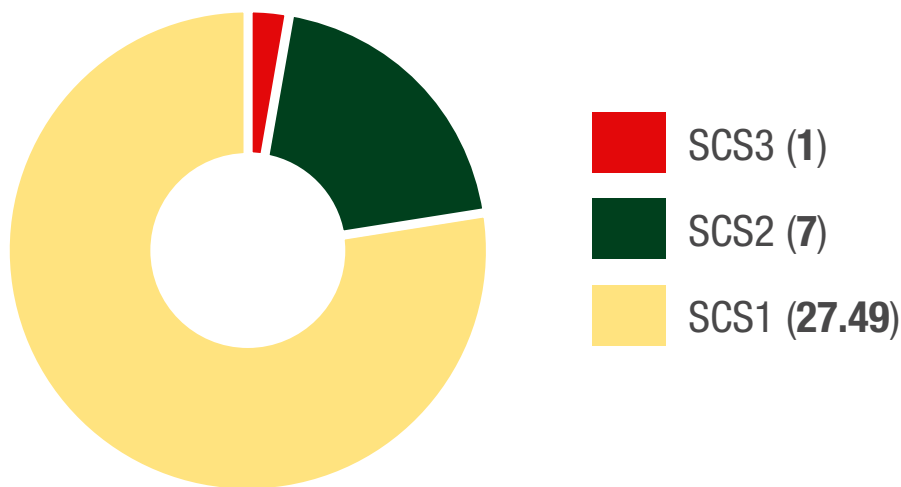
18 Contingent labour is defined as temporary staff not on HSE's payroll, which may include agency workers, specialist contractors, interim managers etc.

19 Total staff = the sum of all rows excluding the figures in brackets.

**Figure 12 Senior civil servants’ FTE gender split as at 31 March 2024**



**Figure 13 Senior civil servants’ pay band as at 31 March 2024**



## Motivate, engage, resource, and look after our workforce

We did not meet our target to achieve an engagement index of 60% in our 2023 People Survey. The headline engagement score measures how committed our staff feel to HSE’s goals and values and how motivated they feel to contribute to our organisational success.

This year, our overall employee engagement score was 55%, a drop of 1% point from last year. While it is not a significant change, as an organisation we are continuing to implement our strategy. This means:

- introducing reforms and updating our ways of working to make HSE a great place to work;
- including continuing to improve our level of cultural maturity in health, safety and wellbeing;
- managing improvement activities through the existing HSW Risk Committees and through the development and management of our nine HSW Organisational Priorities.

The Priorities were designed and published following the completion of engagement and action planning on the Achieving Cultural Excellence (ACE) Culture Evaluation. This includes People Survey results and analysis of data from a number of sources, such as an ACE Survey and focus groups.

Insight from Divisional stress risk assessments (SRAs), the cultural maturity survey, and People Surveys have all come together to inform an organisational level SRA that aligns with the nine HSW organisational priorities. Work has begun to develop these into activities and these will be monitored, delivered, and evaluated as part of our now published People Strategy.

# Health, safety and wellbeing

After a series of external validations and interactive roadshows to key stakeholders through 2023/24, we closed our Achieving Cultural Excellence at Health Safety and Wellbeing Improvement Programme (ACE@HSW) and embedded the outcome into our routine ways of working.

ACE@HSW has enabled us to make great progress in improving the way we approach and manage our health, safety and wellbeing (HSW) internally. The changes and developments to both how we lead HSW through our people and how we underpin that leadership through our systems now forms a key part of our People Plan, which aims to 'ensure HSE is a great place to work, and we attract and retain exceptional people'.

We understand our HSW Culture Maturity Level and recognise that, by completing the final parts of our HSW Management System review in 2024/25, we will continue to move steadily towards our aim to reach Cultural Excellence.

An important step in 2023/24 was the publication of key Senior Leader and Line Manager HSW competencies. As we embed these in 2024/25 our senior leaders and line managers will continue to fulfil the vital part they need to play in keeping our people healthy, safe and well at work.

At operational level we have strengthened key controls that ensure we manage risks when our colleagues work alone, or in geographically remote areas. This includes

the use of technology (a lone working app) and the provision of training in personal safety.

## Diversity and inclusion

HSE is committed to foster equity and diversity in everything we do. We aim to build a workforce which reflects the society we serve and to create an inclusive culture which values and respects all our people.

In June 2023 HSE committed to five equality and diversity objectives ([www.hse.gov.uk/aboutus/equality-and-diversity.htm](http://www.hse.gov.uk/aboutus/equality-and-diversity.htm)). This year, in support of these objectives, HSE has achieved several goals:

- We brought back our Aspire programme which aims to improve representation (at all levels), engagement and retention of colleagues from minority ethnic backgrounds.
- We refreshed our internal Equality, Diversity and Inclusion (EDI) pages to ensure it reflects our current initiatives, resources and policies. This fosters a more inclusive culture and provides relevant information for our employees that is easy to access.
- We supported colleagues in assessing equality impact in key change projects. We have delivered Equality Impact Assessment training and facilitated engagement with our staff networks to ensure initiatives and projects were accessible. This was achieved by incorporating accessibility requirements and testing into our scoping approach.



- We continued celebrating key diversity and inclusion dates to reinforce a culture of respect, belonging and equity, creating awareness around inclusion barriers and fostering collaboration and allyship.
- By embedding EDI content in key training products, we ensured our line managers understand their role in fostering inclusion in the workplace. This equipped them with the skills to effectively support professional development, ultimately driving innovation and organisational success.
- We continued to participate in the cross-Civil Service Catapult Mentoring scheme. This supported colleagues from less privileged backgrounds to realise their full potential, to build confidence, aspiration and to help people progress their careers.

We will continue to measure our success and progress internally against a range of metrics, such as our annual People Survey and external benchmarking (against Civil Service and wider industries). We remain committed to driving further improvements as we continue to make HSE a great place to work.

## **Staff turnover**

In 2023/24 the number of staff leaving HSE increased from 288 in 2022/23 (10.4%) to 301 (10.5%). Of the 301 leavers:

- 69 moved to new posts in other government departments;

- 63 retired;
- 13 employees were dismissed;
- 26 fixed-term appointments concluded;
- 130 employees resigned.

The average age of HSE employees has reduced from 46.9 to 45.4.

## Pay

We published our seventh gender pay gap (GPG) report in March 2024 in relation to the period covering 1 April 2022 to 31 March 2023.

We are pleased to report that we have reduced our overall GPG by 2%. On the 31 March 2023, our mean GPG was 18% and our median was 21.2%. This is down, from 20% and 23.1% respectively, from 2022. Our mean GPG has reduced by 4.93% (from 22.93% to 18%) since we first started reporting in 2017. In addition, the bonus pay gap in HSE remains minimal between genders at all bands. Our mean gender bonus gap is -0.5% and the median is 0%.

In addition, there has been positive progress towards our goal of gender parity in bands 2 and 3, where we have achieved a 3.89% increase in women represented at band 2 level, and an increase of 0.67% at band 3.

We are confident that we have put steps in place to continue the longer-term positive trajectory as a result of the impacts our outreach, recruitment, training and

development programmes, and wider diversity, equity and inclusion initiatives have achieved.

We recognise that we have significantly more men occupying our non-standard pay ranges (attributed to roles which require specific technical skills that attract a higher, enhanced rate of pay due to the specific expertise and technical skillset required) and in leadership roles. This will continue to result in a gender pay gap, therefore we are committed to attract and support women into such technical and more senior roles to improve our diversity at all levels.

The actions we are currently taking, and plan to take, to close the GPG are outlined within our published GPG report. Those, along with our published Public sector equality duty report ([www.hse.gov.uk/aboutus/workforce-equality-data.htm](http://www.hse.gov.uk/aboutus/workforce-equality-data.htm)), make us confident that we can continue to reduce the GPG further.

## **Expenditure on consultancy and contingent labour**

There was nil consultancy spend during the financial year (£nil: 2022/23).

HSE spent a total of £10 million (2022/23: £8.5 million) on contingent labour during the financial year. While an increase in annual cost, the number of staff engaged on short-term contracts had reduced from 105 at 31 March 2023 to 50 at 31 March 2024, reflecting a reducing requirement for temporary support over the year. This

partly reflects our continuing strategy of developing an in-house digital and change leadership capability.

## Highly paid off-payroll engagements

Following the Review of tax arrangements of public sector appointees ([www.gov.uk/government/publications/review-of-the-tax-arrangements-of-public-sector-appointees](http://www.gov.uk/government/publications/review-of-the-tax-arrangements-of-public-sector-appointees)) published by the Chief Secretary to the Treasury on 23 May 2012, departments and their arm's-length bodies must publish information on their highly paid and/or senior off-payroll engagements. Tables 15-17 indicate the number of off-payroll arrangements HSE has had in place.

### Table 15 Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater

<b>Number of existing engagements as of 31 March 2024</b>	<b>39</b>
Of which:	
Number that have existed for less than one year at time of reporting	25
Number that have existed for between one and two years at time of reporting	13
Number that have existed for between two and three years at time of reporting	1
Number that have existed for between three and four years at time of reporting	-
Number that have existed for four or more years at time of reporting	-

## **Table 16 All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater**

<b>Number of temporary off-payroll workers engaged during the year ended 31 March 2024</b>	<b>118</b>
Of which:	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	118
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	70
Of which: Number of engagements that saw a change to IR35 status following review	0

## **Table 17 For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024**

Number of off-payroll engagement of Board members, and/or senior officials with significant responsibility, during the financial year	0
Total number of individuals on-payroll and off-payroll that have been deemed 'Board members and/or senior officials with financial responsibility' during the financial year. This figure should include both on-payroll and off-payroll engagements	3

## Exit packages (this information is audited)

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where HSE has agreed early retirements, the additional costs are met by HSE and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

There were no compulsory redundancies in 2023/2024 (nil: 2022/2023).

### Table 18 Number of other departures by cost band

<i>Exit package cost band</i>	<i>Number of other departures agreed</i>	
	<b>2023/24</b>	<b>2022/23</b>
£0 – £25,000	<b>6</b>	3
£25,001 – £50,000	<b>2</b>	-
£50,001 – £100,000	<b>5</b>	3
£100,001 – £150,000	<b>1</b>	-
> £150,001	-	-
Total number of exit packages by type	<b>14</b>	6
Total resource cost £	<b>625 522</b>	249 815

## Employee relations

The government encourages all public sector organisations to ensure facility time spend represents

value for money by aiming to reduce facility time spend to 0.06%.

## Table 19 Relevant union officials FTE

Number of officials who were relevant union officials during relevant period	71.4
--	------

## Table 20 Percentage of time spent on facility time

<i>Percentage of time</i>	<i>Number of employees FTE</i>
0%	0
1 to 50%	71.4
51 to 99%	0
100%	0

## Table 21 Percentage of pay bill spent on facility time

Total cost of facility time	£192 995
Total pay bill	£182 318 357
Percentage of the pay bill spent on facility time	0.11%

Percentage of the pay bill spent on facility during 2023/24 was 0.11%. This was a 3-point reduction from the 2022/23 pay bill which was 0.14%. We have seen a year-on-year reduction falling from 0.20% in 2020/21.

## Table 22 Paid trade union activities

*As a percentage of total paid facility time hours, hours spent by employees who were relevant union officials during the relevant period on paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.00%
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# Recruitment practice

We conduct recruitment in line with the Civil Service Commission's Recruitment Principles on the basis of fair and open competition and selection on merit.

This year we have rolled out a series of workshops to:

- upskill our vacancy holders;
- implement best practice approaches to recruitment campaigns;
- further strengthen our commitment to adherence to the Civil Service Commission recruitment principles.

We successfully filled 92% of recruitment campaigns, with 28% filled from internal sources.

We have started to implement our Talent Attraction strategy, a process that will continue into 2024/25.

Workstreams to deliver the plan include:

- taking action to promote equity, diversity and inclusion;
- enhancing our use of social media campaigns;
- defining our brand offering and why HSE is a great place to work;
- offering hybrid/flexible working options and competitive employee benefits.

Our implementation plan will see the recruitment team complete its transition to an expert recruitment



consultancy service. We will achieve this through delivery of:

- improved systems and processes;
- research-led recruitment;
- reliable management information.

A key focus in 2023/24 has been the significant recruitment into the new Building Safety Division, which will see its final tranche conclude in 2024/25. Learning from the success of these campaigns will be shared and factored into the Talent Attraction approach across all recruitment as we move to a business as usual position.

## **Sickness absence data**

HSE's average working days lost (AWDL) target is 6.5. In 2023/24, the AWDL figure reduced by 0.63. This reduced from 6.79 in 2022/23 to 6.16 in 2023/24.

AWDL is comprised of short- and long-term absences. Long-term absences reduced in 2023/24 from 3.93 to 3.62, and short-term absences reduced from 2.85 to 2.54.

Mental health remains the largest cause of long-term absence at 55%. This is a small increase from 54% on the previous year. Respiratory conditions account for the majority of short-term absence. There are a number of complex cases that HR are supporting managers with, to enable a successful return to work. These cases are identified through the monthly AWDL reports.

Support also continues to be provided to managers in relation to attendance issues. HR deliver regular Line Manager Fundamentals training workshops. This is targeted training which focuses on attendance management. It has provided support to new and experienced managers dealing with attendance issues. Feedback has been positive and is reflected in the reduction of AWDL in March 2024 to sustained low position over the year, and well within Cabinet Office guidelines.

Refreshed guidance on supporting attendance will be launched later in 2024. This will help aid employees and managers to stay in work. Statutory Carers Leave will be launched in April 2024. This will help to support our employees who have caring responsibilities by allowing unpaid special leave for up to five days to care for dependants.

Managers are encouraged to access the following so they can appropriately support any employees who have mental health concerns:

- HSE Stress Awareness workshops;
- Civil Service Learning which includes Mental Health at Work and Wellbeing and Resilience.

HR also promote and encourage managers to discuss the support tools and initiatives available with team members. These are:

- Employee Assistance Programme (EAP);

- occupational health;
- stress risk assessments;
- workplace adjustment;
- carer's passports.

# Accountability: Parliamentary accountability report

The report brings together the key Parliamentary accountability disclosures.

## Regularity of expenditure

Claims waived or abandoned include debts where a company has gone into liquidation or administration.

Special payments made by HSE to staff and members of the public amounted to 2 cases during 2023/24 totalling £189 (2022/23: 3 cases to the value of £75,000).

### Table 23 Losses and special payments (this information is subject to audit)

	<i>2023/24</i> <i>No of cases</i>	<i>2023/24</i> <i>£'000</i>	<i>2022/23</i> <i>No of cases</i>	<i>2022/23</i> <i>£'000</i>
Cash losses	46	3	25	-
Claims waived or abandoned	923	1 091	1 233	2 024
Fruitless payment	1	-	2	-
Stock, stores and obsolete publications	-	-	3	-
<b>Total losses</b>	<b>970</b>	<b>1 094</b>	<b>1 263</b>	<b>2 024</b>

	2023/24 No of cases	2023/24 £'000	2022/23 No of cases	2022/23 £'000
Special payments <sup>20</sup>	2	-	3	75
<b>Total losses and special payments</b>	<b>972</b>	<b>1 094</b>	<b>1 266</b>	<b>2 099</b>

## HSE fees and charges

The table below includes information regarding HSE's significant statutory chargeable activities which generate fees of more than £1 million. HSE's fees and charges are set in accordance with the principals set out in its Fees and Charges policy.<sup>21</sup>

The financial objective of each regime is to fully recover our costs and not make significant surplus or deficit. In both 2023/24 and 2022/23, we made a significant deficit on biocides and plant protection fees. To address that, we are currently reviewing fees regulations in this area to ensure we return to full cost recovery.

20 Special payments made by HSE to staff and members of the public amounted to 2 cases during 2023/24 totalling £189 (2022/23: 3 cases to the value of £75 000). There have been no cases where individually they amount to more than £300,000.

21 <https://www.hse.gov.uk/fee-for-intervention/assets/docs/hse-costing-and-pricing.pdf>.

## Table 24 HSE fees and charges (this information is subject to audit)

	2023/24			2022/23		
	<i>Income £'000</i>	<i>Costs £'000</i>	<i>Surplus/ (Deficit) £'000</i>	<i>Income £'000</i>	<i>Costs £'000</i>	<i>Surplus/ (Deficit) £'000</i>
Enforcement of offshore safety regulation	<b>18 010</b>	<b>18 188</b>	<b>(178)</b>	18 452	18 610	(159)
Control of major hazards	<b>9 240</b>	<b>9 457</b>	<b>(217)</b>	10 349	9 961	388
Biocides and plant protection <sup>22</sup>	<b>18 716</b>	<b>22 126</b>	<b>(3 410)</b>	15 808	19 120	(3 312)
UK REACH <sup>23</sup>	<b>5 855</b>	<b>5 503</b>	<b>352</b>	4 686	4 673	13
Fee for intervention	<b>15 380</b>	<b>15 823</b>	<b>(443)</b>	14 292	14 137	155
BSR	<b>2 701</b>	<b>3 092</b>	<b>(391)</b>	-	-	-
<b>Total</b>	<b>69 902</b>	<b>74 189</b>	<b>(4 287)</b>	63 587	66 501	(2 915)
Other HSE fees	<b>2 368</b>			2 728		

22 Biocides and Plant Protection now includes income from DEFRA to fund pesticide policy functions that HSE undertakes. This has been reclassified from Other Operating Income.

23 Under the European Union (Withdrawal) Act 2018, the EU REACH Regulation was brought into UK law on 1 January 2021 and is known as UK REACH (REACH – Registration, Evaluation, Authorisation and restriction of Chemicals).

	<b>2023/24</b>			<b>2022/23</b>		
	<b>Income</b>	<b>Costs</b>	<b>Surplus/</b>	<b>Income</b>	<b>Costs</b>	<b>Surplus/</b>
	<b>£'000</b>	<b>£'000</b>	<b>(Deficit)</b>	<b>£'000</b>	<b>£'000</b>	<b>(Deficit)</b>
			<b>£'000</b>			<b>£'000</b>
<b>Total fees and charges</b>	<b>72 270</b>			<b>66 315</b>		

\* See Note 4 in the Financial Statements



**Sarah Albon**

Chief Executive and Accounting Officer

Health and Safety Executive

22 November 2024

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Health and Safety Executive for the year ended 31 March 2024 under the Health and Safety at Work etc Act 1974.

The financial statements comprise the Health and Safety Executive's

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Health and Safety Executive's affairs as at 31 March 2024 and



its net operating expenditure for the year then ended;  
and

- have been properly prepared in accordance with the Health and Safety at Work etc Act 1974 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK).(ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Health and Safety Executive in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Health and Safety Executive's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Health and Safety Executive's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Chief Executive with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Health and Safety Executive is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## **Other information**

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Chief Executive is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Opinion on other matters**

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in

accordance with Secretary of State directions issued under the Health and Safety at Work etc Act 1974.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Health and Safety at Work etc Act 1974; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## **Matters on which I report by exception**

In the light of the knowledge and understanding of the Health and Safety Executive and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Health and Safety Executive or returns adequate for my audit have not been received from branches not visited by my staff; or

- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Responsibilities of the Chief Executive for the financial statements**

As explained more fully in the Statement of Chief Executive's Responsibilities, the Chief Executive is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;

- providing the C&AG with unrestricted access to persons within the Health and Safety Executive from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Health and Safety at Work etc Act 1974;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Health and Safety at Work etc Act 1974; and
- assessing the Health and Safety Executive's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive anticipates that the services provided by the Health and Safety Executive will not continue to be provided in the future.

# **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Safety at Work etc Act 1974.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Extent to which the audit was considered capable of detecting noncompliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting noncompliance with laws and regulations, including fraud, is detailed below.

## **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of noncompliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Health and Safety Executive's accounting policies;
- inquired of management, the Health and Safety Executive's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Health and Safety Executive's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Health and Safety Executive's controls relating to the Health and Safety Executive's compliance with the Health and Safety at Work etc Act 1974 and Managing Public Money;



- enquired of management, the Health and Safety Executive's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant external property specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Health and Safety Executive for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Health and Safety Executive's framework of authority and other legal and regulatory frameworks in which the Health and Safety Executive operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Health and Safety Executive. The key laws and regulations I

considered in this context included Health and Safety at Work etc Act 1974, Managing Public Money, employment law and tax legislation.

## **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments, assessing whether the judgements on estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud through revenue recognition, I tested a sample of fees and charges transactions and other operating income contracts,

including testing the recognition of accrued and deferred income.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

## **Other auditor's responsibilities**

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

# Report

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

26 November 2024

# Financial statements

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

(The notes on pages 192-235 form part of these accounts.)

	<i>Notes</i>	<b>2023/24</b> <b>£'000</b>	<b>2022/23</b> <b>£'000</b>
Staff costs	3	<b>192 485</b>	169 942
Other operating costs	4	<b>120 555</b>	91 553
<b>Total operating expenditure</b>		<b>313 040</b>	261 495
Fees and charges	5	<b>(72 270)</b>	(66 315)
Other operating income	5	<b>(33 152)</b>	(29 694)
Total income		<b>(105 422)</b>	(96 009)
<b>Net operating expenditure</b>		<b>207 618</b>	165 486
<b>Other comprehensive net expenditure</b>			
Items which will not be reclassified to net operating costs: Net loss on revaluation of property, plant and equipment		<b>(4 207)</b>	1 967
<b>Comprehensive net expenditure</b>		<b>203 411</b>	167 453

All income and expenditure for the year ended 31 March 2024 is derived from continuing operations.

# Statement of financial position as at 31 March 2024

(The notes on pages 192-235 form part of these accounts.)

	<i>Notes</i>	<i>2023/24</i> <i>£'000</i>	<i>2022/23</i> <i>£'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	6	100 897	100 672
Right of Use assets	8	16 999	18 356
Intangible assets	7	7 628	1 215
Trade and other receivables due after more than one year	9	2 106	1 508
<b>Total non-current assets</b>		<b>127 630</b>	<b>121 751</b>
<b>Current assets</b>			
Trade and other receivables	9	56 991	46 368
Cash and cash equivalents	10	-	-
<b>Total current assets</b>		<b>56 991</b>	<b>46 368</b>
<b>Total assets</b>		<b>184 621</b>	<b>168 119</b>
<b>Current liabilities</b>			
Trade and other payables	11	(57 071)	(56 358)
Provisions and pension liabilities	12	(81)	(76)
<b>Total current liabilities</b>		<b>(57 152)</b>	<b>(56 434)</b>
<b>Total assets less current liabilities</b>		<b>127 469</b>	<b>111 685</b>
<b>Non-current liabilities</b>			
Other payables	11	(142 526)	(87 287)
Pension liabilities	12	(806)	(913)

	<i>Notes</i>	<i>2023/24</i> <i>£'000</i>	<i>2022/23</i> <i>£'000</i>
<b>Total non-current liabilities</b>		<b>(143 332)</b>	(88 200)
<b>Total assets less total liabilities</b>		<b>(15 863)</b>	23 485
<b>Taxpayers' equity</b>			
General fund		(55 292)	(11 737)
Revaluation reserve		39 429	35 222
<b>Total taxpayers' equity</b>		<b>(15 863)</b>	23 485



## **Sarah Albon**

Chief Executive and Accounting Officer

Health and Safety Executive

22 November 2024

# Statement of cash flows for the year ended 31 March 2024

(The notes on pages 192-235 form part of these accounts.)

	Notes	2023/24 £'000	2022/23 £'000
<b>Cash flows from operating activities</b>			
Net operating cost		(207 618)	(165 486)
Adjustments for non-cash transactions		28 805	12 057
Less PFI and lease interest costs*	4	10 277	5 507
(Increase)/decrease in trade and other receivables	9	(11 221)	(1 420)
Less movements in receivables relating to impairments	4	(1 471)	(1 882)
Increase/(decrease) in trade payables	11	3 834	(1 972)
Movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		(7 862)	2 627
Use of provisions	12	(76)	(68)
<b>Net cash outflow from operating activities</b>		<b>(185 332)</b>	<b>(150 637)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(4 641)	(3 728)
Purchase of intangible assets		(5 240)	(1 042)
Proceeds of disposal of property, plant and equipment		7	175



	Notes	2023/24 £'000	2022/23 £'000
<b>Net cash outflow from investing activities</b>		<b>(9 874)</b>	<b>(4 595)</b>
<b>Cash flows from financing activities</b>			
Funding from DWP		216 206	165 751
Capital element of payments in respect of PFI contracts	11	(8 356)	(3 384)
Repayment of principal on IFRS16 leases	11	(2 341)	(2 570)
Interest charges on PFI and lease contracts*	4	(10 277)	(5 507)
<b>Net financing</b>		<b>195 232</b>	<b>154 290</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to Consolidated fund</b>		<b>26</b>	<b>(942)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b>(110)</b>	<b>832</b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b>(84)</b>	<b>(110)</b>

\* interest charges on PFI and leases have been reclassified from operating activities to financing activities for clarity

# Statement of changes in taxpayers' equity for the year ended 31 March 2024

(The notes on pages 192-235 form part of these accounts.)

	Notes	General Fund £'000	Revaluation Reserve £'000	Total Reserves
Balance at 31 March 2022		(12 002)	37 189	25 187
Parliamentary funding received		165 751	-	165 751
Comprehensive net expenditure for the year		(167 453)	-	(167 453)
Movements in reserves:				
Net gain/(loss) on revaluation of land and buildings	4,6		(1 967)	(1 967)
Recognised in Statement of Comprehensive Net Expenditure		1 967	-	1 967
<b>Balance at 31 March 2023</b>		<b>(11 737)</b>	<b>35 222</b>	<b>23 485</b>
Cumulative catch-up adjustment on adoption of IFRS 16 for PFI contracts	2	(52 143)	-	(52 143)
<b>Balance as at 1 April 2023</b>		<b>(63 880)</b>	<b>35 222</b>	<b>(28 658)</b>
Parliamentary funding received		216 206	-	216 206
Comprehensive net expenditure for the year		(203 411)	-	(203 411)
Movements in reserves:				

	Notes	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Net gain/(loss) on revaluation of land and buildings	4,6		4 207	4 207
Recognised in Statement of Comprehensive Net Expenditure		(4 207)	-	(4 207)
<b>Balance at 31 March 2024</b>		<b>(55 292)</b>	<b>39 429</b>	<b>(15 863)</b>

# Notes to the Accounts

## 1 Statement of accounting policies

### 1.1 Basis of preparation and statement of compliance

These accounts have been prepared on a going concern basis, in accordance with the 2023/24 Government Financial Reporting Manual (FReM) and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury.

The functions and purpose of HSE are delivered in accordance with the Health and Safety at Work etc Act 1974, under statutory funding from the Department for Work and Pensions (DWP). HSE has no reason to assume that its current funding, functions and purpose will not continue.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, that which is judged to be most appropriate for the purposes of giving a true and fair view has been selected. The particular accounting policies adopted by HSE are set out below. They have been applied consistently in

dealing with the items that are considered material in relation to the accounts.

## **1.2 Accounting standards, interpretations and amendments**

We have adopted all IFRS, International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments to published standards that were effective at 1 April 2023. We've also taken into account the specific interpretations and adaptations included in the FReM.

### ***Insurance Contracts (IFRS 17) effective from 1 April 2025***

The International Accounting Standards Board (IASB) has issued IFRS 17 Insurance Contracts, which replaces IFRS 4 Insurance Contracts. It is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2025. We do not expect IFRS 17 to have a material impact on our financial statements. Guidance has yet to be issued to government departments on the interpretation of this standard.

## **1.3 Accounting convention**

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of certain assets and

liabilities at fair value, as determined by the relevant IFRS.

## 1.4 Areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure.

These are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an ongoing basis and at least annually.

### ***Specific areas of judgement include:***

**Non-current asset revaluations:** We obtain professional RICS valuations for our two Private Financial Initiative (PFI) buildings where changes in valuation could potentially be material. Redgrave Court is valued on an existing use basis, using market evidence. Buxton Laboratory is valued on a depreciated replacement cost basis; the gross rebuild cost is estimated using the latest RICS approved construction cost indices. This cost is then reduced for factors relating to age of the building and an estimate for functional obsolescence. Functional obsolescence recognises that our requirements have changed, and the design of the building would therefore be different

now than when commissioned prior to the design and build.

In accordance with **IFRS 16 Leases**, HSE defines the capitalised lease term as the non-cancellable period of the lease, together with an assessment by management about whether we are reasonably certain to exercise extension options (for example, where we are in a rolling one-year agreement). This is completed by assessing our future organisational strategy, together with long-term estate plans and is reassessed at each reporting period.

The **recoverability of trade receivables** is reviewed annually at year-end as well as periodically during the year. HSE recognises expected credit losses using a forward-looking model that assesses the recoverability across its debt population. The model segregates debt into performing and non-performing categories. We apply a combination of historical recoverability trends and our assessment of the likely collectability of significant individual debts based on payment performance and any information about the financial status of the company. The result is applied in accordance with IFRS 9.

### ***Capitalisation of intangibles***

We capitalise internally developed software if it meets the criteria in IAS 38 (Intangible Assets). Such costs comprise particular activity during the Beta phase of projects to develop digital assets,

which we measure through activity recording for both internal staff and external suppliers and contractors. Our judgements about technical feasibility, intention to complete and use or impair the asset, are informed by HSE's programme governance, taking expert advice from digital and project professionals. This is overseen by our Portfolio Board, which is responsible for governance of all significant change projects.

### ***UEL of newly created digital assets***

The Useful Economic Life of newly created Digital Assets is based on an assessment of each asset and the expectations of how it will be used and further development. Factors we consider include whether technology platforms procured commercially have finite lives, any external technological changes and the likelihood or need for future improvements and modifications.

## **1.5 Employee benefits**

In accordance with IAS 19 Employee Benefits, short-term employee benefits, such as salaries and paid absences, are accounted for on an accruals basis over the period for which employees have provided service in the year.

Bonuses are recognised when HSE has a present obligation as a result of past service and the obligation can be measured reliably. When payable, organisational bonuses are accrued in the year



to which the performance relates and paid in the following financial year. HSE calculates annual leave balances using an estimate of the amount of annual and flexi-leave that staff have accumulated at year-end.

## **1.6 Value added tax**

Most of HSE's activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

## **1.7 Income**

Income is reported by significant streams in accordance with IFRS 15. It principally comprises fees and charges and commercial services provided on a full cost basis to external customers, and is recorded net of VAT.

### ***Income from customer contracts***

The transaction price is the amount of consideration HSE expects to be entitled to in exchange for transferring commercial services to a customer, excluding amounts collected on behalf of third parties. This is determined to be the fixed price agreed with the customer for the majority of

commercial contracts. That price is calculated in accordance with methodology set out in our costing and pricing policy.

The majority of income relating to customer contracts (those with a value above £25k) is recognised, in proportion to the stage of completion of the project. Income from low-value contracts is recognised evenly over the expected period of the contract. HSE's performance obligations are satisfied when the service has been fully delivered, for example completion of a report for the customer.

### ***Prosecution cost recovery***

Income relating to prosecution costs is recognised when, and to the extent that, the Court has awarded costs to HSE. This can be less than the full cost of the work carried out as the award is at the discretion of the Court.

### ***Fees and charges***

Income from fees and charges relates to certain activities carried out by HSE, where legislation allows it to recover the cost of delivering regulatory functions. This income is recognised over time as the chargeable activities are performed and payment becomes due. In line with IFRS 15, the statutory work has no alternative use for HSE and this payment would be required for the work done to date. This method is considered appropriate as it recognises that this represents the amount HSE would be entitled to based on performance to date.

- Income relating to biocides and plant protection is recognised over time. Depending on the type of work being delivered, fees can be fixed or costs recovered based on the actual cost to HSE. Income is then recognised in relation to the stage of completion of the project.
- Initially, fee for intervention (FFI) income is recognised at a point in time when it is identified that a material breach has taken place. After this decision point, income is recognised over time as costs are incurred. Income is recognised based on published hourly rates for work done by HSE staff plus other recoverable costs.
- Income relating to enforcement of offshore safety legislation and control of major accident hazards is recognised over time and is based on published hourly rates for work done by HSE staff plus other recoverable costs.
- Income relating to building safety legislation commenced from 1 October 2023. Cost recovery consists of:
  - fixed fees - these are charged for registrations of registered building control approvers (RBCAs), registered building inspectors (RBIs) and high-rise buildings (HRBs), which can be valid for between one and five years. The initial recognition point is when the registration is initially processed by HSE and the application or building is added

to the register. Income is then released across the financial periods over which HSE's performance obligation is discharged, corresponding with the duration of the registration period. It is based on the value of service the dutyholder receives during the approved period;

- annual maintenance charges for RBCAs and RBIs - these are recognised across the financial year over which the support service is provided;
- hourly rates - these are charged for the assessment of RBCA applications as well as a range of building control, investigation and audit activities. They are recognised over time as the work is carried out. They are based on published hourly rates for work done by HSE staff plus other recoverable costs.

## **1.8 Non-current assets**

Assets are capitalised where they have an expected useful life of more than one year and where the original cost of the item exceeds the capitalisation threshold. Property, plant and equipment are stated at fair value. However, as permitted by the FReM, HSE has elected to adopt a depreciated historical cost basis as a proxy for fair value where non-property assets have a short useful economic life or are of relatively low value.

This therefore applies to IT hardware, plant and machinery, motor vehicles and furniture.

Land and buildings are initially measured at cost, restated to current market value using external professional valuations at least every five years and in the intervening years by use of regular desktop valuations. Land and buildings are valued on an existing use basis except for the specialist laboratory site in Buxton, which has been included at depreciated replacement cost. Expenditure in respect of major capital refurbishment and improvement of properties occupied, but not owned by HSE, is capitalised because the expenditure provides a long-term continuing benefit for HSE.

### ***Intangible assets***

Whether acquired externally or generated internally, intangible assets are initially measured at cost, with subsequent measurement at valuation. Where an active market exists for the asset, it is carried at a revalued amount based on fair value at the end of the reporting period. Where no active market exists, we revalue assets using appropriate indices to indicate depreciated replacement cost as an alternative for fair value. We revalue internally developed software and software licences using the most recent Office for National Statistics published indices. No revaluation has been recognised during 2023/24 as the effect was immaterial.

## ***Internally developed software***

Internally developed software is capitalised if it meets the criteria specified in IAS 38 Intangible Assets. Expenditure that does not meet the criteria is recognised as an expense in the year in which it is incurred. We classify development costs as assets under the course of construction until the asset is available for use. At that point, we transfer it to the relevant asset class.

**Website development costs** are capitalised in line with the requirements of SIC 32 Website Costs and the specific criteria as determined by IAS 38 Intangible Assets.

Individual purchased software licences and applications are capitalised at cost as intangible assets if the licence is greater than one year and costs more than £100,000. Spending on annual software licences is charged to the SoCNE when incurred. Multi-year software as a service agreement, comprising software licence and service elements paid for on a subscription basis, are reviewed individually to determine the extent of the service provision. Any licensing component in the agreement is assessed against IAS 38 (Intangible assets) to determine whether it meets the criteria for recognition as an intangible asset. Where it does meet the criteria, a threshold of £100k is applied. We later revalue these using appropriate indices as a proxy for fair value.

## ***Capitalisation and depreciation/amortisation***

The charge for depreciation or amortisation is calculated to write down the cost or valuation of property, plant and equipment and intangible assets to their estimated residual values by equal instalments over their estimated useful lives. No depreciation or amortisation is charged in the month of disposal. The following thresholds/useful lives apply to each category.

<i>Asset category</i>	<i>Threshold</i>	<i>Depreciation/amortisation period</i>
Freehold buildings	n/a	Remaining life as assessed by valuers
Leasehold buildings	n/a	Period remaining on lease or next rent review
PFI buildings	n/a	60 years' designated life
Leasehold improvements	£100 000	Remaining lease period, up to 20 years
Individual IT assets	£1 000	2 to 7 years
Plant and machinery	£1 000	3 to 10 years on initial recognition. Scientific equipment and major facilities are reviewed annually and can be re-lived beyond 10 years
Individual furniture and fittings	£1 000	2 to 15 years (except 30 years Buxton PFI)
Motor vehicles	£1 000	3 to 10 years
Internally developed digital systems	£100 000	5 to 10 years depending on an assessment of each asset and expectations about how it will be used and further development
Individually purchased software licences	£100 000	5 to 10 years or licence period if shorter

<i>Asset category</i>	<i>Threshold</i>	<i>Depreciation/amortisation period</i>
Minor software and digital products	£1 000	2 to 5 years depending on the licence period.
Websites	£100 000	5 years or licence period if shorter

Assets are grouped by UEL

### ***Revaluation and impairment***

Increases in value are credited to the Revaluation Reserve, unless they reverse a previous impairment, in which case they are credited to the SoCNE. All assets are reviewed for impairment if circumstances indicate that the carrying amount may not be recoverable. In accordance with the FReM, impairment losses that result from clear consumption of economic benefit or service potential are recognised in the SoCNE.

Downward revaluations, resulting from changes in market value, only result in an impairment where the asset is revalued below its historic cost carrying amount. In these cases, the accounting treatment is as for any other impairment, with amounts being first set against any accumulated balance in the revaluation reserve, and any amount in addition to this being recognised and recorded in the SoCNE.

## **1.9 Financial instruments**

Financial assets and liabilities are recognised when HSE becomes party to the contracts that give rise to them. IFRS 9 requires disclosure of financial instruments by classification, but our assessment is



that all of HSE's asset and liabilities are sufficiently basic to be measured at amortised cost.

To calculate expected credit losses, we segment our trade receivables into categories based on historical recoverability trends. We use historic analysis of invoices outstanding at year-end and combine this with an assessment on the recoverability of significant receivables. The performance analysis is then used to calculate impairment rates across the remainder of the debt population. The calculation of expected credit losses is explained further in 1.4 Areas of Judgement.

Our debt policy involves writing off balances when there is no reasonable expectation of recovery, usually when an insolvency practitioner has provided evidence that a company will no longer continue to trade, and no further enforcement action is possible.

## **1.10 Provisions**

Provisions are recognised in accordance with IAS 37 and are valued using the best estimate of the expenditure required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury.

## 1.11 Pensions

Past and present employees are covered by the provisions of the PCSPS and Civil Servants and Others Pension Scheme (alpha), which are unfunded, defined benefit, contributory, public service occupational pension schemes made under the Superannuation Act 1972. HSE recognises the expected cost of future pension liabilities in a systematic and rational basis over the period during which it benefits from employees' services, by payment to the PCSPS/alpha of amounts calculated on an accruing basis.

Liability for payment of future benefits is a charge on the PCSPS/alpha. In respect of the defined contribution schemes, HSE recognises the contributions payable for the year.

HSE pays a pension to certain former Chairs, based on what they would receive had they been members of the PCSPS. The pension liability is valued each year using published actuarial assumptions and the full amount calculated is treated as a provision.

## 1.12 Leases

HSE applies IFRS 16 Leases which requires recognition of assets and liabilities for all leases in the Statement of Financial Position (SoFP), with exemption given to low-value leases and short-term leases, ie those with lease terms of less than 12

months. The adoption of the standard results in the recognition of a right-of-use asset, representing a right to use the underlying leased asset and a lease liability, and therefore an obligation to make lease payments.

### ***HSE as a lessee***

Right-of-use assets are measured at an amount equal to the lease liability, adjusted by any prepaid or accrued lease payments. HSE uses HM Treasury's central internal rate of borrowing when it cannot obtain the rate implicit in the lease contract.

A contract is defined as 'a contract, or a part of a contract that conveys the right to use an asset for a period of time in exchange for consideration'. The definition of a contract is expanded to include intra-UK government agreements. This includes, for example, agreements termed Memorandum of Terms of Occupation (MOTO) for leasing office space.

We apply the following recognition exemptions:

- leases with a lease term of 12 months or less and containing no purchase options;
- leases where the underlying asset has a low value which we align to our capitalisation policy thresholds (see Note 1.8).

## ***Lease term***

HSE define the lease term as the non-cancellable period of the lease, together with an assessment on whether it is reasonably certain to exercise break options or extension options (such as where HSE is in a longer-term rolling one-year agreement). HSE reassesses this if there are changes in circumstances that were not anticipated at commencement.

## ***Measurement of right-of-use assets***

Initial measurement is at the commencement date. HSE measures the right-of-use asset at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received.

## ***Depreciation of right-of-use assets***

Right-of-use assets are depreciated on a straight-line basis from commencement date to the end of the lease term.

## ***HSE as lessor***

Income relating to sub-leases is recognised over the life of the lease, in accordance with the formal lease agreement or memorandum of terms of occupation. Most of HSE's activity as a

lessor (either by formal sub-lease to the Office for Nuclear Regulation or Memorandum of Terms of Occupation) relates to its headquarters building in Bootle with some minor arrangements at Basingstoke, Glasgow and Aberdeen for 2023/24. HSE maintains regular dialogue with tenants about their strategic estate plans and potential impact on HSE's future financial position. It also works closely with the Government Property Agency and DWP to ensure any future sub-let opportunities for space are proactively progressed to minimise the financial risk to HSE and provide value to the taxpayer.

## **1.13 Private Finance Initiative (PFI) transactions**

PFI transactions have been accounted for in accordance with IFRIC 12 and from 1 April 2023 IFRS 16 (before 1 April 2023 IAS 17), as interpreted for the public sector. The transition between IAS 17 and IFRS 16 is documented in Note 2, including the remeasurement as at 1 April 2023 in accordance with the 2023/24 FReM. The new standard requires us to include the indexed unitary payment (known as 'contingent rent') as a repayment of liability rather than an expense. Where HSE has control over PFI assets, or where the balance of risks and rewards of ownership are borne by HSE, the asset is recognised and the liability to pay for it is accounted for as a finance obligation. Contract payments are apportioned between a reduction in

capital obligation, an imputed finance lease charge and a service charge (which is separately treated as an expense). This apportionment is estimated using the value of services charges included in the base payment calculated in the closing financial operator model. This methodology is compliant with FReM.

Where HSE does not have control over the PFI asset and the balance of risks and rewards of ownership are borne by the PFI contractor, the PFI payments are recorded as an expense. Where HSE has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract. Where at the end of the PFI contract a property reverts to HSE, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year.

## **1.14 Contingent liabilities**

Contingent liabilities are disclosed in the notes to the accounts in accordance with IAS 37. HSE also discloses, for Parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities which have been reported to Parliament in accordance with the requirements of Managing Public Money. Where the time value of money is material, contingent liabilities are stated at discounted amounts.

## **1.15 Operating segments**

IFRS 8 requires operating segments to be identified on the basis of internal reports about parts of HSE that are regularly reviewed by the Chief Operating Decision Maker to allocate resources to the segments and to assess their performance. The Board has identified the Chief Executive as the Chief Operating Decision Maker. The Chief Executive reviews HSE's operational and financial performance at an aggregated level and these accounts do not include a statement of operating costs by operating segment.

## **2 HSE PFI liability – Impact on transition from IAS 17 and implementing IFRS 16**

HSE has two ongoing contracts under the Private Finance Initiative (PFI) for office and laboratory accommodation at Redgrave Court, Bootle and the HSE Science and Research Centre, Buxton. Both leased buildings are on-balance sheet and we detail the liabilities in Note 8.

The FReM 2023-24 requires PFI liabilities to be measured on an IFRS 16 basis from 1 April 2023. This reflects the indexation factors in actual payments since the inception of the arrangement. Historically, the liability was calculated on an IAS 17 basis which measures the liability differently. The

FReM's cumulative catch-up approach requires HSE to record a transition adjustment to revalue the liability under IFRS 16. This has resulted in a transition adjustment through the General Fund (visible in the SoCTE). The comparative information is not restated.

Both Redgrave Court and Buxton contracts are subject to RPI uplifts from 1 April each year. The unitary payments for both buildings contain a significant element of contingent rent (the increase resulting from those annual RPI uplifts). This note sets out the impact of transitioning to IFRS 16 from IAS 17 for each building.

### Redgrave Court, Bootle

		<i>£'000</i>
Present value of obligations under IAS 17	31 March 2023	38 366
IFRS 16 Remeasurement	1 April 2023	26 771
<b>Present value of obligations under IFRS 16</b>	<b>1 April 2023</b>	<b>65 137</b>

### HSE Science and Research Centre, Buxton

		<i>£'000</i>
Present value of obligations under IAS 17	31 March 2023	36 377
IFRS 16 Remeasurement	1 April 2023	25 372
<b>Present value of obligations under IFRS 16</b>	<b>1 April 2023</b>	<b>61 749</b>



## Total impact

		£'000
Present value of obligations under IAS 17	31 March 2023	74 743
IFRS 16 Remeasurement	1 April 2023	52 143
<b>Present value of obligations under IFRS 16</b>	<b>1 April 2023</b>	<b>126 886</b>

## Impact on Note 4 – operating costs

The revised accounting treatment for PFI has also resulted in a change to costs moving through the SoCNE. The unitary payments are not affected by the change, but payments are classified on a different basis between capital, interest and contingent rent. The table below sets out the impact on the SoCNE at 31 March 2024.

	<i>2023/24</i>	<i>IAS 17</i>	<i>IFRS 16</i>	<i>Change</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
PFI service charges		22 658	11 554	(11 104)
PFI interest charges		5 258	10 277	5 019
Remeasurement of PFI liability following RPI uplift at 1 April 2023		-	17 292	17 292
Total impact on SoCNE				11 207

## Impact on Note 11 Trade and other payables

	<i>2023/24</i>	<i>IAS 17</i>	<i>IFRS 16</i>	<i>Change</i>
			<i>£'000</i>	<i>£'000</i>
PFI contracts (within one year)		3,832	8 598	4 766
Imputed finance lease element of PFI contracts		67 226	127 225	59 999
Total impact on SoCNE				64 765

### 3 Staff costs

	2023/24			2022/23
	<i>Permanently employed staff</i>	<i>Others *</i>	<i>Total</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Wages and salaries	<b>133 247</b>	10 009	<b>143 256</b>	124 625
Employers' National Insurance <sup>24</sup>	<b>14 808</b>	-	<b>14 808</b>	13 796
Pension costs	<b>33 795</b>	-	<b>33 795</b>	31 271
Lump sum exit costs	<b>626</b>	-	<b>626</b>	250
<b>Total (as reported in the SoCNE)</b>	<b>182 476</b>	<b>10 009</b>	<b>192 485</b>	169 942
Less recoveries in respect of outward secondments	<b>(173)</b>	-	<b>(173)</b>	-
<b>Total net costs</b>	<b>182 303</b>	<b>10 009</b>	<b>192 312</b>	169 942

\* Temporary staff not on HSE's payroll, who may include agency workers, specialist contractors, interim managers, secondees etc.

Further detail about the staff costs and the number of people employed by HSE is included on pages 149 to 153 of the Accountability report.

24 Includes Apprenticeship Levy payments of £634k during 2023/24 (2022/23 £559k).

## 4 Other operating costs

	<i>notes</i>	<b>2023/24</b>	<b>2022/23</b>
		<b>£'000</b>	<b>£'000</b>
Rentals under operating leases		<b>238</b>	-
PFI service charges <sup>25</sup>		<b>11 554</b>	18 037
PFI Interest and finance lease charges <sup>25</sup>		<b>10 277</b>	5 507
Right-of-use asset interest charges		<b>299</b>	322
Auditor's remuneration – Statutory audit <sup>26</sup>		<b>165</b>	119
Accommodation		<b>12 555</b>	9 562
Travel and subsistence		<b>5 798</b>	4 813
IT expenditure and telecoms		<b>25 242</b>	15 376
Legal costs		<b>4 100</b>	4 430
Staff development and training		<b>1 811</b>	1 857
Publications		<b>847</b>	613
Publicity		<b>1 331</b>	977
Recruitment		<b>772</b>	932

25 PFI service and interest charges relate to provision of accommodation for Redgrave Court, Bootle and Laboratory/IT services in Harpur Hill, Buxton. PFI transactions have been accounted for in accordance with IFRS 16, as interpreted for the public sector. The transition between IAS 17 and IFRS 16 is documented in Note 2, including the remeasurement as at 1 April 2023 in accordance with the 2023/24 FReM

26 During the year, HSE has not purchased any non-audit services from its auditor, National Audit Office (NAO).

	<i>notes</i>	<b>2023/24</b>	<b>2022/23</b>
		<b>£'000</b>	<b>£'000</b>
Shared services costs <sup>27</sup>		<b>3 018</b>	2 275
Scientific sub-contract technical support		<b>1 983</b>	1 974
Scientific equipment		<b>2 274</b>	2 250
Research and development		<b>1 989</b>	809
COVID National Core Study (Transmission and Environment) <sup>28</sup>		-	4 212
Pesticides – purchase of samples		<b>1 332</b>	1 214
Chemicals Regulation testing		<b>2 254</b>	1 463
Other expenditure		<b>3 723</b>	2 579
<b>Other operating costs</b>		<b>91 562</b>	79 321
Non-cash items:			
Depreciation and amortisation of non-current assets	6, 7	<b>6 409</b>	6 505
Remeasurement of PFI liability following RPI uplift at 1 April 2023		<b>17 292</b>	-
Charge for expected future credit losses		<b>1 471</b>	1 882
Charge to SoCNE for losses on revaluation of land & buildings		<b>812</b>	1 179
Loss/(gain) on disposal of non-current assets		<b>105</b>	(60)
Depreciation and amortisation of non-current assets - IFRS16	8	<b>2 742</b>	2 679
Movement in provisions	12	<b>(26)</b>	(128)
Training funded through Apprenticeship Levy		<b>188</b>	176

27 Shared services costs include the provision of finance, HR and procurement transactional processing provided by Shared Services Connected Ltd and Internal Audit Services provided by the Government Internal Audit Agency.

28 The National Core Studies Programme concluded on 31 March 2023.

	<i>notes</i>	<b>2023/24</b>	<b>2022/23</b>
		<b>£'000</b>	<b>£'000</b>
<b>Total non-cash items</b>		<b>28 993</b>	12 233
<b>Total operating costs</b>		<b>120 555</b>	91 554

## 5 Income

	<b>2023-24</b>	<b>2022-23</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fees and charges</b>		
Biocides and plant protection	<b>18 716</b>	15 808
Control of major accident hazards	<b>9 240</b>	10 349
Enforcement of offshore safety legislation	<b>18 010</b>	18 452
Fee for intervention	<b>15 380</b>	14 292
BSR	<b>2 701</b>	-
UK REACH <sup>29</sup>	<b>5 855</b>	4 686
Other fees and charges	<b>2 368</b>	2 728
<b>Total fees and charges</b>	<b>72 270</b>	66 315
<b>Other operating income</b>		
Prosecutions	<b>4 531</b>	2 956
Income from customer contracts <sup>30</sup>	<b>13 916</b>	13 714
Income from estate sublets	<b>11 701</b>	10 725

29 UK REACH (Registration, Evaluation, Authorisation and restriction of Chemicals).

30 Income from customer contracts is earned from discretionary activity (which HSE has no statutory responsibility to provide) undertaken for any external organisation (excludes accommodation recharges).

	<b>2023-24</b>	<b>2022-23</b>
	<b>£'000</b>	<b>£'000</b>
Other income <sup>31</sup>	<b>3 004</b>	<b>2 299</b>
<b>Total other operating income</b>	<b>33 152</b>	<b>29 694</b>
<b>Total income</b>	<b>105 422</b>	<b>96 009</b>

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31 Other Income includes non-cash drawdown of the funding associated with the Apprenticeship Levy £188k (2022/23 £176k).

# 6 Property, plant and equipment

2023/24	Land	Buildings	Leasehold improve- ments	Information technology	Motor vehicles	Plant and machinery	Furniture Assets under and fittings construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation opening balance at 1 April 2023	4 028	78 517	10 150	14 933	1 016	22 986	8 557	3 991 144 178
Reclassifications	-	12	115	1 808	-	392	-	(2 327)
Additions	-	913	37	606	43	815	(7)	213 2 620
Revaluations	(150)	1 901	-	-	-	-	-	1 751
Disposals	-	-	-	(2 504)	(24)	(4 931)	(491)	(7 950)
<b>Balance at 31 March 2024</b>	<b>3 878</b>	<b>81 343</b>	<b>10 302</b>	<b>14 843</b>	<b>1 035</b>	<b>19 262</b>	<b>8 059</b>	<b>1 877 140 599</b>
<b>Depreciation opening balance 1 April 2023</b>	<b>-</b>	<b>1 538</b>	<b>7 659</b>	<b>9 274</b>	<b>739</b>	<b>18 884</b>	<b>5 412</b>	<b>- 43 506</b>
Charge	-	2 117	425	1 782	72	811	584	- 5 791
Revaluations	-	(1 645)	-	-	-	-	-	(1 645)
Disposals	-	-	-	(2 504)	(50)	(4 931)	(465)	(7 950)
<b>Accumulated depreciation at 31 March 2024</b>	<b>-</b>	<b>2 010</b>	<b>8 084</b>	<b>8 552</b>	<b>761</b>	<b>14 764</b>	<b>5 531</b>	<b>- 39 702</b>
<b>Net book value at 31 March 2024</b>	<b>3 878</b>	<b>79 333</b>	<b>2 218</b>	<b>6 291</b>	<b>274</b>	<b>4 498</b>	<b>2 528</b>	<b>1 877 100 897</b>
Asset financing								
Owned	3 878	5 958	2 218	6 291	274	4 498	1 469	1 877 26 463
PFI contracts	-	73 375	-	-	-	-	1 059	- 74 434
<b>Net book value at 31 March 2024</b>	<b>3 878</b>	<b>79 333</b>	<b>2 218</b>	<b>6 291</b>	<b>274</b>	<b>4 498</b>	<b>2 528</b>	<b>1 877 100 897</b>

HSE's headquarters is situated in Redgrave Court, Bootle. It was constructed under the Private Finance Initiative (PFI) and is owned by Bootle Accommodation Partnerships Ltd (BAPL), which provides HSE with serviced accommodation. The open market value of Redgrave Court is £8.3 million (£9.3 million 2022/23) at the latest interim desktop revaluation completed by Cushman and Wakefield at 31 March 2024. This is significantly lower than the outstanding repayment liability to the contractor for the remainder of the 30-year PFI agreement. The construction cost to the contractor was approximately £60 million.

Jones Lang LaSalle Ltd (JLL) provide HSE with a professional and independent valuation service. They carried out an interim desktop valuation of the PFI building at the Buxton Laboratory site as at 31 March 2024. The valuation was based on a depreciated replacement cost (DRC) basis and provides a value of £63.3 million (£60.5 million 2022/23) once adjusted for irrecoverable VAT on build costs. The valuation considers the rebuild costs of the building and factors in age of the facility and an estimation for functional obsolescence.

<i>Building</i>	<i>Last full revaluation date and professional valuation service</i>
Redgrave Court, Bootle	31 January 2020 – Cushman & Wakefield
Health and Safety Laboratory, Buxton	31 January 2020 – Jones Lang LaSalle Ltd
Priestly House, Basingstoke	31 January 2021 – Carter Jonas



2022/23	Land	buildings	Leasehold	Information	Motor	Plant	Furniture	Assets	Total
	£'000	£'000	improve- ments	technology	vehicles	and machinery	and fittings	under construction	£'000
Cost or valuation opening balance at 31 March 2022	3 713	84 926	9 994	13 812	1 325	21 965	8 722	3 480	147 937
Transferred to Right of Use (Note 8)	-	(1 150)	-	-	-	-	-	-	(1 150)
Cost or valuation opening balance at 1 April 2022	3 713	83 776	9 994	13 812	1 325	21 965	8 722	3 480	146 787
Reclassifications	-	(69)	150	2 289	-	342	-	(2 712)	-
Additions	-	71	6	650	-	679	82	3 223	4 711
Revaluations	315	(5 261)	-	-	-	-	-	-	(4 946)
Disposals	-	-	-	(1 818)	(309)	-	(247)	-	(2 374)
Balance at 31 March 2022	4 028	78 517	10 150	14 933	1 016	22 986	8 557	3 991	144 178
Depreciation opening balance 31 March 2022	-	1 097	7 172	9 391	840	18 131	5 035	-	41 666
Transferred to Right of Use (Note 8)	-	(34)	-	-	-	-	-	-	(34)
Depreciation opening balance 1 April 2022	-	1 063	7 172	9 391	840	18 131	5 035	-	41 632
Reclassifications	-	-	-	-	(2)	2	-	-	-
Charge	-	2 276	487	1 701	81	751	637	-	5 933
Revaluations	-	(1 801)	-	-	-	-	-	-	(1 801)
Disposals	-	-	-	(1 818)	(180)	-	(260)	-	(2 258)
Accumulated depreciation at 31 March 2023	-	1 538	7 659	9 274	739	18 884	5 412	-	43 506



## 7 Intangible assets

Intangible assets comprise purchased software licences, development costs for websites that deliver services and internally developed software.

<i>2023/24</i>	<i>Websites</i>	<i>Purchased software</i>	<i>Internally developed digital systems</i>	<i>Payments on account and assets under development</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Cost or valuation at 1 April 2023</b>	711	4 164	526	817	6 218
Reclassifications	90	-	6 116	(6 206)	-
Additions in year	-	-	-	7 032	7 032
Disposals	-	(403)	-	-	(403)
<b>Balance at 31 March 2024</b>	<b>801</b>	<b>3 761</b>	<b>6 642</b>	<b>1 643</b>	<b>12 847</b>
<b>Amortisation at 1 April 2023</b>	<b>711</b>	<b>3 842</b>	<b>450</b>	<b>-</b>	<b>5 003</b>
Charge in year	45	250	324	-	619
Disposals	-	(403)	-	-	(403)
<b>Accumulated amortisation at 31 March 2024</b>	<b>756</b>	<b>3 689</b>	<b>774</b>	<b>-</b>	<b>5 219</b>
<b>Net book value at 31 March 2024</b>	<b>45</b>	<b>72</b>	<b>5 868</b>	<b>1 643</b>	<b>7 628</b>

<i>2022/23</i>	<i>Websites</i>	<i>Purchased software licences</i>	<i>Internally developed software</i>	<i>Payments on account and assets under construction</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Cost or valuation at 1 April 2022</b>	711	4 694	537	96	6 038
Reclassifications	-	107	(11)	(96)	-
Additions in year	-	-	-	817	817
Disposals	-	(637)	-	-	(637)
<b>Balance at 31 March 2023</b>	<b>711</b>	<b>4 164</b>	<b>526</b>	<b>817</b>	<b>6 218</b>
<b>Amortisation at 1 April 2022</b>	<b>646</b>	<b>3 991</b>	<b>431</b>	<b>-</b>	<b>5 068</b>
Charge in year	65	488	19	-	572
Disposals	-	(637)	-	-	(637)
<b>Accumulated amortisation at 31 March 2023</b>	<b>711</b>	<b>3 842</b>	<b>450</b>	<b>-</b>	<b>5 003</b>
<b>Net book value at 31 March 2023</b>	<b>0</b>	<b>322</b>	<b>76</b>	<b>817</b>	<b>1 215</b>

## 8 Leases

### 8a Right-of-use assets

<i>2023/24</i>	<i>Buildings</i> <i>£'000</i>
<b>Cost balance at 1 April 2023</b>	<b>21 066</b>
Additions in year	<b>1 269</b>
Revaluations in year	<b>228</b>
Disposals in a year	<b>(826)</b>
<b>Cost balance at 31 March 2024</b>	<b>21 737</b>
<b>Amortisation balance at 1 April 2023</b>	<b>2 710</b>
Charge in year	<b>2 742</b>
Disposals in year	<b>(714)</b>
Revaluations in year	<b>-</b>
<b>Accumulated amortisation balance at 31 March 2024</b>	<b>4 738</b>
<b>Net book value at 31 March 2024</b>	<b>16 999</b>

### 8b Lease liabilities

	<i>31 Mar</i> <i>2024</i>	<i>31 Mar</i> <i>2023</i> <i>Restated*</i>
	<i>£'000</i>	<i>£'000</i>
<b>Gross liabilities</b>		
Not later than one year	<b>2 866</b>	2 811
Later than one year and not later than 5 years	<b>9 209</b>	8 701
Later than 5 years	<b>11 268</b>	12 884
<b>Total gross liabilities</b>	<b>23 343</b>	24 396
<b>Less: interest element</b>	<b>(5 447)</b>	(5 657)
<b>Present value of lease obligation</b>	<b>17 896</b>	18 739

\*Gross liabilities previously stated net of interest element

## 8c Rental income from sub-leases

As at 31 March 2024, HSE had granted leases for buildings with rental income expected to be received, which falls due as shown below.

<b>Income from rental under operating leases for the following periods comprise:</b>	<i>31 Mar</i> <i>2024</i> <i>£'000</i>	<i>31 Mar</i> <i>2023</i> <i>£'000</i>
Not later than one year	<b>7 691</b>	7 200
Later than one year and not later than 5 years	<b>5 723</b>	2 283
Later than 5 years	-	-
<b>Total committed</b>	<b>13 414</b>	9 483

## 9 Trade receivables and other current assets

	<i>31 March</i> <i>2024</i> <i>£'000</i>	<i>31 March</i> <i>2023</i> <i>£'000</i>
<b>Amounts falling due within one year</b>		
Trade receivables*	<b>19 902</b>	<b>17 122</b>
Deposits and advances	<b>420</b>	<b>459</b>
Accrued income*	<b>26 013</b>	<b>22 911</b>
Prepayments	<b>3 655</b>	<b>2 891</b>
VAT	<b>6 002</b>	2 840
Other receivables	<b>999</b>	145
	<b>56 991</b>	46 368
<b>Amounts falling due after more than one year</b>		
Trade receivables	<b>2 106</b>	1 507
Deposits and advances	-	<b>1</b>
	<b>2 106</b>	<b>1 508</b>
<b>Total</b>	<b>59 097</b>	<b>47 876</b>

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\* The trade receivables and accrued income balances at 31 March 2024 are stated net of expected future credit losses. These amount to £10,001k (31 March 2023 £9,370k) regarding trade receivables and £765k (31 March 2023 £1,019k) of accrued income.

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## ***Contract assets***

IFRS 15 Revenue from contracts with customers requires disclosure of contract assets (which are shown below) and contract liabilities (included below in Note 11).

HSE's contract assets represent our right to payment for goods or services which have been provided to customers and are conditional on the completion of further work to satisfy our performance obligations. These relate to services provided to customers on a commercial basis and are included within the accrued income balance above.

At 31 March 2024, the accrued income balance relating to commercial work where further work must be completed before we are able to invoice customers is £2.2 million (31 March 2023 £1.6 million). These balances are distinct from other receivables for which only the passage of time is required before consideration is due from customers or dutyholders.

Income which is expected to be recognised in future years related to performance obligations that are partially unsatisfied at the reporting date:

<i>Recognised:</i>	<i>31 March 2024</i>		<i>31 March 2023</i>	
	<i>Within 1 Year</i>	<i>More than 1 Year</i>	<i>Within 1 Year</i>	<i>More than 1 Year</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Commercial contracts	2 605	29	4 521	505

## 10 Cash and cash equivalents

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>£'000</i>	<i>£'000</i>
Opening balance	<b>(110)</b>	<b>832</b>
Net change in cash and cash equivalent balances	<b>26</b>	<b>(942)</b>
<b>Closing balance *</b>	<b>(84)</b>	<b>(110)</b>

\* The closing balance at 31 March 2024 is an overdraft. We have disclosed this within Note 11 Trade and other payables.

All cash is held within the Government Banking Service.

## 11 Trade and other payables

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>£ '000</i>	<i>£'000</i>
<b>Amounts falling due within one year</b>		
Taxation and social security	<b>3 426</b>	3 897
Pension contributions	<b>3 559</b>	3 801
Trade payables	<b>3 807</b>	7 500
Accruals	<b>22 856</b>	24 817
Deferred income	<b>9 509</b>	7 171
Capital accruals	<b>2 637</b>	2 866
PFI contracts	<b>8 598</b>	3 687
Lease liabilities	<b>2 595</b>	2 510

	<i>31 March</i> 2024	<i>31 March</i> 2023
Balance with Government Banking Service*	<b>84</b>	110
	<b>57 071</b>	56 359
<b>Amounts falling due after more than one year</b>		
Imputed finance lease element of PFI contracts **	<b>127 225</b>	71 058
Lease liabilities **	<b>15 301</b>	16 229
	<b>142 526</b>	87 287
<b>Total</b>	<b>199 597</b>	143 646

\* Cash and cash equivalents – See Note 10

\*\* PFI and lease liabilities details can be found in Notes 8 and 14

### ***Contract liabilities***

IFRS 15 revenue from contracts with customers requires disclosure of contract assets included in Note 9 and contract liabilities. HSE's contract liabilities reflect our obligations to transfer goods or services to customers where we have been prepaid. These are accounted as deferred income in the table above and total £9.5 million (31 March 2023 £7.2 million).

## **12 Provisions for liabilities and charges**

### ***Provision for retired Chairs' pension***

For HSE Chairs appointed before 2008, provision has been made for their pensions in HSE's accounts as if they were members of the PCSPS.



	<b>2023/24</b>	2022/23
	<b>£'000</b>	£'000
Balance at 1 April 2023	<b>989</b>	1 185
Released in year	<b>(26)</b>	(128)
Utilised in year	<b>(76)</b>	(68)
Balance at 31 March 2024	<b>887</b>	989
Expected timing of future payments:		
Falling due within one year	<b>81</b>	76
Falling due after more than one year	<b>806</b>	913

## 13 Capital commitments

	<b>31 March</b>	31 March
	<b>2024</b>	2023
	<b>£'000</b>	£'000
<i>Contracted commitments not otherwise included in these financial statements</i>		
Property, plant and equipment	<b>2 864</b>	2 395
Intangible assets	<b>5 503</b>	1 462
<b>Total commitment</b>	<b>8 367</b>	3 857

## 14 Commitments under PFI contracts

Note 2 shows the remeasurement of HSE's PFI liability following transition to IFRS 16. Comparators within this note are stated under IAS 17, because the FReM requires the remeasurement to be implemented prospectively at 1 April 2023. HSE must disclose the total contractual commitments measured at current prices at the reporting date, including commitments regarding ongoing service elements of the contract.

HSE has entered into the following contracts let under the Private Finance Initiative that have been assessed under IFRIC 4; IFRIC 12; IAS 16 and IFRS 16.

### ***Redgrave Court (Bootle)***

The 30-year contract with Kajima Development (Bootle Accommodation Partnerships) Ltd for the provision of fully serviced accommodation runs from May 2005 to May 2035.

### ***HSE Science and Research Centre (Buxton)***

With effect from 28 October 2004, HSE took occupation of serviced accommodation for laboratory and support functions. This was provided under a 32 years and 29 weeks term, 'design, build, finance and operate' contract with Investors in the Community (Buxton) Limited. The design and build period before occupation was 2 years and 29 weeks.

### ***Charge to the Statement of Comprehensive Net Expenditure and future commitments***

The total amount charged in the Statement of Comprehensive Net Expenditure regarding the service element of PFI contracts was £11.5 million (2022/23 £18 million) and the payments to which HSE is committed are as follows:

	<b>31 March 2024 £'000</b>	<b>31 March 2023 £'000</b>
Not later than one year	<b>12 074</b>	18 736
Later than one year and not later than 5 years	<b>50 520</b>	77 249
Later than 5 years	<b>72 779</b>	144 649
<b>Total committed</b>	<b>135 373</b>	240 634

### ***Total finance lease obligations under the On-Statement of Financial Position PFI contract***

Total obligations for the following periods comprise:

<i>Gross liabilities</i>	<b>31 March 2024 £'000</b>	<b>31 March 2023 £'000</b>
Not later than one year	9 192	8 943
Later than one year and not later than 5 years	41 288	34 970
Later than 5 years	95 620	71 630
<b>Total committed</b>	<b>146 100</b>	<b>115 543</b>
Less interest element	(10 277)	(40 800)
<b>Present value of obligations</b>	<b>135 823</b>	74 743

<i>Present value of obligations</i>	<b>31 March 2024 £'000</b>	<b>31 March 2023 £'000</b>
Not later than one year	<b>8 598</b>	3 685
Later than one year and not later than 5 years	<b>38 654</b>	16 778
Later than 5 years	<b>88 571</b>	54 280
<b>Total present value of obligations</b>	<b>135 823</b>	74 743

## 15 Other financial commitments

HSE has entered into non-cancellable contracts (which are not leases or PFI contracts) for:

- ancillary services which are provided alongside the rental of buildings (service charges, insurance and business rates);
- IT managed services;
- pesticide testing services;
- regulatory training modernisation;
- call-centre services;
- services provided by Shared Services Connected Limited and Software as a Service.

	<i>31 March</i> <b>2024</b> <i>£'000</i>	<i>31 March</i> <b>2023</b> <i>£'000</i>
Not later than one year	<b>12 448</b>	12 984
Later than one year and not later than 5 years	<b>9 553</b>	11 265
Later than 5 years	<b>6 901</b>	7 024
<b>Total committed</b>	<b>28 902</b>	31 273

## 16 Related party transactions

HSE is a Crown Non-Departmental Public Body and is sponsored by DWP, which is regarded as a related party. During the year, HSE had transactions on an arm's-length basis with DWP that mainly related to the sharing of premises

costs. HSE has also received significant funding from the Department of Levelling Up, Housing and Communities (DLUHC) for its Building Safety Regulator functions.

HSE has an agreement with the Department for Food and Rural Affairs (Defra) in relation to the funding and delivery of competent authority functions carried out by HSE for pesticides, plant protection products and detergents, as well as the functions of 'the Agency' and enforcing authority for UK REACH. The agreement covers these functions across England, Scotland, Wales and Northern Ireland.

HSE sublets a significant proportion of its PFI accommodation at Redgrave Court to the Office for Nuclear Regulation, the Home Office, HM Passport Office and DWP through property leases.

In addition, HSE had transactions with other government departments and other central government and public bodies, none of which are considered material.

HSE retains a fully updated Register of Interests. During the year, we had material transactions with one organisation for which Board or Executive Directors have declared a related party interest. Professor Andrew Curran, HSE's Director of Science and Chief Scientific Advisor, is an Honorary Professor at University of Manchester, for which he receives no remuneration. During 2023/24, the

University of Manchester has delivered scientific research work on behalf of HSE, with a value of £553k. To manage the potential conflict of interest, Professor Curran has not been involved in reviews of tenders where University of Manchester have bid for work. Details of remuneration for key management personnel can be found in the remuneration and staff report within the accountability report.

## **17 Contingent liabilities**

There were no civil claims against HSE as at 31 March 2024.

## **18 Financial instruments**

As the cash requirements of HSE are met through the Parliamentary Estimate process, financial instruments play a much more limited role in creating or changing risk than would apply to a private-sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with HSE's expected purchase and usage requirements. HSE is therefore exposed to little credit, liquidity, exchange rate or market risk.

## **19 Third-party assets**

The Gas Safe Register Service Concession Agreement (SCA) operates a profit-capping mechanism known as Gain Share. Revenue that

qualifies as Gain Share is shared between the service provider (if they meet certain performance criteria) and Funds for Distribution. Funds for Distribution are administered by HSE under the terms of the SCA and are reviewed by the Gain Share Governance Board before Executive Management Committee approval. At 31 March 2024, the balance within the Gain Share account was £141k. As the funds cannot be used by HSE, this a third-party asset which is not recognised within HSE's Statement of Financial Position.

## **20 Events after the reporting period**

The date on which these accounts are authorised for issue is the date of the Certificate and Report of the Comptroller and Auditor General.







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